



Call GreenPath at 888-896-2711

How Does the Emergency Homeowner Loan Program Work?

The Emergency Homeowners Loan Program will offer a zero interest, forgivable bridge loan to homeowners who have experienced a substantial loss of income (a reduction of at least 15%) due to unemployment or underemployment caused by adverse economic conditions or medical condition. Approved homeowners are eligible to receive one-time EHLP assistance to pay certain arrearages to bring them current, as well as ongoing monthly assistance to help them to make their monthly first lien mortgage payments (including payments of principal, interest, taxes, and insurances). Assistance is limited to a maximum duration of 24 months, or up to a maximum loan amount of \$50,000 in mortgage payment assistance, whichever occurs first. The EHLP loan is secured by a junior lien against the approved homeowner's principal residence and is forgivable over a 5-year principal reduction period.

Under EHLP, HUD will assist borrowers in Puerto Rico and the 32 states otherwise not funded by Treasury's Innovation Fund for Hardest Hit Housing Markets program.

Approved borrowers will receive assistance under the EHLP to pay for the following expenses, and under the following terms and conditions of the loan program:

- **Arrearages:** EHLP loan assistance will help bring homeowners current by paying 100% of eligible arrearages.
- **Monthly Mortgage Payments and Borrower Contributions:** Under EHLP, the assisted homeowner's contribution to the monthly payment on their first mortgage will be set at 31 percent of their monthly income at the time of application, but in no instance will it be less than **\$150** per month. EHLP funds will be used to pay for the remaining balance.
- **Duration of Assistance/Maximum Assistance Amount:** Approved homeowners may receive EHLP assistance with monthly mortgage payments for a maximum duration of 24 months, or up to a maximum loan amount of \$50,000 in total assistance, whichever occurs first.
- **Loan Repayment Terms:** No payment is due on the EHLP Note during the 5-year term so long as the assisted borrower remains current in their monthly mortgage payments, and meets other program requirements. If the homeowner meets these conditions, the principal balance due on their EHLP loan shall decline in equal portions of twenty percent (20%) annually, until the note is extinguished and the junior lien is terminated.