New Treasury Department Data Show Homeowner Assistance Fund Kept More Than 500,000 Families In Their Homes

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Alongside data, Treasury Department releases new blog post detailing how the Biden-Harris Administration learned lessons from the 2007-2008 financial crisis to build an effective and lasting foreclosure prevention program that kept more families housed

WASHINGTON – Today, the U.S. Department of the Treasury released Homeowner Assistance Fund (HAF) data through December 31, 2023, which shows the American Rescue Plan (ARP) program has distributed $6.6 billion to more than 500,000 homeowners at risk of foreclosure to keep families in their homes and increase housing stability. Through the end of 2023, HAF recipients expended 77% of HAF award funding, including 22 states and two U.S. territories that have used all available funding.

"The Biden-Harris Administration helped to prevent foreclosures and increased housing stability nationwide by keeping half a million families in their homes," said Deputy Secretary of the Treasury Wally Adeyemo. "The Treasury Department is working to ensure limited remaining American Rescue Plan funds are delivered to homeowners most in need."

Over the past three years, the speed and strength of the Biden-Harris Administration's economic agenda prevented the worst outcomes anticipated from the COVID-19 shock and fostered the fastest – and fairest – economic recovery in recent history. During this recovery, the Treasury Department encouraged communities to address housing supply needs by making innovative use of ARP funds, like those available in the HAF program, complementing Administration-wide efforts to help families nationwide remain in their homes. Along with the new data, the Treasury Department is releasing a new blog post detailing how HAF's success is attributable to the lessons learned from the 2007-2008 financial crisis and its devastating impact on the housing market. In contrast to earlier federal programs, HAF was designed to reach homeowners most in need by including flexibilities to address the urgent needs of communities and encouraging streamlined communication and innovative approaches to provide assistance to homeowners much faster than during the previous recession.

In leading HAF's implementation, the Treasury Department has helped states find new ways to connect to hard-to-reach populations, including setting up programs that include culturally and linguistically relevant outreach, adjusting operations to reduce unduly burdensome application requirements, ensuring flexibilities to meet evolving local needs, and streamlining communication with servicers to more quickly get mortgage assistance to homeowners. These efforts have combined with a strong push for jurisdictions to invest in housing stability services like housing counseling and legal aid to keep families in their homes. As a result, the data show that HAF programs are reaching a higher proportion of economically vulnerable and traditionally underserved homeowners than previous federal mortgage assistance efforts. Through December 2023, 54% of HAF assistance was delivered to very low-income homeowners, defined as homeowners earning less than 50% of the area median income. Demographically, 40% of homeowners assisted self-identified as Black, 20% self-identified as Hispanic/Latino, and 63% self-identified as female. These demographic trends have been consistent throughout the three years of the Treasury Department's administration of the HAF program.

The Treasury Department's HAF program has also provided communities with significant resources to support housing stability throughout the country, including flexibilities to support non-mortgage expenses associated with homeownerships. Currently, the spending on non-mortgage assistance for states, Tribal governments, and territories totals over $800 million, including: $363 million in property taxes, $208 million in utility payments, and $43 million in home repairs to maintain the habitability of the home. Treasury's HAF program has also given state HAF recipients the resources needed to fund $45 million in housing counseling and $37 million in legal aid to set homeowners up for longer term housing stability.

Examples of states that have demonstrated particular success in deploying HAF assistance to prevent foreclosures, reach particularly vulnerable communities, and keep families in their homes include:

- **South Carolina** found that using a fact-specific zip code proxy to determine whether an applicant lives in a very low-income geographic census tract with high risks of housing instability allowed South Carolina's HAF program to more effectively serve more low-income homeowners in the state, especially in harder to reach rural areas.
- **Indiana** allowed applicants who receive federal benefits such as the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), or Temporary Assistance to Needy Families (TANF) to

provide a copy of their approval letter from one of the federal programs as a fact-specific proxy to verify their income eligibility, streamlining applicant eligibility screening processes for staff and simplifying documentation requirements for applicants.

- During the course of the HAF program, the mortgage market shifted. Higher interest rates made it more difficult for homeowners to achieve mortgage relief through refinancing or loss mitigation. **New Hampshire's** HAF program loosened and then later removed a requirement that applicants had to go through the loss mitigation process before applying for HAF assistance, quickly removing a barrier that had delayed homeowners from getting needed assistance.

HAF is one of several ARP programs the Treasury Department administers that has helped state, Tribal, and territorial governments significantly improve housing stability across the country. For example, through the State and Local Fiscal Recovery Funds (SLFRF) program, communities have budgeted $18.5 billion for nearly 3,000 housing projects through September 30, 2023. This includes $7 billion specifically for the construction and preservation of affordable housing. Earlier this month, the Department updated SLFRF's program guidance to make it easier for recipients to use their remaining SLFRF award funds to construct affordable housing.

HAF is also a key component of the Biden-Harris Administration's efforts to help families across the country remain in their homes, which included increased options for mortgage payment forbearance, enhanced loan modifications to resolve delinquencies, and a foreclosure moratorium. As many foreclosure protections wound down in early 2022, HAF programs stepped in to provide timely assistance informed by earlier housing initiatives. The combination of these programs has resulted in historically low foreclosure filings; according to Black Knight data, January 2024 foreclosure starts remained about 30% below pre-pandemic levels. Recently, the Treasury Department announced additional efforts to increase the supply of housing in communities across the country and strengthen housing security for all Americans.

Homeowner Assistance Fund Quarterly Data through Q4 2023 is available here XLS.

More information on the Homeowner Assistance Fund is available here.

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