

# HEMAP FACT SHEET

Provided by the Pennsylvania Housing Finance Agency



This Fact Sheet contains important information about your legal rights and ways to save your home from foreclosure. The Homeowner's Emergency Mortgage Assistance Program (HEMAP) is a state-funded loan program that offers valuable protections for homeowners and could help you keep your home. This document describes HEMAP, explains the foreclosure process and describes actions your lender may take if you choose not to apply for HEMAP or if your application is not approved. If you have additional questions about HEMAP, contact the Pennsylvania Housing Finance Agency (PHFA) toll-free at 800-342-2397 or visit the HEMAP page on our website at [www.PHFA.org/hemap](http://www.PHFA.org/hemap).

If you are not eligible for HEMAP or choose not to apply, you may wish to contact your lender directly regarding other options that may be available to stop the foreclosure of your home. It is also possible to explore options with your lender while your HEMAP application is pending.



Additionally, you may wish to consult with an attorney who can explain your rights and discuss any possible defenses to the foreclosure action. The local bar association in your county may be able to provide information about the availability of free legal services for which you may qualify.

## WHAT IS HEMAP?

The Pennsylvania General Assembly enacted Act 91 in December 1983, which created HEMAP — a state-funded program designed to assist homeowners who are suffering financial hardship and are temporarily unable to pay their mortgage due to circumstances beyond their control. PHFA administers HEMAP and determines which applications are eligible for HEMAP assistance.

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## APPLYING TO HEMAP

- Under Act 91, lenders are required to send an Act 91 Notice, which contains information about HEMAP, to homeowners facing foreclosure.
- Foreclosure is a legal process that occurs because you have missed payments or otherwise failed to perform your mortgage obligation.
- A homeowner who receives an Act 91 Notice may apply to HEMAP by having a face-to-face meeting with one of the approved consumer credit counseling agencies listed in the Notice. Face-to-face meetings may be held in person or through technological means that allow the homeowner and counselor to communicate with each other both audibly and visually.
- After receiving the Act 91 Notice, you have 30 days (plus three days for postal delivery) from the date printed on the Act 91 Notice or the postmark date on the envelope, if later, to meet with an approved counseling agency, whether in person or remotely.
- During this 33-day time period, your lender is not able to foreclose on your home.
- Meeting with a counselor is free to you and is the only

***PHFA works with a network of counseling agencies throughout the Commonwealth. In addition to helping you apply for HEMAP or securing other loss mitigation options, a counselor can assist you with budgeting, improving your credit score, as well as connect you with community resources.***

way to apply for HEMAP.

- Counselors can help you complete the application and gather any required documentation.
- Your counselor must submit your HEMAP application within 30 days of your face-to-face meeting.
- If approved, HEMAP will pay the balance of the mortgage default.

## WHAT HAPPENS AFTER YOU APPLY

- PHFA has 60 days to make a decision from the date that it receives your application.
- During these time frames, your lender may not pursue a foreclosure action against your home if your application to HEMAP remains timely.
- If you choose not to apply for HEMAP, you must cure the default within 30 days of either the date printed on your Act 91 Notice or the postmark date on the envelope, if later, otherwise your lender may pursue foreclosure.
- If your application is denied by HEMAP, your lender may begin the foreclosure process, although you do have the right to appeal the denial.



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***“If we didn’t get that HEMAP loan, we probably would have been out on the street.”***

**— HEMAP recipient**

- An appeal of the HEMAP denial to PHFA, however, will not stop the foreclosure from proceeding.

## HEMAP ELIGIBILITY CRITERIA

When reviewing an application, HEMAP loan officers consider many factors, but criteria that must be met are:

- You must live in the home.
- Your mortgage can't be more than 36 months or \$60,000 delinquent.
- You must be suffering financial hardship due to circumstances beyond your control such as job loss, reductions in pay or serious medical problems.
- You must have a reasonable prospect of resuming full mortgage payments within 36 months. This may require documentation that shows an improvement in financial circumstances in the future.

## HEMAP LOANS

There are two types of assistance available under HEMAP: non-continuing and continuing. Both methods of assistance are loans and recipients must make mandatory minimum payments of at least \$25 per month for each mortgage assisted, unless their income requires more. The interest rate on HEMAP loans is determined on an annual basis and listed at [www.PHFA.org/hemap](http://www.PHFA.org/hemap).

- A non-continuing loan is available if you only need help to get current and can resume making full mortgage payments immediately.
- A continuing loan is available if you need assistance

to bring the mortgage current and additional help with monthly mortgage payments going forward.

## CURING YOUR DEFAULT

- Curing your default means paying all amounts due to your lender including, but not limited to, delinquent payments, late charges, reasonable attorney fees and other costs.
- If you do not cure the default, your lender intends to exercise its rights to accelerate the mortgage debt, and to instruct its attorneys to file a lawsuit to foreclose on the mortgaged property. This means that the entire outstanding balance of the mortgage will be due immediately and you may lose the option to pay the mortgage in monthly installments. This may also result in your home being sold by the sheriff to pay off the mortgage debt.
- Your lender may allow you to enter into an arrangement for payment of the default through methods such as a loan modification or forbearance agreement.
- You also have the right to obtain money to pay off the mortgage debt or to have the default cured by a third party acting on your behalf.
- If you do not reach an agreement with your lender or pay the mortgage default within 30 days of the date printed on the Act 91 Notice, your lender may start legal action to foreclose on your home.
- If you default on a payment arrangement with your lender, you may still apply to HEMAP. A list of counseling agencies that can help you apply to HEMAP can be found on PHFA's website at [www.PHFA.org/hemap](http://www.PHFA.org/hemap).

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## WHAT HAPPENS IF YOUR LENDER FORECLOSES

- If legal proceedings are started against you, you have the right to go to court to assert defenses against the foreclosure action, such as the nonexistence of the default.
- If you are unable to successfully defend yourself against the foreclosure and you do not cure the default, you may have to pay reasonable attorney fees and costs actually incurred even if they exceed \$50.
- Attorney fees and costs incurred may be added to the total amount you owe the lender.
- If your lender forecloses and a judgment is entered, your home may be sold by the sheriff and the proceeds will be used to pay towards the mortgage debt.
- You will receive notice in writing of the date of the sheriff's sale.
- You have the right to cure the default and prevent the sale at any time up to one hour before the sheriff's sale, up to three times per year.
- Even after a sheriff's sale, you may still be responsible for the unpaid principal balance and all other sums due under your mortgage note.



## WHAT HAPPENS DURING AND AFTER A SHERIFF'S SALE

- At a sheriff's sale, someone else may buy your property.
- A sheriff's sale and the subsequent recording of a sheriff's deed may end your ownership of the home and your right to occupy the property.

## STILL HAVE QUESTIONS?

Contact PHFA at 800-342-2397 or visit [www.PHFA.org/hemap](http://www.PHFA.org/hemap)