

PUERTO RICO HOMEOWNER
ASSISTANCE PROGRAM

AUTORIDAD PARA EL
FINANCIAMIENTO
DE LA VIVIENDA
DE PUERTO RICO



HOMEOWNER ASSISTANCE FUND
COLLABORATION AGREEMENT

(April 27, 2022)

COLLABORATION AGREEMENT made on this date _____
("Agreement Date") between _____ ("Servicer") and the
Commonwealth of Puerto Rico acting by and through The Puerto Rico Homeowner
Assistance Program ("PRHAP" or "Program"), administered by The Puerto Rico Housing
Finance Authority ("PRHFA" or "Program Administrator").

BACKGROUND

1. Pursuant to Section 3206 of the American Rescue Plan Act of 2021, Congress established in the Department of the Treasury and funded a Homeowner Assistance Fund ("HAF") to mitigate financial hardships associated with the coronavirus pandemic by providing appropriated funds to eligible entities for, among other purposes preventing homeowner mortgage delinquencies, defaults, and foreclosures through "qualified expenses" related to mortgages and housing, which include financial assistance to allow a homeowner to reinstate a mortgage and/or enable to pay other housing-related costs related to a period of forbearance, delinquency, or default.
2. The Puerto Rico Homeowner Assistance Program ("PRHAP") is a Mortgage Assistance Program, adopted by The Puerto Rico Housing Finance Authority ("PRHFA" or "Program Administrator"), a participating agency for the distribution of certain of the HAF funds. The PRHAP will guide such distribution of funds which is incorporated and become part of this contract.
3. Servicer services residential mortgage loans of borrowers who are delinquent or in default, forbearance, or deferral and who may be eligible for the receipt of HAF funds from the PRHAP.
4. PRHAP and the Servicer desire to cooperate to facilitate the timely distribution of HAF funds to Servicer for the account of eligible borrowers to enable the borrower to cure outstanding arrearages and cause the reinstatement of the mortgage loan or to pay other housing-related costs related to a period of forbearance, delinquency, or default assistance, in accordance with the principles and processes outlined in this Agreement.

UNDERSTANDINGS

The PRHAP and Servicer acknowledge and agree that:

1. As between Servicer and the PRHAP, the Program has sole responsibility to determine whether a borrower is eligible for HAF funds and, if so, the amount that will be awarded to each participant and for what purpose(s).
2. As between Servicer and the PRHAP, Servicer has sole responsibility to administer and service the mortgage loan as to which a borrower may be eligible for HAF funds, including to determine the amounts of either any outstanding arrearages that the borrower may owe on a mortgage loan in order to reinstate the mortgage loan or to enable the borrower to pay other housing related costs related to a period of forbearance, delinquency, or default.
3. Servicer administers and services any such mortgage loan in accordance with applicable law, a third-party servicing agreement, applicable insurance policies, and potentially other contractual requirements. Nothing in this Agreement is intended to require, or will require, Servicer to violate or breach these requirements.
4. The PRHAP, may contact Servicer, or Servicer, with proper authorization from the borrower, may contact the PRHAP, about the potential availability of HAF funds to cure a particular borrower's arrearages or to pay other housing-related eligible expenses related to a period of forbearance, delinquency, or default.
5. Servicer, after having received written consent from the borrower through the "Homeowner Consent Form", which has been included and forms part of this Agreement as Exhibit A, will be authorized to share with the PRHAP information about the status of borrower's mortgage loan, which will be shared through a mutually agreeable form of Common Data File (CDF), or other mutually agreed upon format, within fifteen (15) business days. The PRHAP will evaluate such information, determine if the borrower is eligible for HAF funds and, if so, the amount of subsidy to be allocated and the purpose(s). The PRHAP will share said determination with the borrower and Servicer.
6. Once the PRHAP and Servicer begin to share information about the status of a borrower's mortgage loan, Servicer, in accordance with Fannie Mae Lender Letter (LL-2021-02), as amended on April 6, 2022, will be required to place a sixty (60) business day hold on mortgage loans. This hold requires that Servicer delay initiating any judicial or non-judicial foreclosure process, moving for a foreclosure judgement or order of sale or executing a foreclosure sale during this time, and is applicable to order of sale that are not imminent within seven (7) calendar days.

7. If the amount of approved HAF funds is insufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, the PRHAP may consult with the borrower to discuss willingness and ability, either directly or through other third parties, to supplement available HAF funds to cure such arrearage or pay other outstanding amounts due under the mortgage loan, and the PRHAP will notify Servicer.
8. If the amount of approved HAF funds is sufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, either alone or in combination with any other funds payable by or on behalf of the borrower, the PRHAP and Servicer will cooperate to facilitate the timely distribution of HAF funds by the PRHAP to Servicer for the account of the borrower and the timely application by Servicer of such funds (and any other funds paid by or on behalf of borrower) to the account of the borrower, in accordance with applicable law and servicer's standard policies and procedures for handling mortgage payments.
9. Both Servicer and the PRHAP agree that time is of the essence in the determination of a borrower's eligibility for HAF and the subsequent distribution and application of funds. Servicer will process payment of sufficient HAF funds to the account of the borrower within fifteen (15) business days, and this will be governed by applicable law.
10. Subject to the receipt of a completed and signed "Agreement for Automated Clearing House Payments (Direct Deposit)", which has been included and forms part of this Agreement as Exhibit B, authorizing the PRHAP to initiate credits to the financial institution indicated. The PRHAP will remit approved HAF funds to the Servicer within a timely manner, and Servicer will be obligated to remit back to the PRHAP all funds that disbursed to Servicer in error within fifteen (15) business days.
11. All communication that includes borrower's "Nonpublic Personal Information" between the PRHAP and Servicer will be through encrypted email, secure loan port or other similar secure electronic delivery system. In accordance with HUD, privacy, telemarketing, and information security laws, regulations, and guidelines. The PRHAP and Servicer will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, including, without limitation, appointing a manager or group to coordinate compliance with the confidentiality obligations herein, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial

harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards. For the purposes of this Agreement, the term “Nonpublic Personal Information” is any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother’s maiden name, social security or identification number, transactional, employment, or financial data, medical or health records, personal, gender, political, profile, account, and password information.

12. Execution of this Agreement is voluntary and either party may cancel this Agreement without cause with no less than thirty (30) days written notice.
13. The PRHAP must secure written authorization from each borrower to share information and receive a copy of the signed Homeowner Consent Form.
14. Allowable uses of the Puerto Rico Homeowner Assistance Program funds by Servicer are: (i) reinstatement payments for a period of forbearance, delinquency, or default, (ii) mortgage payment assistance for principal, interest, taxes, and insurance (PITI) for first and second mortgage, (iii) homeowner’s insurance, flood insurance, and mortgage insurance, and (iv) real estate property taxes to prevent homeowner tax foreclosure.
15. Servicer and the PRHAP may agree for the provision of reports and other information in mutually agreeable form and content relating to the subject of this Agreement. Once requested by the PRHAP, Servicer will be required to provide said reports and information within fifteen (15) business days.
16. The PRHAP is responsible for determining the eligibility of the borrower for the HAF program and any related fraud detection. Servicer will not be required to repay amounts applied to a borrower’s loan if borrower is later determined to be ineligible.
17. If the PRHAP receives a CDF “W record”, indicating that the borrower’s application has been withdrawn, after funds have been disburse, Servicer will be required to remit all the funds within fifteen (15) business days.

18. Where applicable, Servicer will conduct any transfer of servicing rights pertaining to mortgage loans covered under this Agreement in accordance with Regulation X implementing the Real Estate Settlement Procedures Act of 1974 (RESPA).
19. Should Servicer receive more funds than needed from the PRHAP or the account of any particular borrower, Servicer will notify the PRHAP of receipt of overpayment and remit the surplus funds back to the PRHAP within thirty (30) days of receiving the funds. If the surplus funds are equal to or less than the borrower's one month's payment, Servicer does not need to remit the funds back to the PRHAP, but instead, will apply those funds to the borrower's account to pay for principal, interest, taxes, and/or insurance as may be applicable to the specific account.
20. Servicer and the PRHAP each will establish a specific point of contact for HAF cases and HAF program matters ("Servicer Point of Contact" and "PRHAP Point of Contact", respectively), whom they may change from time to time at their discretion.
21. Initially, the Servicer Point of Contact is:
- Name:
- Phone:
- Email:
22. Initially, the PRHAP Point of Contact is:
- Name:
- Phone:
- Email:
23. Servicer is not authorized or empowered to determine and/or communicate to the homeowner eligibility for HAF foreclosure prevention programs. PRHAP is not authorized or empowered to determine and/or communicate to the homeowner eligibility for foreclosure prevention programs of Servicer. PRHAP retains sole authority for its program eligibility determination and communication to the homeowner and Servicer. Servicer will communicate with borrowers and PRHAP regarding loan modification and other Servicer-driven approvals.
24. The Servicer is required to provide an alphabetical abbreviation that will not exceed six characters and represents the Servicer's name. The alphabetical abbreviation

will be used in the Common Data File (CDF) to transmit loan level details of individual borrowers.

Abbreviation: _____

PRHAP:

Puerto Rico Homeowner Assistance Program

SERVICER:

Name of Servicer

By: _____

PRHAP Official

Title:

By: _____

Servicer Official

Title

EXHIBIT A

Homeowner Consent Form Third Party Authorization

“I” and “My” means and refers to the undersigned Authorized Owner identified below.

“Provider” means the first and second mortgage lender/servicer, local tax authority, condominium/homeowner association, insurance, or utility company/servicer identified below.

“Third Party” means individually and collectively the third parties (including their employees, contractors, subcontractors, agents, successor, and assigns) identified below.

I authorize the Provider and any Third Party to obtain, share, release, discuss, and otherwise provide to and with each other and with my public and non-public personal information contained in or related my mortgage loans, utilities, insurance policies and associated premiums, property taxes, and homeowner or condo fees or charges, or other homeowner payment obligations. This information may include (but is not limited to) the name, address, telephone number, social security number, income, government monitoring information, loss mitigation application status, account balances, program eligibility, and payment activity of the Owner. I also understand and consent to the disclosure of my personal information and the terms of any applications, agreements, or other communications under Homeowner Assistance Fund Programs by Provider or State HFA to the U.S. Department of the Treasury or their agents in connection with their responsibilities under the American Rescue Plan Act of 2021.

I certify that I am an authorized owner of the property and occupy the dwelling as my primary residence. If applicable, I acknowledge that I am responsible for notifying the other co-owners of the property my participation in the Puerto Rico Homeowner Assistance Program (PRHAP), and that the Puerto Rico Housing Finance Authority (PRHFA) and its agents are not responsible or liable if I fail to comply in notifying the other co-owners of my participation in the program.

The Provider and any Third Party is authorized to take such steps as it may deem reasonable to verify the identity of a Third Party, but has no responsibility or liability to verify the identity of such Third Party. The Provider also has no responsibility or liability for what a Third Party does with such information.

Before signing this Third-Party Authorization, beware of foreclosure rescue scams!

- A HUD-approved housing counselor, HFA representative or other authorized third party may work directly with the Owner's lender/mortgage, and/or other housing related provider.
- The Owner can visit <https://www.hud.gov/findacounselor> to identify a HUD-approved housing counseling agency.
- Beware of anyone who asks for a fee in exchange for a counseling service or modification of a delinquent loan or housing-related debt.

The authorized owner must sign this Third-Party Authorization. This Third-Party Authorization is not revocable except as otherwise required by applicable law.

Other Designated Representative authorized to act on behalf of Owner:

Name and Telephone Number:

Relationship: _____

I UNDERSTAND AND AGREE WITH THE TERMS OF THIS THIRD-PARTY AUTHORIZATION:

Authorized Owner

Printed name: _____

Signature: _____

Date: _____

EXHIBIT B
AGREEMENT FOR AUTOMATED CLEARING HOUSE PAYMENTS (DIRECT DEPOSIT)
Puerto Rico Homeowner Assistance Program

| PAYEE INFORMATION | | | |
|---|--|---|--|
| Name | | | |
| Address | | | |
| Telephone Number | | FEIN/SSN | |
| E-mail Address | | | |
| Signature | | Date | |
| The Payee named above represents that it accepts the terms and conditions contained in this Agreement and authorizes IEM to initiate credits to the financial institution indicated in this Agreement and to initiate, if necessary, debit entries and adjustments for any credit entries made in error to the account. | | | |
| TYPE OF REQUEST | | | |
| <input type="checkbox"/> New Enrollment to Initiate Payment through ACH Transfer | | <input type="checkbox"/> Change Financial Institution | |
| <input type="checkbox"/> Stop Payment through ACH Transfer | | <input type="checkbox"/> Change Account Number | |
| **IF CHANGING FINANCIAL INSTITUTION OR ACCOUNT NUMBER, PLEASE PROVIDE FORMER ACCOUNT INFORMATION FOR VERIFICATION** | | | |
| FINANCIAL INSTITUTION INFORMATION | | | |
| Name | | | |
| Address | | | |
| Telephone Number | | | |
| Account Number | | Routing Number | |
| **PLEASE INCLUDE A VOIDED CHECK WITH THIS FORM** | | | |

This Agreement for Automated Clearing House ("ACH") Payments ("Agreement") sets forth the terms and conditions pursuant to which Innovative Emergency Management, Inc. ("IEM"), a Louisiana corporation with a place of business at 2801 Slater Road, Suite 200, Morrisville, North Carolina, 27560-8477 agrees to make payments through ACH transfer to the Payee named above ("Payee"). IEM will initiate payment through ACH transfer to the Payee as follows:

1. The ACH transfer will be made only to the financial institution and account number indicated on this form and IEM will rely on said information. The Payee acknowledges that any change in the information must be communicated to IEM in writing at least seven calendar days prior to the effective date of the change. IEM is not responsible for any loss that may arise by reason of mistake or fraud in connection with this information. The Payee is responsible for any loss that may arise due to IEM's reliance.
2. This Agreement will neither enlarge nor diminish the respective rights and obligations of any other agreement.
3. IEM has the right to adjust future payments if payments previously made to the Payee are found to be duplicative, in excess of requirements, fraudulent, or in error. In the event IEM is unable to adjust payments as set forth in this Agreement, and there is a duplicate payment, overpayment, fraudulent payment, or payment made in error, upon IEM's request, the Payee will promptly cause the return of funds to IEM at its designated originating financial institution.
4. IEM is responsible for the payment up to the point when the Payee's financial institution is in control of the transaction. Thereafter, all losses will be borne by the Payee and IEM will have no liability whatsoever. The electronic payments will be deemed made at such time as the Payee's financial institution and/or other entities have control of the transaction.
5. In the event that payment is not received by the Payee, the Payee must notify IEM immediately in writing and IEM will have a reasonable period of time in which to make payment. The Payee agrees not to pursue any rights or remedies for default against IEM under any agreement.
6. This Agreement is perpetual and may be terminated by either party by providing the other party with 30 days' advance notice in writing. This Agreement may be terminated immediately if IEM determines or suspects that the information provided in this Agreement is inaccurate, fraudulent, or is being used for illegal purposes.
7. IN NO EVENT WILL IEM OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS AGREEMENT TO THE PAYEE OR ANY THIRD PARTY FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES OR LOST PROFITS OR REVENUES ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE; WHETHER OR NOT THE PAYEE WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED.
8. This Agreement and all related documents, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, are governed by, and construed in accordance with, the laws of the State of North Carolina without giving effect to its conflict of law provisions to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of North Carolina.
9. This Agreement, together with any other documents incorporated by reference, constitutes the sole and entire agreement of the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter.
10. Each party will deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") in writing and addressed to the other party at the addresses set forth on the first page of this Agreement (or to such other address that the receiving party may designate from time to time). Each party will deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees prepaid), email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only upon receipt by the receiving party and if the party giving the Notice has complied with the requirements of this Section.

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