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Available Sources of Funds to Save A Home**Edgar Borrego**

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AVAILABLE SOURCES OF FUNDS TO SAVE A HOME

During times of economic trouble, many families struggle to pay their mortgage and their other financial obligations. Obviously, filing bankruptcy can free up funds to allow a family to pay their mortgage and not face a foreclosure. By eliminating monthly payments on debt such as credit cards, personal loans and medical bills, a homeowner will have available funds to pay their mortgage.

But what if a homeowner is still struggling to pay the mortgage even after filing for bankruptcy? Finding a part-time job or getting help from family or friends is not a practical solution for many people. Allowing a family to lose their home does not help society in general and certainly does not help the individual homeowner. Excessive foreclosures could result in an increase in homelessness in our communities. For the individual homeowner and their family, losing their home could result in mental issues such as depression and loneliness. This paper seeks to explore other options when looking for financial help to prevent the loss of a home.

Texas Homeowner Assistance Fund

In response to the COVID-19 pandemic, Congress passed The American Rescue Plan Act of 2021 which included \$9.9 billion for creation of a Homeowner Assistance Fund to be administered by the Treasury Department. This fund was established to mitigate financial hardships connected with the COVID-19 pandemic to prevent foreclosures due to hardships related to the pandemic.

This program was known in Texas as the Texas Homeowners Assistance Fund program and it gave eligible homeowners grants to cover past due mortgage payments, property taxes, and utility payments including electricity, water, and natural gas. Administered by the Texas Department of Housing and Community Affairs, this initiative aids homeowners who have experienced a qualified financial hardship. THA's most recent 2023 annual treasury report highlights that between October 1, 2022 and September 30, 2023, \$433,851,871 dollars of assistance was paid. Broken down, this encompasses 22,411 mortgages, 8,999 property taxes, 15,143 utilities, 5,178 HOA fees, and 229 property insurance, bringing a total of 39,996 homeowners aided.

Unfortunately, the THA program stopped accepting applications October 9, 2023. There is no more funding for the THA program and it is now closed as it has committed all assistance and will only make final payments to previously approved applicants. It remains to be seen if the program will be resurrected in the future.

Hardest Hit Fund

The Hardest Hit Fund (HHF) was established by President Obama in February 2010 in response to the 2007 housing crisis and is part of the Troubled Asset Relief Program. HHF provided aid to families facing economic hardship and housing market instability. HHF provided funding to states to develop "locally tailored" foreclosure prevention solutions. Originally beginning with a budget of \$1.5 billion dollars across 5 states, the program evolved to a \$9.6 billion dollar initiative reaching 18 states across the country. The states that were selected for funding were: Alabama, Arizona, California, D.C., Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina Ohio, Oregon, Rhode Island, South Carolina and Tennessee. Unfortunately, Texas was not one of those states. The states were selected based on their unemployment rates and steep home price declines of at least 20%. The program aimed to grant mortgage payment assistance for unemployed or underemployed homeowners and provide reductions in mortgage principles, among other source of assistance.

As with the Homeowners Assistance Fund, the HHF is also no longer available even in the selected states because all of the available funds have already been allocated. Both of these programs were created in response to a national crisis (the housing crisis and COVID-19), future catastrophic events will most likely result in the creation of new programs to help homeowners save their homes. We should all be on the lookout for such new programs created in response to these catastrophic events.

The Community Council Of South Central Texas, Inc.

I. Veteran's Financial Assistance Program

Under the umbrella of the Community Council of South-Central Texas, the Veteran's Financial Assistance Program provides assistance to eligible veterans, veteran's dependents, and surviving spouses. This program is supported by a grant from the Texas Veterans Commission Fund for Veteran's Assistance. The Fund for Veteran's Assistance provides grants to organizations serving veterans and the families.

Through the program, the Community Council of South-Central Texas assists beneficiaries with short term and temporary financial emergency services such as one-time utility payment aid including electric, gas, propane, water, sewer, and trash; a one-time rental or mortgage payment including rent, mortgage, late fees, application fees, or security deposits; and transportation services including bus passes, city and county transit passes, taxis, or ride shares like UBER. The Community Council of South-Central Texas does not require beneficiaries to meet a specific poverty or other income level for eligibility, rather eligibility is determined on the veteran being behind on rent, mortgage, or utilities. This program is supported by a grant from the Texas Veteran's Commission Fund for Veterans' Assistance, which provides funds to organizations serving veterans and their families.

As the organization name entails, this program provides services to the following towns in South-Central Texas: Atascosa, Bandera, Comal, Dimmit, Edwards, Frio,

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