

QUALIFIED EXPENSES

HAF participants may use funding from the HAF only for the following types of qualified expenses that are for the purpose of preventing homeowner mortgage delinquencies, homeowner mortgage defaults, homeowner mortgage foreclosures, homeowner loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship:

1. Mortgage payment assistance;
2. Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default;
3. Mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
4. Facilitating mortgage interest rate reductions;
5. payment assistance for:
 - a. homeowner's utilities, including electric, gas, home energy, and water;
 - b. homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b) (or any successor regulation);¹
 - c. homeowner's insurance, flood insurance, and mortgage insurance;
 - d. homeowner's association fees or liens, condominium association fees, or common charges; and
 - e. down payment assistance loans provided by nonprofit or government entities;
6. payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;
7. measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties;
8. counseling or educational efforts by housing counseling agencies approved by HUD, or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5% of the funding from the HAF received by the HAF participant;
9. reimbursement of funds expended by a state, local government, or entity described in clause (3) or (4) of the definition above of "eligible entity" during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the HAF

participant under the HAF, for a qualified expense (other than any qualified expense paid directly or indirectly by another federal funding source, or any qualified expenses described in clauses (6), (7), (8), or (10) of this definition); and

10. Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15% of the funding from the HAF received by the HAF participant.

Funding from the HAF may not be used for any use other than those provided for in this section.

Treasury will make available a form for requesting reimbursements under clause (9) above.