

# August 20, 2019 Board Meeting

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Board of Commissioners Meeting – August 20, 2019 9:00 A.M. – 12:00 P.M.

MaineHousing  
353 Water Street  
Augusta  
Board Room

*MEMBERS OF THE BOARD: Lincoln Merrill, Jr. (Chair), Donna Talarico (Secretary), Thomas Davis (Vice Chair), Daniel Brennan, Laurence Gross, Henry Beck, Bonita Usher, Kevin P. Joseph*

## AGENDA

ITEM		PRESENTER
9:00	Adopt Agenda <b>(VOTE)</b>	Lincoln Merrill
	Approve minutes of June 18, 2019 meeting <b>(VOTE)</b>	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	HCV Annual PHH Plan Public Hearing	Allison Gallagher/Linda Uhl
10:00	Review and Approval of Swap and Investment Policies <b>(VOTE)</b>	Tom Cary
10:30	Commence Rulemaking – Homeless Solutions Rule <b>(VOTE)</b>	Lauren Bustard
11:00	Commence Rulemaking – Home Energy Assistance Program <b>(VOTE)</b>	Daniel Drost
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Voucher	
	Information Technology	
	Adjourn <b>(VOTE)</b>	All
	Building Committee Meeting to Follow	

*The next meeting of the Board is scheduled for September 17, 2019  
at MaineHousing, 353 Water Street, Augusta, Maine*



## Minutes of the Board of Commissioners Meeting June 18, 2019

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on June 18, 2019 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on June 7, 2019 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Laurence Gross, Donna Talarico, Thomas Davis, Bonita Usher, State Treasurer Henry Beck, and Director Dan Brennan present. Commissioner Kevin Joseph was absent. There was a quorum present.

### **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting include: Sheryl Gregory, past Commissioner; Peter Merrill, Deputy Director; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Mark Wiesendanger, Director of Development; Daniel Drost, Director of Energy and Housing Services; Troy Fullmer, Manager of HEAP and Weatherization Services; Ruth Lawson-Stopps, Director of Homeless Initiatives; Karen Lawlor, Executive Administrator; Linda Grotton, Director of Audit and Compliance; Allison Gallagher, Director of the Housing Choice Voucher Department; Cara Courchesne, Communications Coordinator; Leah Bruns, Manager of Homeless Initiatives; and Gerrylynn Ricker, Paralegal and Note taker.

Chair Merrill introduced the new Board member, Bonita Usher.

### **ADOPT AGENDA**

Chair Merrill advised the Board Members that in addition to the items on the Agenda, a video will be shown of the progress at Edison Drive. *Commissioner Gross made a motion seconded by Commissioner Davis to adopt the June 18, 2019 agenda with that addition. The vote carried unanimously.*

### **APPROVE MINUTES OF MAY 21, 2019 MEETING**

*Commissioner Gross made a motion seconded by Commissioner Talarico to accept the May 21, 2019 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

Commissioner Gross advised the Board Members that he has received a lot of comments on the QAP from people he's met socially, mostly about the cost of construction. Chair Merrill stated his daughter purchased a home using our First Time Home Buyers program and that everything went smoothly.

### **CHAIR OF THE BOARD UPDATES**

None.

## **DIRECTOR UPDATES**

Director Brennan expressed appreciation for outgoing Board Member, Sherry Gregory. He said Ms. Gregory has served on our Board with class, dignity and grace. She has been a great mentor for Director Brennan over the years. Director Brennan presented Ms. Gregory with a plaque recognizing her seventeen years of service.

Director Brennan welcomed new Commissioner Bonita Usher.

Director Brennan showed the latest video of the progress on our new building at Edison Drive.

Director Brennan reported his activities and upcoming matters as follows:

- Met with Town of Chelsea officials to discuss their affordable housing issues.
- Attended ribbon cutting ceremonies at 62 Spring Street in Auburn and Hartley Block in downtown Lewiston. Representative Jared Golden attended the Hartley Block ceremony.
- Deputy Director Peter Merrill represented MaineHousing at a renovation/rehab of an existing property in Westbrook. Senator Collins also attended.
- MaineHousing All Staff Day was held on June 4<sup>th</sup>. The focus was perspectives and the new building.
- Attended Representative Golden's presentation on lead paint in Skowhegan. Our Lead and Housing Rehab Compliance Specialist, Kin Dydasco attended as well.
- Attended the National Low Income Housing Tax Credit Conference in San Francisco.
- Governor Mills signed the heat pump bill which is going to incent the installation of 100,000 heat pumps around the State. MaineHousing is participating and hopes to install 10,000 of those.
- Director Brennan has shared with the Board Members his vision plan for the next twelve months.
- Governor Mills signed the State budget and left our HOME fund intact. Deputy Director Peter Merrill was recognized for his efforts.
- The State Low Income Housing Tax Credit bill has been receiving nice reviews, however, it has not been signed yet. The 129<sup>th</sup> Legislature adjourns June 19, 2019.
- Senator King has introduced a bill to Congress to create a task force to study the effects on people who do not have stable housing and how that impacts other areas of their lives.
- MaineHousing's Clean-Up Day is Wednesday, June 19<sup>th</sup>.
- Consolidated Plan public forums are underway. Today a forum is in Presque Isle. We have them scheduled for Bangor and Rockland.
- In July, Director Brennan will be going to the NCSHA Executive Director's Forum in Portland, Oregon as well as the Maine Affordable Public Housing Directors Forum in Fort Fairfield.

## **ADOPT CHAPTER 24 – HOME ENERGY ASSISTANCE PROGRAM RULE AND FY 2020 PROPOSED STATE PLAN**

Director of Energy and Housing Services, Daniel Drost reviewed the stakeholders' input and the comments that were received at the public hearings. Mr. Drost described the process in detail for new Commissioner Usher.

*Commissioner Gross made a motion on the Rule seconded by Treasurer Beck to repeal the existing Home Energy Assistance Program Rule, Chapter 24 of MaineHousing's rules, and replace it with the replacement Home Energy Assistance Program Rule as originally proposed and attached to the memo on adoption of the Home Energy Assistance Program Rule and Federal Fiscal Year 2020 State Plan from Chief Counsel to the Board of Commissioners dated June 12, 2019. The vote carried unanimously.*

*Commissioner Gross made a motion on the Plan seconded by Commissioner Davis to adopt the Federal Fiscal Year 2020 Home Energy Assistance Program State Plan as attached to the memo on adoption of the Home Energy Assistance Program Rule and Federal Fiscal Year 2020 State Plan from Chief Counsel to the Board of Commissioners dated June 12, 2019. The vote carried unanimously.*

### **ADOPT CHAPTER 16 – LOW INCOME HOUSING TAX CREDIT PROGRAM**

Director of Development, Mark Wiesendanger introduced himself. He explained that comments were received until the close of business on May 31<sup>st</sup>. A summary of the comments and MaineHousing staff responses are at the end of the rule. The only changes we are making to the originally proposed rule are (1) deleting the incorporation of the new IRS regulation on monitoring since the regulation may change and we have until December 31, 2020 to implement it; and (2) corrected the application deadline to Thursday, July 11, 2019. Mr. Wiesendanger reviewed the comments. Total development costs, telemedicine, smaller rural projects, limits on tax credit dollars, waivers were topics discussed.

*Commissioner Gross made a motion seconded by Commissioner Talarico to repeal the existing Low Income Housing Tax Credit Rule, Chapter 16 of MaineHousing’s rules, and replace it with the Low Income Housing Tax Credit Rule attached to the memorandum to the MaineHousing Board of Commissioners from Mark Wiesendanger and Linda Uhl dated June 13, 2019 on adoption of the 2020 Qualified Allocation Plan. The vote carried unanimously.*

### **HOUSING CHOICE VOUCHER 5 YEAR PLAN**

Director of Housing Choice Voucher, Allison Gallagher introduced herself and explained briefly for Commissioner Usher that her department administers the section 8 and STEP programs. She explained that MaineHousing will submit the 2020 PHA 5-Year and Annual Plan for the Housing Choice Voucher program to HUD in October. We will hold a public hearing at the August 20, 2019 Board Meeting and ask the Board to vote on the Plan at the September meeting. We are currently in the process of collecting feedback from the Resident Advisory Board so that we can incorporate any changes or relevant feedback into the plan prior to presenting it to the public for comment on June 29<sup>th</sup>.

*Commissioner Gross made a motion seconded by Commissioner Talarico to amend MaineHousing’s Administrative Plan for the Section 8 Housing Choice Voucher Program to: (1) include with the priority set aside available for homeless persons, STEP voucher holders who have successfully completed 18 months with the STEP program and without STEP assistance would be spending more than 30% of their family income on housing; and (2) change the subsidy standards to allocate separate bedrooms to adult family members who are not designated as a spouse or co-head of household and to children under 18 of the same gender who are 10 years apart in age. The vote carried unanimously.*

### **DELEGATION OF AUTHORITY**

Chief Counsel, Linda Uhl introduced herself and explained that the Delegation of Authority is a delegation of MaineHousing Director, Dan Brennan’s powers to staff members. It starts with the Commissioners because under our statute, the powers of MaineHousing are vested in the Commissioners. The Commissioners have delegated signing authority to the Director and the Director delegates signing authority to staff. The Delegation of Authority is updated when processes, positions, or titles change.

*Commissioner Gross made a motion seconded by Treasurer Beck to reaffirm the Commissioners’ delegation of signing authority on behalf of MaineHousing to the Director to the extent not inconsistent with the law or with policies established by the Commissioners. The vote carried unanimously.*

## **HOMELESS SOLUTIONS RULE PREVIEW**

Director of Homeless Initiatives, Ruth Lawson-Stopps introduced herself and Manager of Homeless Initiatives, Leah Bruns. Ruth told the Board Members that she wanted to discuss proposed changes to MaineHousing's Homeless Solutions Rule. She stated she will be coming to the Board in August asking permission to commence rule-making followed by a public hearing at the September meeting with rule adoption at the October meeting. The proposed changes she is looking to make involve language updates and the funding allocation mechanism. Senior Director of Programs, Lauren Bustard, Ruth and Leah have met with shelter directors to discuss the funding formula.

## **DEPARTMENT REPORTS**

Commissioner Gross asked about the Homeless Initiatives report under specifically the constituent calls. He questioned hospitals releasing people to a hotel for one night then they are on their own. Director of Homeless Initiatives, Ruth Lawson-Stopps plans on doing a deeper study into this and will bring a more extensive report to the Board when she is finished.

## **ADJOURN**

*Commissioner Gross made a motion seconded by Commissioner Davis to adjourn the meeting. The meeting was adjourned at 11:13 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Donna Talarico, Secretary



## Treasury Department Memorandum

**To:** MaineHousing Commissioners

**From:** Tom Cary, Treasurer

**Date:** August 13, 2019

**Subject:** Review and Approval of the Guidelines for the use of Interest Rate Exchange Agreements (“Swaps”) as adopted November 19, 2002 and amended November 18, 2003, June 19, 2007, May 20, 2014, and August 20, 2019

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### Background

MaineHousing adopted its initial Guidelines for the Use of Interest Rate Exchange Agreements, our policy with regard to Swaps, on November 19, 2002. The original policy was amended in 2003, 2007 and 2014. None of these amendments changed the policy in a significant way. The 2014 amendment added certain protocol contained in the Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”). Under these new rules, public sector entities like MaineHousing were required to have a Swap Advisor that is independent of the Swap Dealers and acts in the best interest of MaineHousing. The Swap Advisor must meet the standards under Dodd-Frank to be a Qualified Independent Representative (“QIR”). This Dodd-Frank amendment didn’t impact MaineHousing because on our own volition, we had employed a Swap Advisor, Lamont Financial Services, since 2002. Lamont meets the Dodd-Frank standards as a QIR.

### Swap Usage and Performance

From 2003 to 2008 MaineHousing issued approximately \$290 million in variable rate bonds. In connection with \$235 million of such variable rate bonds, MaineHousing entered into Swaps. All of these Swaps were fixed rate payer Swaps whereby MaineHousing pays a fixed rate to a Swap Counterparty. In exchange for the fixed rate payment, MaineHousing receives an indexed variable payment which was expected to approximate the variable interest rate payment on the bonds.

In 2010 we estimated in a report to the Commissioners that the synthetic rate on the \$235 million in variable rate bonds was approximately 3.50%. This was about 1.60% lower than the estimated 5.10% rate which would have been realized on fixed rate bonds, saving MaineHousing about \$3.7 million per year.

MaineHousing did not execute any Swaps between 2008 and 2014 due to the financial turmoil. Since 2014 we have executed approximately \$140 million, all of which were replacing maturing Swaps.

We currently have approximately \$180 million Swaps outstanding in connection with \$295 million variable rate bonds.

### Recommendation

We are recommending that you approve the proposed Swap Policy. The only change from the version adopted in 2014 is that we are removing the requirement to provide a report on each individual swap. This is no longer a common practice in the industry. Bond Counsel has informed us that three other state housing agencies have recently removed this requirement from their swap policies.

We feel that our current practices have served us well. The interest rate savings produced by the synthetic bonds have allowed us to create more affordable housing. Our use of variable rate bonds and swaps has been conservative and judicious.

I look forward to discussing this with you.



**Guidelines for the use of Interest Rate Exchange Agreements (“Swaps”) as adopted November 19, 2002 and Amended November 18, 2003, June 19, 2007, ~~and~~ May 20, 2014, and August 20, 2019**

Whereas, on March 19, 1996 the Maine State Housing Authority (“MaineHousing”) adopted an Investment Policy. Such Investment Policy prohibited the use of derivative investment instruments, including Swaps, without specific approval from the Board of Commissioners.

Whereas, the Board of Commissioners adopted a Supplemental Resolution to the General Mortgage Purchase (MPP) Bond Resolution on June 25, 2002 which authorizes the use of Swaps in the MPP Bond Resolution.

Whereas, MaineHousing has determined that the use of Swaps is appropriate in certain circumstances but recognizes that certain financial and legal risks can arise in connection with their use.

Whereas, MaineHousing has determined that Swaps may be useful transactions to manage asset and liabilities and as a means to hedge its interest rate risks.

Whereas, under certain market conditions MaineHousing may achieve debt service savings by using Swaps. Each of such benefits will facilitate the public purpose of programs funded in the MPP Bond Resolution.

Whereas, MaineHousing has determined to adopt Swap Guidelines in order to provide guidance and flexibility to MaineHousing as well as to facilitate the execution and administration of Swaps and compliance with applicable state and federal law.

Now, therefore, be it resolved by the Commissioners of the Maine State Housing Authority that Swap transactions by MaineHousing be subject to the following guidelines:

- 1.) Authorization for Swaps. MaineHousing will approve Swap transactions in a manner similar to the approval of bonds under the MPP, including authorization by the Commissioners in a Series Resolution. MaineHousing’s Swap Advisor, Cash Flow Consultants, Bond Counsel (as to legal matters) and MaineHousing’s Senior Investment Bankers are to review each Swap transaction.
- 2.) Ratings Maintenance. The nationally recognized rating agencies then rating the MPP Bonds shall confirm maintenance of the bond rating on the MPP before execution of any Swap in connection with a new financing.
- 3.) Swap Administrator. MaineHousing shall designate one or more officers, initially so designating the Treasurer, to act as the Swap Administrator. The Swap Administrator shall have the day-to-day responsibility and individual authority for structuring, implementing and managing swaps and legal compliance matters, and is authorized to take any actions necessary to comply with changes in law. The Swap Administrator shall be responsible for overseeing all records relating to all swaps which were in effect on or after July 10, 2010. All such records are to be accessible

within 5 business days of any request, and maintained for at least 5 years after the termination of each swap.

- 4.) Swap Advisor. MaineHousing shall engage a Swap Advisor that is independent from the Swap dealers (and not recommended to MaineHousing by any Swap Counterparty) and that has the knowledge and experience in advising state and local governments to help MaineHousing evaluate the benefits and risks of various structures. The Swap Advisor must meet the standards of a Qualified Independent Representative under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Swap Administrator shall annually review the performance of the Swap Advisor to ensure compliance with these Swap Guidelines and to evaluate the service provided by the Swap Advisor.
- 5.) Risk Assessment. MaineHousing's Cash Flow Consultants will provide the rating agencies cash flow models that assume exposure to various risks. The analytics from these professionals will be used by MaineHousing and its Swap Advisor, Senior Investment Bankers and Bond Counsel (as to legal matters) as part of a strategy to quantify and manage the legal and financial risks associated with Swaps, including, but not limited to, the following:
  - Counterparty risk (including creditworthiness, diversification of exposure and collateral requirements)
  - Termination risk
  - Basis risk (including tax risk)
  - Non-renewal risk and
  - Amortization mismatch risk

Consideration shall also be given to credit ratings assigned to MaineHousing bonds, the potential impact of the Swap on any areas where MaineHousing's financing capacity is limited whether now or in the future, the ability of MaineHousing to handle any administrative burden that may be imposed by the Swap (including accounting and financial reporting requirements), and the advice of the Swap Advisor (which advice shall include the suitability of the Swap in meeting MaineHousing's stated objectives and financial limitations, whether the Swap is fairly priced, and whether the risks of the Swap are in accordance with these Guidelines).

- 6.) Relationship to Financings. Swaps will be used by MaineHousing to achieve interest cost savings, to limit or hedge variable or fixed rate payments, and to manage its assets and liabilities, but not for speculative purposes. MaineHousing may enter into Swaps in connection with specific financings in anticipation of future financings, as part of its overall financial management program or to better manage existing assets and liabilities.
- 7.) Swap Provider Requirements. The Swap provider will be in compliance with the requirements of the applicable Supplemental Resolution.

- 8.) Procurement Procedures. All services related to a Swap transaction will be procured in a manner anticipated to provide MaineHousing with the best available terms. MaineHousing will from time to time determine the cost/benefit of adding Swap providers considering the benefits of counterparty diversification.
- 9.) Reporting and Reviews. ~~The Commissioners will receive a report of each Swap transaction in writing. This report will include a review of the financial results of the Swap transaction, an outline of the terms of the Swap transaction and the identity of the Swap provider.~~ The Commissioners, at least once a year, will receive a report detailing the performance of the outstanding Swaps.
- 10.) Valuation and Modifications. MaineHousing shall receive a quarterly (monthly) report detailing the mark to market for its Swaps. MaineHousing may make changes to its Swaps including termination, extending the final termination date, purchasing or selling cancellation options, and adjusting the Swap index. The yield implications of each such change must be considered with Cash Flow Consultants and Bond Counsel. Any change in existing swaps shall be reported to the Board.
- 11.) Evaluation of Guidelines. The Guidelines shall be evaluated on a regular basis and may be amended by the Commissioners from time to time.



## Treasury Department Memorandum

**To:** MaineHousing Commissioners  
**From:** Tom Cary, Treasurer  
**Date:** August 13, 2019  
**Subject:** Review and Approval of Investment Policy

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### Overview

In 1996 the Commissioners adopted an Investment Policy for MaineHousing. In 2006 several technical changes were approved by the Commissioners. In my opinion, the practices and strategies required by this Investment Policy served us well during the recent financial upheaval. No substantive changes are being recommended. Since 2006 we have reviewed the policy and the resulting performance as part of our financial reviews. We will be asking for formal approval of the proposed policy at the August 20, 2019 meeting.

### Background: Non-Mortgage Investments and Fund Groups

As of December 31, 2018 over \$225 million, or 80% of the total \$280 million in non-mortgage investments, were in the bond programs. Of the balance, approximately \$27 million was in MaineHousing's General Fund and \$28 million in various state and federal programs.

The oldest and largest of the bond resolutions is the Mortgage Purchase Program (MPP) which was adopted by the Commissioners in 1972. The MPP, as of December 31, 2018, had \$213 million in non-mortgage investments, or over 75% of MaineHousing's non-mortgage investments. The MPP is currently rated AA1 and Aa+ by Moody's and Standard & Poor's. One of the reasons for the high rating level is the very conservative investment restrictions of the MPP which, in substance, limit investments to direct obligations of the United States, investments guaranteed by the United States, deposits which are FDIC insured, and the obligations of certain highly rated federal agencies. Repurchase agreements or other banking arrangements which are collateralized by the aforementioned investments are also permitted. We require that all such collateral be held by our Trustee.

The attached proposed Investment Policy is an update of the 2006 version. The only significant change is that references to the Housing Finance Revenue Program, which is no longer outstanding, have been removed. The basic approach is to take the restrictions from the MPP and apply them to investments in all fund groups. A copy of the MPP's non-mortgage investment restrictions is attached.

The MPP requirements are mainly focused on the credit quality of investments. For the most part, they are silent on other important factors such as maturity matching, diversification and avoiding derivative investments. All of these factors are addressed in the proposed policy.

Recommendation

We are asking for your formal approval of the proposed Investment Policy.

I look forward to discussing this matter with you at your meeting next week.

## MAINE STATE HOUSING AUTHORITY INVESTMENT POLICY

Dated: August 20, 2019

### I. General Statement and Purpose

It is the policy of the Maine State Housing Authority (“MaineHousing”) to invest funds in a manner which will yield the highest returns while preserving the safety of the principal. Funds will be invested to comply with all of the requirements of the bond resolutions and any applicable state and federal statutes.

The Investment Policy should provide a comprehensive outline of MaineHousing’s investment practices and policies. Such outline should serve as a useful source of information to the Commissioners, the Director, rating agencies, financial institutions, auditors and bondholders.

### II. Scope

This policy applies to all investments entered into after the adoption of this instrument. Until the maturity of investments made prior to the adoption of this policy, such investments will continue to be governed by the policy in effect at the time such investments were made.

This Investment Policy will apply to all funds under the control of MaineHousing including funds in bond resolutions, funds allocable to state and federal programs and unrestricted funds in MaineHousing’s General Fund.

### III. Return on Investment

The investment portfolio shall be designed to obtain the highest available return utilizing the authorized investment vehicles and selecting maturities to accommodate cash flow needs.

### IV. Maturity Matching

It will be the general policy to invest so that such investments will mature not later than the dates on which such monies will be needed to pay debt service, to redeem bonds, to buy or make mortgages, or to pay operating or program expenses. By so doing, principal risk due to market fluctuations will be avoided.

### V. Diversification of Long Term Investments

Diversification will be managed in terms of maturity dates of long term investments as well as by issuer. It will be the policy of MaineHousing to avoid over concentration in a specific maturity or a specific issuer. From time to time, this could result in a somewhat lower yield on investments.

### VI. Collateralization

The provider of any investment-bearing time deposit, certificate of deposit, repurchase agreement or investment agreement which is required to be secured by authorized investment obligations will be required by MaineHousing, wherever practicable, to deliver the collateral to MaineHousing’s trustee where it will be held in MaineHousing’s name. This precaution is beyond the requirements of the bond resolution.

## VII. Permitted Investments

### A.) Non-mortgage Investments in Bond Resolutions

The Mortgage Purchase Program and the Bondholder Reserve Fund permit investments in direct obligations of, or obligations guaranteed by the United States of America, certain Federal Agencies, and the State of Maine. (the “Permitted Investments”).

Repurchase agreements, investment agreements, certificates of deposit and other similar banking arrangements are allowed with (a) banks that are members of the Federal Deposit Insurance Corporation (b) members of the Association of Primary Dealers in United States Government Securities or (c) with any entity whose claims paying ability or senior long term debt is rated not less than the existing rating on the bonds. The underlying securities in connections with these investments must be Permitted Investments and such underlying securities must be delivered to MaineHousing’s trustee and held in MaineHousing’s name.

### B.) Non Mortgage Investments in Other Fund Groups

Investments of monies in the General Fund or in various state and federal programs will be invested in a manner which would be permitted in a bond resolution unless prohibited by the state or federal regulations governing the funds.

## VIII. Derivative Instruments

MaineHousing will not purchase derivative investment instruments such as inverse floating rate securities, interest only (IO) or principal only (PO) mortgage backed securities or other structured notes of government agencies without specific approval of the Board of Commissioners.

## IX. Responsibilities

### A.) MaineHousing

The Treasurer is responsible for directing investments in compliance with this Investment Policy and for providing reports in connection with such investments.

### B.) The Trustee

MaineHousing’s trustee, U.S. Bank N.A. is responsible for the execution of the investment decisions of MaineHousing and for the safekeeping of investment securities or collateral. The trustee will not send any MaineHousing funds to investment providers until appropriate securities have been received from investment providers.

The trustee will be used by MaineHousing for all fund groups.

The Trustee will receive a copy of this Investment Policy and will serve as a control to insure compliance with the Investment Policy.

## X. Review

This policy will be reviewed on a regular basis.

## PERMITTED INVESTMENTS OF THE MORTGAGE PURCHASE PROGRAM

**Investment Obligations** — shall mean and include any of the following:

- (i) Direct obligations of or obligations guaranteed by the United States of America;
- (ii) Bonds, debentures, notes or participation certificates issued by any of the following Federal agencies: Bank for Cooperatives; Federal Intermediate Credit Bank; Federal Home Loan Bank System; Federal Land Banks; Export-Import Bank; Tennessee Valley Authority; the Federal National Mortgage Association or obligations thereof guaranteed by the Government National Mortgage Association; Government National Mortgage Association; Farmers Home Administration and Federal Farm Credit Banks Consolidated System;
- (iii) New Housing Authority Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Temporary Notes or Project Notes issued by Public Housing Authorities or Preliminary Loan Notes or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
- (iv) Direct and general obligations of or obligations guaranteed by the State of Maine, to the payment of the principal of and interest on which the full faith and credit of the State is pledged;
- (v) Interest-bearing time deposits, certificates of deposit or other similar banking arrangements, with the Trustee or a member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, upon the terms and conditions as follows:
  - (a) all monies invested in each such interest-bearing time deposit, certificate of deposit or other similar banking arrangement shall be continuously and fully secured by obligations of the types described in paragraphs (i), (ii), (iii) and (iv) above of a market value equal at all times to the amount of the deposit, certificate, or of the other similar banking arrangement,
  - (b) the recipient of such deposit or arrangement shall certify in writing to the Authority and the Trustee, upon the making of each such deposit or arrangement, that the interest to be earned thereon will be in excess of the interest, income or increment that would be earned by the investment of such monies in obligations of the types described in paragraphs (i), (ii), (iii) and (iv) hereof at the then current market prices, and
  - (c) each such interest-bearing time deposit, certificate of deposit or other similar banking arrangement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies; and
- (vi) Repurchase agreements or investment agreements (a) with banks which are members of the Federal Deposit Insurance Corporation, (b) with members of the association of Primary Dealers in United States Government Securities, (c) with any other entity whose claims-paying ability or senior long-term unsecured debt obligations are rated not less than each of the then existing ratings on the Bonds, (d) which are guaranteed by an entity whose claims-paying ability or senior long-term unsecured debt obligations are rated not less than each of the then existing ratings on the Bonds, or (e) which are rated not less than each of the then existing ratings on the Bonds, provided that if the repurchase agreement or investment agreement is a short-term obligation, the ratings referred to in (c), (d) or (e) hereof shall be “A-1+” or “SP-1+” or higher from Standard & Poor’s Rating Services and VMIG1, MIG1 or P1 or higher from Moody’s Investors Services, Inc., upon the terms and conditions as follows:
  - (a) all monies invested in each such repurchase agreement or investment agreement shall be continuously and fully secured by (x) obligations of the types described in paragraph (i) or (y) obligations of the types described in paragraph (ii) above which are backed by the full faith and credit of the United States of America or are rated no lower than the then existing ratings on the Bonds or whose credit quality



is considered by the rating agencies then providing ratings on the Bonds to be “consistent with” the then existing ratings on the Bonds and in each case of a market value equal at all times to the amount of the repurchase agreement or investment agreement and any such collateral shall be held by the Trustee or a third party acting solely as agent for the Trustee,

(b) the provider of such repurchase agreement or investment agreement shall certify in writing to the Authority and the Trustee or such other person as shall be acceptable to the Trustee shall certify in writing to the Trustee, upon the making of each such repurchase agreement or investment agreement, that the interest to be earned thereon will be in excess of the interest, income or increment that would be earned by the investment of such monies in obligations of the types described in paragraph (i) hereof and paragraph (vi)(a)(y) hereof, and

(c) each such repurchase agreement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies.



## Homeless Initiatives Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Lauren Bustard, Interim Director  
Homeless Initiatives

**Date:** August 9, 2019

**Subject:** 2020 Recommended Changes to the Homeless Solutions Rule

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### Background

In October of 2015, the *Homeless Solutions Rule* replaced the *Homeless Programs Rule*. The replacement rule sought to transform the homeless system to effectively prevent and end homelessness by aligning resources with new state and federal requirements and priorities, including an increased emphasis on rapid re-housing and system performance measures.

In July of 2017, definitions within the Homeless Solutions Rule were reviewed and replaced to ensure an equitable distribution of funds to Grantees.

In January of 2019, MaineHousing began another planned review of the rule, to ensure the Emergency Shelter and Housing Assistance Program (ESAHP) was operating as effectively as possible. MaineHousing solicited feedback from the Maine Shelter Network, the Statewide Homeless Council (SHC), and the Maine Continuum of Care (MCoC), inviting all participating ESHAP providers to send representatives to form the “ESHAP Working Group”. Eleven of our current twenty-four ESHAP Grantees responded, participating in five meetings from March through July of 2019.

It was evident at these meetings that the ESHAP Shelters in attendance were hopeful that their efforts would lead to a stronger shelter network statewide and the best possible outcomes for shelter guests.

### Specific Feedback from the ESHAP Working Group

Recommendations for the Rule included:

1. Continue to focus on paying for performance.
2. Continue to focus on Housing Navigators and housing stability for those exiting shelter.
3. Ensure shelter bed utilization meets contractual expectations through monitoring and technical assistance.

4. Review and update language in the Homeless Solutions Rule where appropriate. Changes proposed include:
  - a. Change “Business Associate Agreement” to “Agency Participation Agreement”.
  - b. Change “Homeless” to “Persons Experiencing Homelessness”.
  - c. Ensure gender language is appropriate, changing Section 3.M to “Provide separate accommodations for male and female consumers consistent with their gender identity”.
  - d. Change program compliance monitoring from “annually” to “at least every two years”.

### **Proposed Changes to the Homeless Solutions Rule**

1. Make the recommended changes listed under #4 above.
2. In order to address the concern regarding bed utilization, replace Section 3.F with “have admittance and stay policies that are appropriate for the population served and do not create unnecessary barriers to guests staying.”
3. Make the following changes to the Funding Formula Allocation:

#### **A. Shelter Operations**

##### Current methodology:

- An amount equal to 40% of the Funding Formula Allocation.
- Payments are based on individual shelter bed capacity (number of shelter beds) divided by total ESHAP shelter bed capacity for all shelters regardless of shelter type.

##### Proposed changes:

- Increase from 40% of the Funding Formula Allocation to 45%.
- Include a weighted bonus for shelters defined as Low Barrier. This change acknowledges the higher operating costs of Low Barrier shelters due to increased bed turnover.
- Low Barrier shelters are now defined by the Rule as follows: “Low Barrier Shelter means an Emergency Shelter that does not require any of the following for a client to stay at the shelter:
  - Criminal background checks
  - Credit checks or income verification
  - Program participation
  - Sobriety, or
  - Identification

Low Barrier Shelters may, however, enforce safety requirements for self, staff, place, and others.”

#### **B. Housing Stabilization Share**

##### Current methodology:

- An amount equal to 40% of the Funding Formula Allocation.
- Payments are based on the number of clients assessed and stabilized (defined as receiving a VI-SPDAT assessment & having a current Housing Stability Plan) divided by the total number of clients at all ESHAP shelters that were assessed and stabilized.

- In order to be eligible for this funding the shelter must also demonstrate they have met the following benchmarks:
  - 75 – 100% of clients with a stay >14 days assessed (VI SPDAT)
  - 75 – 100% of those with the VI SPDAT and a score >3 on the VI SPDAT have a Housing Stability Plan (HSP)
  - 90 – 100% with a HSP have a 30 day check in

Proposed changes:

- Increase from 40% of the Funding Formula Allocation to 45%.
- Standardize best practice when assessing people experiencing homelessness by only including assessments as valid when stayers have demonstrated 14 days of homelessness. When intervening with stayers too early in their experience of homelessness best practice strongly indicates that it can impede their ability to self-resolve a homeless episode.
- Simplify Housing Stabilization Share requirements.

**C. Performance Share**

Current methodology:

- An amount equal to 20% of the Funding Formula Allocation.
- Payments are based on achieving specific benchmarks:
  - 10% based on successfully exiting households to permanent housing. Benchmark is based on the type of shelter the client is being exited from.
  - 10% is based on the percentage of clients exited to permanent housing who return to shelter within six months. This benchmark is also dependent on shelter type.

The first benchmark currently used can inadvertently penalize shelters for factors outside of their control. For example, when working with clients at a Low Barrier Shelter best practice in relation to Housing First and Rapid Re-housing has shown that you may need to re-house someone multiple times prior to that person demonstrating an ability to remain securely housed. Alternatively, for victims of domestic violence or youth in the process of reunification it may be safer to return to shelter if their housing again becomes unsafe.

Proposed changes:

- Decrease from 20% of the Funding Formula Allocation to 10%.
- Limit to one performance measure.
  - The performance measure will give a bonus to shelters that demonstrate a less than 15% return rate of shelter stayers exited to permanent housing.



## Legal Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Lauren Bustard, Senior Director of Programs  
Linda Uhl, Chief Counsel

**Date:** August 9, 2019

**Subject:** Request to Commence Rulemaking – Homeless Solutions Rule

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On August 20, 2019, we will ask you to authorize MaineHousing to commence rulemaking to repeal and replace the *Homeless Solutions Rule*, Chapter 19 of MaineHousing’s rules. Attached is the proposed amended Homeless Solutions Rule with changes from the existing rule in redline.

We are submitting a copy of the proposed rule to the Office of the Attorney General for a legal preview. The public hearing will be held at the next meeting of the Board on September 17, 2019. Notice of the hearing will be published on our website and in newspapers statewide. The public comment period will be open for 10 days following the public hearing. If there are no significant changes to the proposed rule after the hearing and comment period, we will ask the Board to adopt the proposed rule at the October 15 Board meeting.

### **PROPOSED MOTION:**

*To authorize MaineHousing to commence the rulemaking process to repeal the existing Homeless Solutions Rule, Chapter 19 of MaineHousing’s rules, and replace it with a new Homeless Solutions Rule substantially in the form provided to the Commissioners in the Board packet and described in the memorandum from Lauren Bustard to the Commissioners dated August 9, 2019.*

## 99-346 MAINE STATE HOUSING AUTHORITY

### Chapter 19: HOMELESS SOLUTIONS RULE

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**Summary:** The Maine State Housing Authority uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness ~~or the risk of becoming homeless~~. This rule governs MaineHousing’s allocation of resources for such programs, program design, the publication and distribution of program guides, basic criteria for determining eligible recipients, and potential selection criteria. Some resources are distributed according to a funding formula set forth in the rule. Other resources may be distributed according to programs designed by MaineHousing.

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#### 1. Definitions

- A. “Act” means the Maine Housing Authorities Act, 30-A M.R.S.A. §4701, *et seq.* as amended.
- B. “Applicant” means the municipality or non-profit corporation applying for funds governed by this rule.
- C. “Bed Capacity” means the maximum number of beds in an Emergency Shelter ~~or of an Emergency Housing Provider~~ as indicated on an annual Continuum of Care Housing Inventory Count (HIC); provided, however, for purposes of this rule, the Bed Capacity of a Low Barrier Shelter means its maximum number of beds as indicated on the annual HIC multiplied by 125%.
- D. “~~Agency Participation Business Associate~~ Agreement” is a document ~~that used primarily to sets forth the obligations of service providers participating in HMIS and governs regulate~~ how information regarding clients and the services they receive is treated. ~~and governs the relationship between service providers who are exchanging information regarding clients and the services they receive.~~
- E. “Clients Assessed and Stabilized” means clients who were -assessed with housing prioritization tools after experiencing homelessness a minimum of 15 of the 90 days immediately preceding the assessment, and who are receiving housing stabilization services.
- F. “Continuum of Care” or “CoC” is the group organized to carry out the responsibilities required under the CoC Program Interim Rule (24 CFR Part 578) and comprises representatives of organizations that a collaborative funding and planning approach that helps communities plan for and provide, ~~as necessary,~~ a full range of emergency, transitional, and permanent housing and other service resources to address the various needs of Homeless Persons Experiencing Homelessness within the State of Maine. ~~HUD also refers to the group of service providers involved in the decision making processes as the “Continuum of Care.”~~

- G. “Coordinated Entry Process” means a process designed to coordinate program participant intake, assessment, and provision of referrals within the State of Maine geographic area. A Coordinated Entry Process covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
- H. “Emergency Shelter” means any facility, the primary purpose of which is to provide a temporary shelter for Homeless Persons Experiencing Homelessness or for specific populations of Homeless Persons Experiencing Homelessness and which meets the criteria set forth in section 3 of this rule.
- ~~I.~~ “Emergency Housing Provider” means ~~a provider of emergency housing in other than a fixed facility the primary purpose of which is to provide a temporary place for Homeless Persons to sleep and which meets the criteria set forth in section 3 of this rule.~~
- ~~J.~~I. “Emergency Solutions Grant” means a grant available under the federal Emergency Solutions Grants Program of the McKinney-Vento Act as amended by the HEARTH Act.
- ~~K.~~J. “Funding Formula Allocation” means an annual allocation of funds by Maine Housing for Emergency Shelters ~~and Emergency Housing Providers~~ as further described in section 4 of this rule.
- ~~L.~~K. “HEARTH Act” means the Homeless Emergency and Rapid Transition to Housing Act of 2009 (P.L. 111-22), and the regulations promulgated thereunder.
- ~~M.~~L. “HMIS” means the Homeless Management Information System as further defined in the McKinney-Vento Act as amended by the HEARTH Act.
- ~~N.~~M. “HMIS Data Standards” ~~means the provides communities with~~ baseline data collection requirements developed by each of the federal partners which require participation in HMIS, or a comparable database for those serving survivors of domestic violence, as a condition of their funding.
- ~~O.~~ “Homeless Persons” means ~~persons sleeping in a place not meant for human habitation, in an Emergency Shelter, or in other emergency housing and persons who otherwise are homeless pursuant to the HEARTH Act (42 USC §11302).~~
- ~~P.~~N. “Homeless Prevention” means activities or programs designed to prevent persons from ~~becoming Homeless Person~~experiencing homelessness including without limitation subsidies for rent, utilities, security deposits, and mortgage payments.
- ~~Q.~~O. “Housing First” is an approach to quickly and successfully connect Persons Experiencing Homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements based on the concept that a Homeless Person’s first and primary need is to obtain stable housing, and that other issues that may affect the Homeless Person can and should be addressed once housing is obtained.

~~R.P.~~ \_\_\_\_\_ “Housing Inventory Count” (HIC) is a point-in-time inventory of beds and units for ~~Homeless~~ Persons Experiencing Homelessness within a Continuum of Care categorized by five program types: Emergency Shelter; transitional housing; Rapid Re-housing; safe haven; and permanent supportive housing.

~~S.Q.~~ \_\_\_\_\_ “Housing Stabilization” means assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.

~~R.~~ \_\_\_\_\_ “HUD” means the United States Department of Housing and Urban Development.

~~T.S.~~ \_\_\_\_\_ “Low Barrier Shelter” means an Emergency Shelter that does not require any of the following for a client to stay at the shelter: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification. Low Barrier Shelters may, however, enforce safety requirements for self, staff, place, and others.

~~U.~~ \_\_\_\_\_ “Long-term Stayer” means a currently Homeless Person who has either been continuously homeless or has at least 180 cumulative emergency shelter housing stays in a twelve (12) month period of time, as defined by the Statewide Homeless Council.

~~V.T.~~ \_\_\_\_\_ “MaineHousing” means Maine State Housing Authority.

~~W.U.~~ \_\_\_\_\_ “Maine Consolidated Plan” is a plan prepared by MaineHousing and the Maine Department of Community and Economic Development (“DECD”) and approved by HUD in accordance with 24 CFR part 91. The Consolidated Plan serves as the framework for a statewide dialogue to identify housing and community development priorities that align and focus funding from the Community Development Block Grant (~~CDBG~~) Program administered by DECD, ~~and~~ the HOME Investment Partnerships (~~HOME~~) Program, the Housing Trust Fund, and the Emergency Solutions Grant ~~and~~ (~~ESG~~) Program, which are administered by MaineHousing.

~~X.V.~~ \_\_\_\_\_ “Mainstream Resources” means a variety of Federal and state benefit government assistance programs ~~Homeless~~ Persons Experiencing Homelessness may be eligible to receive. These include but are not limited to: Temporary Assistance For Needy Families (TANF), Food Supplement Program, veterans’ benefits, MaineCare, General Assistance, Supplemental Security Income Program (SSI), Social Security Disability Insurance (SSDI), and Housing Choice Vouchers Program.

~~Y.W.~~ \_\_\_\_\_ “Maine’s Job Bank” is an on-line job posting and job search system provided by Maine CareerCenter.

~~X.~~ \_\_\_\_\_ “McKinney-Vento Act” means the Stewart B. McKinney-Vento Homeless Assistance Act, 42 U.S.C. §11301 *et seq.*, and the regulations promulgated thereunder.

~~Y.~~ \_\_\_\_\_ “Persons Experiencing Homelessness” means persons sleeping in a place not meant for human habitation, in an Emergency Shelter, or in other emergency housing; persons exiting an institution where they resided for 90 days or less and who had resided in an Emergency



Shelter, other emergency housing, or place not meant for human habitation before entering that institution; and persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

- Z. "Program" means an offering of grants subject to recapture available to prospective eligible Applicants on certain terms and for certain purposes determined by MaineHousing pursuant to this rule.
- AA. "Program Guide" means the written procedural and administrative guide for a particular Program governed by the terms and conditions of this rule.
- BB. "Rapid Re-housing" means housing relocation and stabilization services and short- and/or medium-term rental assistance ~~as necessary to~~ ~~move~~ ~~help~~ Homeless Persons Experiencing Homelessness ~~move~~ as quickly as possible into permanent housing ~~and achieve stability in that housing.~~
- CC. "Regional Homeless Council" means one of the following three advisory committees concerning homelessness: Region I comprising York and Cumberland Counties; Region II comprising Androscoggin, Franklin, Kennebec, Knox, Lincoln, Sagadahoc, Somerset, Oxford, and Waldo Counties; and Region III comprising Penobscot, Piscataquis, Aroostook, Washington, and Hancock Counties.
- DD. "Shelter Operations" are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of an Emergency Shelter.
- EE. "Statewide Homeless Council" means the advisory committee created pursuant to §5046 of the Act.
- FF. "Violence Against Women Act" or "VAWA" is a United States federal law (Title IV, sec. 40001-40703 of the Violent Crime Control and Law Enforcement Act of 1994, H.R. 3355).

## 2. Eligible Applicants

To be eligible to receive funds, an Applicant must:

- A. be a non-profit corporation in good standing in the State of Maine qualified for tax exemption under 501(c)(3) of the Internal Revenue Code or a municipal corporation;
- B. be eligible in accordance with the HEARTH Act;
- C. be a provider of homeless services with at least one (1) year of experience providing emergency housing, street outreach, Homeless Prevention, or Rapid Re-housing activities;

- D. be a regular and active participant in the Maine Continuum of Care ~~or the Portland Continuum of Care~~, in accordance with ~~its~~~~their respective~~ governance charters and performance criteria;
- E. have board and or advisory board representation from ~~Homeless Persons~~ Experiencing Homelessness or formerly experiencing homelessness~~Homeless Persons~~ who are involved in policy or planning of the organization;
- F. participate in Coordinated Entry Process by entering into an Agency Participation Business Associate Agreements for sharing data and administering housing prioritization and assessment tools;
- G. have the administrative and financial management capacity necessary to administer and to account for the use of the applicable grant in accordance with the funding requirements;
- H. operate in accordance with the homelessness ~~meet the objectives and~~ strategie goals to end homelessness as outlined in the Maine Consolidated Plan;
- I. meet the objectives of the Program under which they are applying as set forth in the applicable Program Guide;
- J. participate in and meet the performance and reporting requirements of the Homeless Management Information System (HMIS) or a comparable database if the Applicant serves victims of domestic violence;
- K. not engage in any explicitly religious activities, such as worship, religious instruction, or proselytization, as part of the activities and services funded with any grant for activities or services covered by this rule; and if religious activities are offered, they must be offered at a separate time or location from the activities and services covered by this rule; and participation in those religious activities must be voluntary for persons receiving assistance with funds covered by this rule;
- L. operate its programs free from discrimination on the basis of age, race, color, religion, national origin, physical or mental disability, sexual orientation, or gender in accordance with applicable federal and state fair housing laws;
- M. comply with Section 504 of the Rehabilitation Act of 1973, which prohibits disability discrimination in programs that receive HUD funds; and
- N. comply with Maine Housing requirements.

### 3. **Emergency Shelter** ~~or Emergency Housing Provider~~ **Requirements**

Applicants that are Emergency Shelters ~~or Emergency Housing Providers~~ must do the following:

- A. provide access 365 days per year to assist ~~Homeless Persons~~ Experiencing Homelessness meet basic emergency shelter needs;

- B. provide adequate sleeping space or beds, and clean and functioning shower and toilet facilities;
- C. provide safe and nutritious food, including breakfast or access to breakfast and, if open 24 hours, also provide lunch and dinner or access to lunch and dinner;
- D. treat all guests with dignity and respect, regardless of religious or political beliefs, cultural background, disability, gender identity or sexual orientation;
- E. provide shelter and housing services based upon a Rapid Re-housing or Housing First approach;
- F. have admittance and stay policies that are appropriate for the population served and do not create unnecessary barriers to guests staying~~operate at Bed Capacity unless the homeless response system is experiencing demand insufficient to fill capacity;~~
- G. provide linkages and access to community resources such as health care, job readiness and employment services, Mainstream Resources, and educational services to assist guests in achieving housing stability;
- H. assess guests for housing prioritization and services to enable mobility to permanent housing with adequate supports;
- I. inform guests of their rights and responsibilities, including specific shelter policies and house rules;
- J. accept eligible persons regardless of their ability to pay or their eligibility for reimbursement or actual reimbursements from any third party source, including local, municipal, state, or federal funding sources;
- K. have no lease requirements for guests;
- L. if serving families with children, provide space other than open dormitory style and do not require involuntary family separation for admission;
- M. provide separate accommodations for male and female consumers consistent with their gender identity;
- N. protect the privacy and confidentiality of guests and their personal information;
- O. provide training, policies, procedures and regular maintenance to encourage, improve, and maintain the health and safety of guests, volunteers and staff;
- P. post fire, disaster, and other emergency procedures in a conspicuous place and review the procedures with each guest;

- Q. maintain a daily and confidential census of shelter clients including precise sleeping locations;
- R. operate in compliance with all applicable federal, state and local codes, laws and regulations; and
- S. have written policies and procedures for standards that address the following areas: access to shelter services, residential rights and responsibilities; program, personnel and facility operations; health and safety; food preparation and distribution; case management services; staff training; and HMIS or comparable database and computer protocols.

#### 4. Funding Formula Allocation

From time to time MaineHousing will allocate a certain amount of funds to be distributed, subject to availability, ~~to Emergency Shelters and Emergency Housing Providers (the "Funding Formula Allocation")~~ pursuant to the following funding methodology:

- A. **Shelter Operations.** An amount equal to ~~45~~<sup>50</sup>% of the Funding Formula Allocation will be disbursed among ~~Emergency Shelters~~eligible agencies, such that each Emergency Shelter will receive a percentage equal to ~~its the Emergency Shelter's~~ Bed Capacity divided by a number equal to the total Bed Capacity available statewide for the calendar year. Agencies will receive scheduled payments on a quarterly basis.
- B. **~~Rapid Re-hHousing, Long-term Stayer and Stabilization Share.~~** An amount equal to ~~45~~<sup>50</sup>% of the Funding Formula Allocation will be disbursed among eligible agencies, such that each agency providing staffing for Rapid Re-housing, Housing First and Housing Stabilization services operated by the agency will be eligible to receive a percentage equal to the agency's number of Clients Assessed and Stabilized, divided by the total number of Clients Assessed and Stabilized statewide in the previous quarter. Agencies are reimbursed for costs on a quarterly basis.

~~In order for an agency to achieve the full amount of the Rapid Re-housing, Long-term Stayer and Stabilization Share for which it is eligible, it will need to meet certain performance measures to be published at the time of allocation. The measures will be based on successful housing outcomes including housing prioritization assessment and housing stability plans.~~

~~Examples of Potential Performance:~~

- ~~✓ % of agency households screened for prioritization of housing options.~~
- ~~✓ % of agency households with a documented housing stability plan.~~

- C. **~~Incentives and Performance Share.~~** An amount equal to ~~21~~<sup>20</sup>% of the Funding Formula Allocation will be ~~made~~ allocated among available to Emergency Shelters eligible agencies that in the previous 6 months had 15% or fewer clients who exited to permanent housing return to homelessness~~provide successful housing outcomes~~ based on performance indicator data in HMIS (or elsewhere for providers of services to victims of domestic violence). ~~Providers will receive a percentage of funding for each outcome performance measure that they meet. The amount of funding available for each performance measure will be the same. The percentage of funding an Emergency Shelter provider receives for each performance~~

~~measure met~~ will be equal to the number of clients served by ~~that~~ provider divided by the total number of clients served by all of the Emergency Shelters providers that meet ~~the~~ is ~~respective~~ performance measure ~~benchmark in the in the applicable 6 month period~~ previous quarter, or in the previous calendar year for the recidivism benchmark. The Agencies will receive a performance share for the first half of the calendar year will be calculated and paid for in the following July and the performance share for the second half of the calendar year will be calculated and paid for in the following January ~~based payment on a semi-annual basis.~~

- ~~Payments are based on performance of successful housing exits including housing retention, income and supports, and recidivism.~~

#### Examples of Performance Measures:

- ✓ ~~% of agency household departures to permanent housing that retains housing for at least six months.~~
- ✓ ~~% of agency household departures whose income increased between entry and departure through benefits, employment, education or training.~~
- ✓ ~~% of decrease in average length of stay.~~

#### **D. One Time Adjustment**

1. ~~Except as set forth in paragraph D.4., the 2017 second quarter Rapid Re housing, Long-term Stayer and Stabilization payment will be calculated and paid in accordance with the definition of “Clients Assessed and Stabilized” in effect for the first six months of 2017, along with the first 2017 semi-annual Incentives and Performance Share payment and the 2017 second quarter Shelter Operations payment.~~
2. ~~MaineHousing will calculate the payments for the first and second quarters of 2017 that each agency would have received if the definition of “Clients Assessed and Stabilized” had been as it is set forth in this rule.~~
3. ~~Those agencies that receive less for the first two quarters of 2017 than they would have received if the new definition of “Clients Assessed and Stabilized” had been in effect since January 1, 2017, will receive an immediate one-time payment in an amount equal to the difference between the payments they received for the first and second quarters of 2017, and the payments they would have received if the new definition were effective January 1, 2017.~~
4. ~~Those agencies that received more for the first quarter of 2017 than the amount they would have received if the new definition of “Clients Assessed and Stabilized” were effective January 1, 2017, have the following options:~~

~~(a) receive the payment described in paragraph D.1 and have a set-off against future payments under the Funding Formula Allocation in an amount equal to the difference between the payments they receive for the first two quarters of 2017, and the payments they would have received if the new definition were effective January 1, 2017; or~~

~~(b) receive an amount for the 2017 second quarter Rapid Re-housing, Long-term Stayer and Stabilization payment, the first 2017 semi-annual Incentives and Performance Share, and the 2017 second quarter Shelter Operations share equal to the amount they would have received if the new definition were effective January 1, 2017, less a set-off equal to the difference between the amount for first quarter 2017 that the agency received and the amount the agency would have received if the definition were effective January 1, 2017.~~

~~Grantees that receive allocations from federal funds, including Emergency Solutions Grant or HOME Investment Partnership Act funds, may be required to provide match from local or private funds.~~

## 5. Program Design

- A. **Allocation.** In addition to the Funding Formula Allocation, MaineHousing may allocate other funds for Programs to assist ~~Homeless~~ Persons Experiencing Homelessness in accordance with applicable federal and state laws.
- B. **Programs.** MaineHousing shall design and offer Programs based upon available funds, restrictions attached to such funds, best practices, and needs. The funds may be used for shelter services and outreach activities; for Homeless Prevention and Rapid Re-housing activities such as rental assistance, housing search, mediation, outreach to property owners, legal services, security on utility deposits, and moving costs; and to support entities that offer an integrated array of services to meet the health, housing, employment, and other basic needs of ~~Homeless~~ Persons Experiencing Homelessness.
- C. **Program Guides.** MaineHousing shall publish on MaineHousing's website a Program Guide with respect to each Program and shall distribute the Program Guide to parties who may be eligible for the Program and who have expressed an interest to MaineHousing in connection with the type of activities eligible under the Program, to parties MaineHousing selects for marketing the particular Program, and upon request.

## 6. Funding

- A. **Processing of Applications.** MaineHousing may process applications on a first come first served basis or may set an application due date described in the Program Guide for submission for review by a scoring committee. The selection process will be outlined in the Program Guide.
- B. **Selection for Funding.** MaineHousing shall retain final discretion as to whether or not to offer funds to a particular Applicant for a particular purpose.
- C. **Availability of Funds.** Grants are always subject to the availability of funds.
- D. **Selection Criteria.** MaineHousing will set forth requirements and selection and approval criteria germane to a particular Program in the applicable Program Guide. Selection criteria may include but are not limited to the following:
  1. **Mainstream Resources**
    - a. how well the Applicant assists clients in the completion and submission of applications for Mainstream Resources; and
    - b. how well the Applicant captures the results of the actual benefits received.
  2. **Housing**
    - a. how well the Applicant assists clients in the completion and submission of applications for client appropriate housing;
    - b. how well the Applicant assists clients with housing searches;
    - c. how well the Applicant assists clients with landlord relationships; and
    - d. how well the Applicant has developed and maintained effective working relationships with local General Assistance offices in assisting clients with access and applications.
  3. **Health Care**
    - a. Applicant's relationships and links with one or more local health care providers who provide treatment for clients; and
    - b. Applicant's ability to provide or refer clients for mental health or substance abuse assessments and treatment.
  4. **Employment**

- a. how well the Applicant assists clients with employment searches, including registering with Maine's Job Bank;
- b. how well the Applicant has developed and maintained effective working relationships with local CareerCenters in assisting clients; and
- c. how well the Applicant has developed and maintained effective working relationships with local employers or employment agencies in assisting clients.

#### 5. Prevention

- a. Applicant's knowledge of and ability to refer clients to Pine Tree Legal Assistance for eviction prevention and other legal assistance; and
- b. Applicant's knowledge of and ability to actively refer clients to other local and regional resources, as appropriate.

### 7. Data Collection Requirements

In order to receive funding, eligible Applicants must do the following, unless prohibited by VAWA:

- A. Enter into ~~an Agency Participation Business Associate~~ Agreement to share certain Homeless Management Information System (HMIS) data with ~~the other Emergency Homeless Shelters, Emergency Housing Providers, and other homeless providers of services for Persons Experiencing Homelessness;~~
- B. Enter client data as prescribed by MaineHousing and HUD in accordance with requirements set forth in the HMIS Data Standards as revised, and the HEARTH Act, and ensure data completeness and quality in regard to program performance measures on a monthly basis and submit reports as prescribed by MaineHousing or HUD;
- C. Enter client data on outcomes and housing stability as prescribed by MaineHousing or HUD, which will be used for performance measurement, research, or evaluation;
- D. Have the capacity to enter client level data into ~~Bowman Systems, LLC ServicePoint system, or its successors,~~ the system of the CoC designated vendor for HMIS data entry; and
- E. Submit de-duplicated aggregate reports as required by MaineHousing.

Providers of shelter to victims of domestic violence are required to have the capacity of a comparable database that collects client level data and ~~provides exports~~ aggregate, de-duplicated data to MaineHousing in electronic form.



## 8. Reporting Requirements

- A. **General Reporting Requirements.** A grantee must provide client data prescribed by MaineHousing in a form or forms prescribed by MaineHousing to centralized data collection systems prescribed by MaineHousing as often as required by MaineHousing.
- B. **Missing Reports or Data.** A grantee must provide all reports and all required client data in accordance with the reporting requirements at the time of funds disbursement in order to receive funding.
- C. **Complete Report.** A report will not be considered submitted unless MaineHousing determines that the report is sufficiently complete and all client data is valid.
- D. **Final Reports.** A grantee must submit a final report showing its use of a grant within 30 days of the end of the term of the grant.

## 9. Monitoring and Assessment.

- A. MaineHousing will review for program compliance at least ~~every two~~once-a years at reasonable times.
- B. MaineHousing may copy and examine all of a grantee's records other than medical or other confidential client information protected by privacy laws.
- C. Grantees will maintain records sufficient to meet monitoring and auditing requirements of MaineHousing and HUD including without limitation daily rosters and client files.

In the case of a physical shelter program facility, MaineHousing will inspect to a minimum for compliance with HUD's [minimum emergency shelter standards pursuant to 24 CFR 576.403\(b\).Housing Quality Standards \(HQS\)](#).

## 10. Rule Limitations

- A. **Other Laws.** If this rule conflicts with any provision of federal or state law, the federal or state law shall control.
- B. **Waivers.** Upon determination of good cause, the Director of MaineHousing or the Director's designee may, subject to statutory limitations, waive any provision of this rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds.

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**BASIS STATEMENT:** This rule replaces in its entirety the current *Homeless Solutions Rule*. MaineHousing uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness or the risk of becoming

homeless. The rule governs MaineHousing's allocation of resources for such programs, program design, the publication and distribution of program guides, basic criteria for determining eligible recipients, and potential selection criteria. ~~This replacement *Homeless Solutions Rule* amends the definition of Clients Assessed and Stabilized in order to ensure the fairest allocation of payments consistent with the overall intent of the rule.~~

## PUBLIC COMMENT:

### *Process:*

~~Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the Wednesday, May 31, 2017 edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on Tuesday, May 30, 2017, and published the proposed rule on its website on Wednesday, May 31, 2017.~~

~~MaineHousing held a public hearing on Tuesday, June 20, 2017 to receive testimony on its proposal to repeal and replace the Rule. The comment period was held open until 10:00 a.m. on Friday, June 30, 2017. MaineHousing received comments from Josh D'Alesso of Hope House PCHC and Rob Parritt from the City of Portland at the public hearing.~~

### *Summary of Comments and Responses to Comments*

#### **~~Rob Parritt—Director of Oxford Street Shelter, Portland~~** **~~Comments~~**

~~Mr. Parritt testified in favor of the new Rule. He also shared his appreciation for MaineHousing staff that worked diligently and quickly.~~

#### **~~MaineHousing response~~**

~~—————MaineHousing appreciates the support.~~

#### **~~Joshua D'Alesso—Manager of Homeless Initiatives for the Hope House, Bangor~~** **~~Comments~~**

~~Mr. D'Alesso agreed with the testimony of Mr. Parritt and supports the rule as revised.~~

#### **~~MaineHousing response~~**

~~—————MaineHousing thanks Mr. D'Alesso for his support.~~

STATUTORY AUTHORITY: 30-A M.R.S.A. §4741.1, §4741.18, §4852, *et seq.*

EFFECTIVE DATE: ~~JULY 11, 2017~~



## Energy & Housing Services Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Daniel Drost, Director of Energy and Housing Services  
Troy Fullmer, Manager of HEAP and Weatherization

**Date:** August 13, 2019

**Subject:** Proposed Changes to Home Energy Assistance Program Rule (Chapter 24) for PY2020

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The following changes to the Home Energy Assistance Program Rule (Chapter 24) are being recommended by the Department of Energy and Housing Services in order to accommodate the implementation of a heat pump installation initiative in response to LD1766 “An Act To Transform Maine’s Heat Pump Market To Advance Economic Security and Climate Objectives”. Other changes are to correct errors or provide clarification to the previous version of the rule approved by the MaineHousing Board of Commissioners on June 18, 2019.

### **Section 1. Definitions:**

**Item MM:** “Heat pump” definition has been added.

### **Section 4. Benefit Determination:**

**Sec. C.1:** The Poverty Level calculation table was amended to provide the Percentage of Points for income limits to accommodate the change of the income guidelines to “the **greater** of 150% Federal Poverty Level (FPL) or 60% State Median Income (SMI). This is a correction/clarification to the prior version of the Rule.

### **Section 5. Payment of Benefits:**

**Sec. A.3:** Due to the change in allowing wood vendors to bill for partial deliveries of wood, vendors are given 45 instead of 30 days to return a completed purchase order from the day of issuance of the original purchase order. This is a correction/clarification to the prior version of the Rule.

### **Section 9. Central Heating Improvement Program (CHIP):**

**Sec. A.1. Eligibility:** For a household to be eligible CHIP services, the household must be eligible for a HEAP fuel assistance benefit, not Weatherization. This is a correction/clarification to the prior version of the Rule.

**Sec. B.4:** The installation of a heat pump has been added to the priority order for CHIP measures.

**Sec. H.11:** The eligibility exclusion of having a “dwelling unit that has any other Heating System that is safe, operable and is capable of heating the dwelling adequately during severe cold weather” has been removed to accommodate the installation of a heat pump which is considered a “secondary heating” source.

**Sec. I.15:** The “installation of a heat pump” has been added.

**Section 10: HEAP Weatherization:**

**Sec. D. Subgrantee Administrative and Program Expenses:** HEAP Weatherization and CHIP expenses will be based on **either** actual costs for salary and fringe benefit costs for time staff participates in administering Weatherization or CHIP **or** a program management fee established by MaineHousing. These expenses will continue to be reimbursed to the sub-grantee through Program Funds.



**Energy & Housing Services Department Memorandum**

**To:** Maine Board of Commissioners

**From:** Daniel Drost, Director of Energy and Housing Services  
Linda Uhl, Chief Counsel

**Date:** August 13, 2019

**Subject:** Request to Commence Rulemaking – Home Energy Assistance Program Rule, Chapter 24

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On August 20, 2019, we will ask you to authorize MaineHousing to commence rulemaking to repeal and replace the *Home Energy Assistance Program Rule – Chapter 24* of MaineHousing’s rules. Attached is the proposed amended HEAP Rule with changes in redline.

We are submitting a copy of the proposed rule to the Office of the Attorney General for a legal preview. The public hearing will be held at the next meeting of the Board on September 17, 2019. Notice of the hearing will be published on our website and in newspapers statewide. The public comment period will be open for a period of 10 days following the public hearing. If there are no significant changes to the proposed rule after the hearings and comment period, we will ask the Board to adopt the proposed rule at the October 15, 2019 Board meeting.

**PROPOSED MOTION:**

*To authorize MaineHousing to commence the rulemaking process to repeal and replace Chapter 24 of MaineHousing’s rules in the form provided to the Commissioners in the Board packet and described in the memorandum from Energy and Housing Services Director, Daniel Drost, to the Commissioners dated August 13, 2019.*

**INDEPENDENT AGENCIES**

**MAINE STATE HOUSING AUTHORITY**

Summary: The Rule establishes standards for the Home Energy Assistance Program for the State of Maine as administered by the Maine State Housing Authority. The Home Energy Assistance Program provides Fuel Assistance and Energy Crisis Intervention Programs to low-income Eligible Households. The Rule also establishes standards for the HEAP Weatherization, Central Heating Improvement Programs, and Supplemental Benefits funded by TANF funds.

1. Definitions.

- A. “Act” means the Maine Housing Authorities Act, [30-A M.R.S.A. § 4701](#) et seq., as it may be amended from time to time.
- B. “Annual Consumption Report” means the annual report Vendors must submit to MaineHousing to report their HEAP customers’ Home Energy deliveries from May 1st through April 30th.
- C. “Apartment” means a Dwelling Unit within a multi-unit building.
- D. “Applicant” means a person listed as a Household member on a Primary Applicant’s Application.
- E. “Applicant Household” means the Household members listed on the Application whose Countable Assets will be considered when determining eligibility for CHIP services. A Household member will be considered to be part of the Applicant Household if they have a familial relationship with or a joint financial account with an occupying owner of the Dwelling Unit. Full time high school students would not be considered Applicant Household members unless they are Primary Applicants.
- F. “Application” means forms and documents completed, signed, and provided by Primary Applicant to determine eligibility for a Benefit and ECIP.
- G. “Arrearage Management Program (AMP)” means the program to assist eligible low-income residential customers who are in arrears on their electricity bills as defined by [35-A MRSA §3214, sub-§2-A](#), as may be amended from time to time.
- H. “Benefit” means the dollar amount of Fuel Assistance an Eligible Household receives.
- I. “Benefit Return” means a Benefit, partial or whole, returned to MaineHousing.
- J. “Boarder” means a Roomer who is provided meals and is not related by birth, marriage or adoption to the household.
- K. “BTU” means British Thermal Unit.
- L. “Camper” means a trailer, semitrailer, truck camper, or motor home primarily designed and originally constructed to provide temporary living quarters for recreational, camping, or travel use regardless of modification(s) or length.

- M. “CHIP” means the Central Heating Improvement Program component of HEAP.
- N. “Contractor” means a provider of materials or services to EligibleHouseholds.
- O. “Countable Asset” means a resource that is available to meet the immediate and urgent needs of a Household, and includes: cash and funds on prepaid debit cards, money in a checking or savings account (health savings accounts, educational funds, and burial accounts are excluded), stocks or bonds, U.S. Treasury bills, money market funds, and retirement accounts provided there are no penalties or fees for withdrawals.
- P. “Close-out” means the reconciliation of receipts and use of all Fuel Assistance and ECIP funds by Vendor. It is Vendor’s responsibility to keep this information by Eligible Household and provide it to MaineHousing upon request.
- Q. “Consumption Based” means the method for determining an Eligible Household’s Home Energy consumption using actual energy deliveries as reported by the Vendor.
- R. “Credit Notification Report” means the document sent to the Vendor guaranteeing payment post-delivery for Eligible Households.. The Credit Notification Report lists each Primary Applicant’s name, address, Home Energy type, account information, and, as applicable, Benefit or TANF Supplemental Benefit.
- S. “CTE” means to clean, tune, and evaluate a Heating System to ensure safe and efficient operation.
- T. “Date of Application” means the date an Application is received by the Subgrantee.
- U. “Date of Discovery” means the date MaineHousing receives information relating to suspected fraud.
- V. “DHLC” means the design heat load calculation method for estimating Home Energy consumption.
- W. “Direct Energy Cost” means an Energy Cost that is directly paid by the Household.
- X. “Dwelling Unit” means an occupied residential housing structure with one or more rooms that is used customarily as a domicile for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a Camper, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.
- Y. “ECIP” means the Energy Crisis Intervention Program component of HEAP.
- Z. “Elderly Person” means a person who is 60 years old or older, or a member of an Indian Tribe who is 55 years old or older.
- AA. “Eligible Household” means a Household that satisfies all eligibility and income requirements of the HEAP Act and requirements of this Rule.
- BB. “Energy Cost” means cost of energy used for heating a Dwelling Unit, Apartment, or Rental Unit.
- CC. “Energy Crisis” shall have the same meaning as set forth in [42 U.S.C.A. §8622\(3\)](#), as same may be amended from time to time. The term "energy crisis" means weather-related and supply shortage

emergencies and other household energy-related emergencies.

- DD. “Errors and Program Abuse” means the act of obtaining assistance to which one is not entitled by means of submitting false statements or withholding information pertinent to the determination of eligibility or benefits. Also applies to Vendors who retain Benefits that should be returned or use Benefits for something other than intended purpose.
- EE. “Fuel Assistance” means the component of HEAP that assists Eligible Households with their Home Energy costs.
- FF. “HEAP” means the Home Energy Assistance Program established pursuant to the HEAP Act and the Act.
- GG. “HEAP Act” means [42 U.S.C.A. §8621 et seq.](#), and the regulations promulgated there under, including [45 C.F.R. § 96.1](#) through 96.68 and [45 C.F.R. § 96.80 et seq.](#), all as may be amended from time to time.
- HH. “HEAP Handbook” means the handbook in effect for a Program Year that is used as a resource and guide for the administration of HEAP.
- II. “HEAP Weatherization” means the weatherization component of HEAP that provides Low-cost/no-cost Weatherization Activities and other cost-effective energy-related home repairs or installations.
- JJ. “Heating Season” means the period of time beginning October 1 and ending April 30.
- KK. “Heating Source” means any device used to provide heat to a Dwelling Unit.
- LL. “Heating System” means a permanently installed system that is used to heat the Dwelling Unit. A portable space heater is not considered to be a Heating System.
- ~~MM.~~ “Heat Pump” means a ductless secondary heating system that provides heat by extraction heat from outside air and delivering it indoors as needed.
- ~~NNMM.~~ “Home Energy” means a source of heating or cooling in residential dwellings as set forth in [42 U.S.C.A. §8622\(6\)](#), as same may be amended from time to time.
- ~~OOONN.~~ “Household” means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesigned payments for energy in the form of rent as set forth in [42 U.S.C.A. §8622\(5\)](#), as same may be amended from time to time.
- ~~PPOO.~~ “Household Income” means the total income from all sources before taxes and deductions as further defined in this Rule.
- ~~QQPP.~~ “Incidental Costs” means costs of services billed to a Household by a Vendor related to the use or delivery of Home Energy including, but not limited to: surcharges, penalty charges, reconnection charges, clean and repair service charges, security deposits, delivery charges, and insurance.
- ~~RRQQ.~~ “Incidental Repairs” means those repairs necessary for the effective performance or preservation of weatherization materials.
- ~~SSRR.~~ “Indian Tribe” means the Penobscot Indian Nation, the Passamaquoddy Indian Tribe, and the



Houlton Band of Maliseet Indians as defined in the Maine Indian Claims Settlement Act, [30 M.R.S.A. §6201 et seq.](#), and the Aroostook Band of Micmacs as defined in the Micmac Settlement Act, [30 M.R.S.A. §7201 et seq.](#)

**TTSS**. “Indirect Determinable Energy Cost” means a cost for Home Energy used by the Household that is not directly paid for by the Household. For example, heat included as part of the rent for a Rental Unit.

**UUUF**. “Invitation to Bid” or “Request for Proposals” means the process to solicit bids or proposals to satisfy the requirements of this Rule.

**VVUU**. “Live-in Care Attendant” means a person, not considered part of the Household, who; (i) is not related by birth, marriage, or adoption to any member of the Household; (ii) does not contribute financially to the Household; and (iii) provides needed health/supportive services to a member of the Household as documented by a qualified professional. Live-in care attendants who do not meet all of these criteria are considered part of the Household.

**WWVV**. “Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.

**XXWW**. “Low-cost/no-cost Weatherization Activities” means those activities authorized pursuant to [10 C.F.R. §440.20](#), as may be amended from time to time.

**YYXX**. “MaineHousing” means the Maine State Housing Authority.

**ZZYY**. “Manufactured/Mobile Home” means a residence that is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component) and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.

**AAAZZ**. “Modular” means a residence that is constructed at a manufacturing facility, but not constructed on a permanent chassis, and is transportable in one or more sections on an independent chassis such as a truck or train.

**BBBAAA**. “Non-occupying Co-owner” means a person who shares a legal ownership interest in the Dwelling Unit occupied by the Applicant Household. The Non-occupying Co-owner does not reside in the Dwelling Unit being considered for CHIP services.

**CCCBBB**. “Notice of Termination of Subgrantee” means a written statement notifying the Subgrantee of the cause and effective date of its termination.

**DDDECC**. “Open Enrollment” means period of time a vendor can request and/or file an application to participate as a contracted Vendor.

**EEEEDD**. “Overpayment” means any HEAP benefits paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.

**FFFFFF**. “Person with a Disability” means a person who (1) has a physical or mental impairment that substantially limits one or more of a person’s major life activities; (2) has a physical or mental impairment that significantly impairs physical or mental health, which means having an actual or expected duration of more than 6 months and impairing health to a significant extent as compared to what is ordinarily experienced in the general population; (3) has a physical or mental impairment that

requires special education, vocational rehabilitation or related services; (4) has without regard to severity unless otherwise indicated, absent, artificial or replacement limbs, hands, feet or vital organs; alcoholism; amyotrophic lateral sclerosis; autism, bipolar disorder; blindness or abnormal vision loss; cancer; cerebral palsy; chronic obstructive pulmonary disease; Crohn's disease; cystic fibrosis; deafness or abnormal hearing loss; diabetes; substantial disfigurement; drug addiction; emotional illness; epilepsy; heart disease; HIV or AIDS; kidney or renal diseases; lupus; major depressive disorder; mastectomy; mental retardation; multiple sclerosis; muscular dystrophy; paralysis; Parkinson's disease; pervasive development disorders; rheumatoid arthritis; schizophrenia; speech impairment, and acquired brain injury; (5) has a record of any of the physical or mental impairments described in the foregoing clauses (1) through (4); or (6) is regarded as having or is likely to develop any of the physical or mental impairments described in the foregoing clauses (1) through (4). The existence of a physical or mental disability is determined without regard to the ameliorative effects of mitigating measures such as medication, auxiliary aids or prosthetic devices.

A physical or mental disability or impairment does not include pedophilia, exhibitionism, voyeurism, sexual behavior disorders, compulsive gambling, kleptomania, pyromania, tobacco smoking, or any condition covered under [5 M.R.S.A. §4553, sub-§9-C](#). It does not include psychoactive substance use disorders resulting from current illegal use of drugs, although this may not be construed to exclude a person who has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of drugs or has otherwise been rehabilitated successfully and is no longer engaging in such use; is participating in a supervised rehabilitation program and is no longer engaging in such use; is erroneously regarded as engaging in such use, but is not engaging in such use; or in the context of a reasonable accommodation in employment is seeking treatment or has successfully completed treatment.

~~GGGFFF~~. "Price Protection Plan" means an agreement between Vendor and a customer to purchase Home Energy at an agreed upon price.

~~HHHGGG~~. "Primary Applicant" means a person who signs the completed Application.

~~IIIHHH~~. "Priority Applicant" means a Household with a Direct Energy Cost as well as a member in the Household who is (i) an Elderly Person, or (ii) susceptible to hypothermia as diagnosed by and documented by a statement from a physician, or (iii) 72 months (6 years) or younger.

~~JJJH~~. "Programs" means Fuel Assistance, ECIP, CHIP, and HEAPWeatherization.

~~KKKJJ~~. "Program Year" means the period of time beginning October 1 and ending September 30.

~~LLLKKK~~. "Rental Unit" means a Dwelling Unit that is rented.

~~MMMLL~~. "Reporting Vendor" means a Vendor who is contractually obligated to report the Home Energy deliveries the Vendor has made on behalf of an Eligible Household.

~~NNNMMM~~. "Retail Cash Price" means the posted price a Vendor charges for Home Energy per gallon.

~~OOONNN~~. "Roomer" means a person who qualifies as a separate Household and pursuant to a rental agreement rents no more than two rooms in a Dwelling Unit occupied as separate living quarters and who may, depending upon the rental agreement, be granted privileges to use, but not reside in, other rooms located in the same Dwelling Unit. A Roomer cannot be related by birth, marriage or adoption to any member of the lessor's Household.

~~PPPQQ~~. "Service Area" means the geographic area, as defined by MaineHousing, within which the Subgrantee operates and administers the Programs.

QQPPP. “Social Security Benefits” means social security income benefits pursuant to Title II of the United States Social Security Act of 1935 and supplemental security income benefits pursuant Title XVI of the United States Social Security Act of 1935, as amended, [42 U.S.C. §1381 et seq.](#), and State supplemental income benefits provided pursuant to [22 M.R.S.A. §3201 et seq.](#), all as may be amended from time to time.

RRRQQQ. “State” means the State of Maine.

SSRRR. “Subgrantee” means a public or private nonprofit agency, or municipality, selected by MaineHousing to administer the Programs.

TTTSSS. “Subsidized Housing” means Households whose rent is based on their income or the subsidy pays for any portion of their mortgage. Housing in which a tax credit or federal/state loan is applied to reduce debt burden on the property is not considered Subsidized Housing. A resident of a residential housing facility including without limitation group homes, homeless shelters, and residential care facilities or a Tenant who pays below market rent or no rent due to the landlord receiving a federal or state subsidy for rent is living in Subsidized Housing.

UUU~~FFF~~. “Supplemental Benefits” means the benefits that are funded with supplemental HEAP funds (beyond the original grant award).

VVVUUU. “Supplemental Nutrition Assistance Program (SNAP)” means the nutrition assistance program administered by the United States Department of Agriculture. The goals of SNAP are to improve participants' food security and their access to a healthy diet.

WWW~~VVV~~. “TANF” means payments under the Temporary Assistance for Needy Families program as defined in [22 M.R.S.A., Chapter 1053-B, § 3762 et seq.](#), as same be amended from time to time.

XXX~~WWW~~. “TANF Supplemental Benefits” means the benefits that are funded with TANF funds pursuant to [22 M.R.S.A., Chapter 1053-B, § 3769-E.](#)

YYY~~XXX~~. “Tenant” means an Applicant who resides in a Rental Unit or Apartment.

ZZZ~~YYY~~. “Vendor” means an energy supplier that has entered into a Vendor Agreement with MaineHousing to provide Home Energy to Eligible Households.

AAA~~ZZZ~~. “Vendor Agreement” means a signed agreement between MaineHousing and a Vendor that contains terms and conditions by which the Vendor will provide Home Energy to Eligible Households.

BBB~~AAA~~. “Vendor Voucher Report” means the document sent to the Vendor that lists Eligible Households’ Benefits, including each Primary Applicant’s name, address, phone number, Benefit amount, Home Energy type, account information, and Subgrantee.

CCC~~BBB~~. “Watch List” means the MaineHousing list of Vendors that will not receive payment in advance for Eligible Households’ Benefits. In the event MaineHousing determines, in its sole judgment, based on Vendor’s actions or omissions or other information obtained by MaineHousing directly or from any third party, that such actions, omissions or other information raise issues concerning Vendor’s continued ability to make Home Energy deliveries or otherwise comply with the terms of the Vendor Agreement, or that Vendor’s performance is out of compliance with the requirements of the Vendor Agreement, MaineHousing may, in its sole

discretion, place Vendor on this list.

~~DDDDCCCC~~. “Weatherization Assistance Program (WAP)” means the program enabled and funded by the federal Energy Conservation in Existing Buildings Act of 1976, as same may be amended from time to time. Its purpose is to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety.

~~EEEEDDDD~~. “Weatherization Materials” shall have the same meaning as set forth in Part A of the Energy Conservation in Existing Buildings Act of 1976, [42 U.S.C. §§6861, 6862\(9\)](#), as same may be amended from time to time.

2. Application.

- A. An Applicant may have only one certified eligible standard Application and/or one ECIP Application per Program Year.
- B. An Applicant may resubmit a new Application if the Household’s Application has either been denied or withdrawn any time prior to the issuance of a Benefit.
- C. The Application will be processed in accordance with the requirements of this Section:
  1. The Subgrantee will begin taking Applications as prescribed by MaineHousing each Program Year.
  2. A Subgrantee will continue taking Applications until July 15 (or the first business day following July 15 if it falls on a weekend) of the Program Year.
  3. The Subgrantee shall accept Applications during normal business hours, which shall consist of a minimum of thirty (30) hours during each week through April 30 and a minimum of eight (8) hours during each week May 1 through July 15 of the Program Year.
  4. The Subgrantee must use forms provided or approved by MaineHousing to administer the Programs. Additional forms may be used by the Subgrantee provided the forms have been reviewed and approved by MaineHousing. Forms will be submitted for review and approval annually prior to the commencement of taking applications each program year.
  5. The Subgrantee will make a reasonable and good-faith effort during the first ninety (90) days it takes Applications to interview, process, and serve Priority Applicants who have a Direct Energy Cost.
  6. The Subgrantee will make a reasonable and good-faith effort to conduct outreach activities and process applications for any Household that has wood as its primary Home Energy source within the first ninety (90) days of taking Applications for the Program Year.
  7. At Applicant’s request, and as otherwise appropriate, the Subgrantee must make reasonable accommodations for a Person with a Disability.
  8. Any Applicant may apply via telephone. The telephone Application process includes completing the Application over the telephone with the Subgrantee

administering the Programs in the Service Area in which the Household resides; the Subgrantee mails the completed Application and other appropriate documents to the Primary Applicant for review, signature, and date.

9. Limited English Proficiency (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HEAP program. In order to address this concern Subgrantees must comply with MaineHousing's Language Assistance Plan.
10. Application must be made with the Subgrantee administering the Programs in the Service Area in which the Household resides. In the event an Application is received by a Subgrantee for a Household residing in a Service Area other than the Subgrantee's designated Service Area, the Subgrantee shall notify the Primary Applicant of the error and forward the Application and supporting documentation to the applicable Subgrantee.
11. Primary Applicant is responsible for providing all information necessary to establish the eligibility of a Household. The Subgrantee must verify the income and identity of the Applicant(s) as prescribed by HEAP Handbook.

The Subgrantee shall verify Primary Applicant's identity by requesting a valid government-issued, photo identification card. One of the following is acceptable to establish the identity of the Primary Applicant:

- a. Driver's license;
  - b. State issued ID card;
  - c. Passport or passport card;
  - d. U.S. Military ID; or
  - e. SNAP electronic benefit transfer (EBT) card with photo.
12. All Applicant(s) two years of age or older must provide proof of their Social Security Number (SSN), unless the Applicant's SSN can be verified by using the electronic verification process established between MaineHousing and the Social Security Administration. One of the following documents is acceptable provided it contains all nine digits of the Applicant's SSN and the Applicant's full name:
    - a. Social Security Card issued by the Social Security Administration;
    - b. SSA-1099 tax form;
    - c. Non SSA-1099 tax form;
    - d. Medicare card with card number ending with the suffix "A";
    - e. Valid unexpired U.S. Military documents such as DD Form 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense;
    - f. Bank tax form; or

- g. W-2 (wage and tax statement).

If the Household includes a child under the age of two who has not received a SSN, the Application is processed. However, the Primary Applicant must provide the child's SSN for subsequent Program Year Applications.

If a Household member is not a U.S. citizen, Applicant must provide a Social Security card issued by the Social Security Administration or an unexpired foreign passport with a valid unexpired U.S. Visa affixed accompanied by the approved I-94 form documenting the Applicant's most recent admittance into the United States, and documentation of Applicant's status as a qualified alien pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, [8 USC §1641](#), such as a legal permanent resident, a refugee, an asylee, an individual paroled into the U.S. for a period of at least one (1) year, an individual whose deportation has been withheld, or an individual granted conditional entry.

13. As part of the application process all Applicants 18 years of age or older must sign a release to grant permission to share their personal information, as follows:
  - a. Maine Department of Health and Human Services, the Maine Department of Labor, and the Social Security Administration to share information with the Subgrantee or MaineHousing regarding information relevant to the Application about the Applicant at each of those agencies, including the benefits received from each of those agencies.
  - b. Subgrantee and MaineHousing to provide information to and obtain information from the agencies listed above or others as needed to determine and confirm eligibility for MaineHousing programs and other programs administered by the Subgrantee.
  - c. Subgrantee and MaineHousing to disclose Applicant information for the determination of eligibility for programs administered by State, federal, and local agencies.
- D. The information on an Application may be considered conflicting if it is inconsistent with verbal information provided by an Applicant, with other information on the Application, with prior Program Year Applications, or with information received from a third party.
  1. No information received from a third party, other than a government agency, will be used to determine eligibility, unless it is verified by an independent, reliable source.
  2. In the case where an Applicant's eligibility is in question because of conflicting information received from a third party, the Subgrantee or MaineHousing shall allow the Primary Applicant an opportunity to amend the current Application or reaffirm the information on it. Primary Applicant may also withdraw Application at any time (prior to payment of Benefit). A new Application (rather than amended) would be required should an Applicant pursue assistance after withdrawal.
  3. If the Primary Applicant elects not to amend the Application, eligibility shall be based on information contained in the Application and documentation provided by the Primary Applicant, documentation provided by a government agency, or information

verified by other sources.

4. If verified information results in the Household being ineligible or determines the existence of Errors and Program Abuse or willful misrepresentation, the Application may be subject to denial or termination of Benefits.

E. The Subgrantee will certify or deny an Application within thirty (30) business days from the Date of Application.

1. Written notification of eligibility will be sent to the Primary Applicant within (10) ten calendar days of the decision or when funding is available, whichever is later. The benefit notification shall:
  - a. State the Benefit amount;
  - b. State the date the Benefit or a Credit Notification was sent to the Vendor;
  - c. State the approved Home Energy type;
  - d. State the manner by which the Primary Applicant can request an appeal, if applicable.
2. Written notification of denial must be sent to the Primary Applicant within (3) three business days whether funding is available or not. The denial notification shall:
  - a. State the facts surrounding the decision;
  - b. State the reason(s) for the decision;
  - c. State the manner by which the Applicant can request an appeal.

A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of the denial notification.

### 3. Eligibility.

- A. Except as may be expressly provided for elsewhere in this Rule, eligibility shall be determined on the basis of information submitted by the Primary Applicant as of the Date of Application. MaineHousing and Subgrantees reserve the right to ask for additional or clarifying information from Primary Applicant, Applicant(s), or third parties to determine eligibility.
- B. A Household may be eligible for Supplemental Benefits or TANF Supplemental Benefits if available.
- C. MaineHousing uses the federal Poverty Income Guidelines as reported annually by the United States Department of Health and Human Services. MaineHousing reserves the right to manage the Programs within those guidelines when determining benefits. MaineHousing will determine eligibility based on the availability of federal funding for the Programs during each Program Year.
- D. Dwelling Unit Eligibility.

1. The Dwelling Unit must have a functioning Heating System. If the dwelling does not

have a functioning Heating System, the Subgrantee may certify the Application for CHIP only provided the Application is complete and all applicable documentation has been provided.

2. If the dwelling is not permanently connected to or serviced by the required utilities, the Subgrantee will obtain additional documentation to substantiate the Household occupies the dwelling as its primary residence on a full-time/year-round basis.
3. Applicants residing in Subsidized Housing with heat included in their rent may be eligible for Fuel Assistance if the Household pays a portion of their rent or utility costs. MaineHousing will issue a Benefit in an amount which complies with Maine law to maximize benefits under SNAP.
4. An Applicant who is self-employed and uses part of their Dwelling Unit for business may apply for the Programs. Benefits will be determined based on the rooms occupied and used by the Applicants as a residence; that part of the Dwelling Unit designated for business use will not be included.
5. Applicants who reside in hotels and motels may be eligible for Fuel Assistance if the Household provides documentation that the hotel/motel has been their permanent residence for at least sixty (60) days prior to the Date of Application.
6. If a Household's Application has been certified eligible, but all Applicants move to Subsidized Housing with heat included or an ineligible Dwelling Unit prior to the Benefit being paid, Household may not be eligible for the entire Benefit depending on Date of Application and Home Energy use during current Program Year.
7. A Household is not eligible for Programs when the Household resides in a Camper, regardless of any and all modification(s) or length, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.

#### E. Household Eligibility.

1. A Household is eligible for a Benefit if, on the Date of Application:
  - a. it is a full-time resident of the State and resides in the Dwelling full-time for at least four (4) months during the Heating Season and;
  - b. it intends to reside in the State through April 30 and;
  - c. it has a Direct Energy Cost or Indirect Determinable Energy Cost.

If the Date of Application is on or after February 1, the Household may be eligible for a Benefit if the Household provides documentation that it has been a full-time resident of the State for at least 60 days.

2. Pursuant to definition of Household, Eligible Household Members may also include:
  - a. aliens who have obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAW) who perform seasonal agricultural work during a specified



period of time;

- b. an alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or disabled as defined in Section 1605 of the Social Security Act ([Public Law 74-271](#)) or Cuban or Haitian aliens as defined in [Public Law 96-422](#), Section 501 (e). Applicants are considered eligible if they have a Social Security card issued by the Social Security Administration, Green Card or show permanent Residents (I-551 Alien Registration Card, Passport, I-688B Employment authorization card, I-766 Employment Authorization Document, I-94 with R-1 or R-2 status designation). I-94 documents with no status designated only show permission to enter the U.S. but do not establish residency;
  - c. Eligible minor children residing with ineligible non-citizens;
  - d. a member of the Household who is away from the home part of the time is included as a Household member and their income must be included on the Application;
  - e. a live-in care attendant will be considered part of the Household if the live-in care attendant does not meet the definition of a Live-in Care Attendant in Section 1 of this Rule.
3. A full-time college student, up to age 23, who is a dependent of the Household and resides in the Dwelling Unit on the Date of Application, may be excluded from the Household if the Primary Applicant chooses as long as the college student is not the Primary Applicant. If excluded from the Household, his or her income would not be counted. The Applicant must provide proof of student status and enrollment at a university, vocational college, business college, or other accredited institution for twelve (12) credit hours or more per semester.
  4. If otherwise eligible, Roomers and Boarders are eligible for a Benefit to the extent such Applicants prove that the rental arrangement giving rise to their Roomer or Boarder status was in existence for at least sixty (60) days prior to the Date of Application. At a minimum, such proof shall include verification that a reasonable market rate rent amount was paid by the Roomer or Boarder pursuant to the terms and conditions of the rental agreement for the entire sixty (60) day period. Roomers and Boarders cannot comingle funds or share expenses with lessor's Household.
- F. Eligibility is based on Household Income. Household Income is determined and verified in accordance with the information provided on the Application and verified as part of eligibility determination process.
1. Household Income received during the three (3) calendar months or twelve (12) calendar months preceding the Date of Application. Primary Applicants must provide pay stubs, or a statement from all current or former employer(s), documenting Household Income received during the three (3) calendar months or twelve (12) calendar months income period prior to the Date of Application.
  2. Household Income includes, but is not limited to, the following:
    - a. Wages, salaries, and bonuses before any taxes or deductions;

- b. Self-employment income. Households with self-employment income must use a current year's tax return if filed. If the Household has not filed a current year's tax return then the tax return for the previous year may be used. When supported by a tax return, self-employment income is defined as the total of net income (including net rental income) plus the total net gain from sales of capital goods or equipment plus depreciation. If the Applicant has not filed a tax return for the current or previous year, the Applicant may complete a self-employed income statement/worksheet accounting for the last 365 days of income. Supporting documentation must be provided to substantiate the information on the statement/worksheet. Deductions or expenses related to self-employment income shall not be factored in to the amounts counted as income unless the Applicant provided the complete tax return from the current or prior year. If the Household is using the three (3) month income verification period, self-employed income for the last 365 days, or annual income from tax return, will be prorated to three (3) months;
- c. Social Security Retirement (SS), Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits. Benefits and Applicant identity may be verified by using the electronic verification process established between MaineHousing and the Social Security Administration. Errors documented by this process will be researched by the Subgrantee and corrected as applicable. In situations where Social Security benefits or Supplemental Security Income cannot be verified via the electronic verification process, the Subgrantee will assist the Primary Applicant in understanding the documentation requirements;
- d. Unemployment and worker's compensation and/or strike benefits from union funds;
- e. Spousal support or alimony received by an Applicant, or mortgage/rent payments in lieu of or in addition to payments;
- f. Court ordered or voluntary child support payments received by an Applicant, or mortgage/rent payments in lieu of or in addition to support payments;
- g. Military allotments (pay);
- h. Veteran's Benefits;
- i. Other support from an absent family member or someone not living in the Household excluding loans;
- j. Income of person living in the Household who is a non-qualified alien and 18 years of age or older;
- k. Government employee pensions, private pensions, and regular annuity payments;
- l. Income from dividends, rents, royalties, estates, trusts, and interest. Interest income under \$200.00 must be included as income, but does not need to be supported by documentation;
- m. Net rental income, including funds received from Roomers and Boarders;

- n. Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, lottery, horse racing, bingo etc.
  - o. Work study;
  - p. TANF including Gap, Pass-Through, and ASPIRE, or any other regular support from a government or private agency;
  - q. Jury duty fees;
3. Exemptions from Household Income include:
- a. Assets drawn down from financial institutions;
  - b. Foster care payments;
  - c. Adoption assistance;
  - d. In-kind payments to an Applicant in lieu of payment for work, including the imputed value of rent received in lieu of wages or items received in barter for rent;
  - e. Capital gains;
  - f. Income from the sale of a primary residence or personal car;
  - g. Tax refunds;
  - h. One-time insurance payments;
  - i. One-time compensation for injury;
  - j. Non-cash income such as General Assistance voucher payments, the bonus value of food and fuel produced and consumed on farms, and the imputed value of rent from owner-occupied farm housing;
  - k. Bank loans, reverse mortgages, and home equity loans;
  - l. Reimbursement for expenses incurred in connection with employment;
  - m. Reimbursement for medical expenses;
  - n. Any funds received for education from grants, loans and scholarships, not to include work study received as earned income;
  - o. Retroactive payments and overpayment adjustments from an entitlement program for a time period outside of the period being considered for HEAP eligibility (i.e. worker's comp, Social Security Benefits, etc.);
  - p. Income earned by an Applicant who is a full time high school student;
  - q. Income earned by a full-time college student who is not counted as a Household member pursuant to Section E.3 of this Rule;

- r. Combat zone pay to the military;
- s. Credit card loans/advances;
- t. All income used to fulfill a Social Security Administration Program to Achieve Self-Sufficiency (PASS);
- u. Federal payments or benefits excluded by law as set forth below:
  1. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1902, [42 U.S.C. 4636](#)).
  2. Payments of land settlement judgments distributed to or held in trust for members of certain Indian Tribes under Public Laws [92-254](#), [93-134](#), [93-531](#), [94-114](#); [94-540](#), [97-458](#), [98-64](#), [98-123](#) and [98-124](#).
  3. Funds available or distributed pursuant to [Public Law 96-420](#), the Maine Indian Claims Settlement Act of 1980 ([25 U.S.C. 1721 et. seq.](#)) to members of the Passamaquoddy Tribe, the Penobscot Nation and the Houlton Band of Maliseet Indians.
  4. The value of the allotment provided a household under the Supplemental Nutrition Assistance Program ([7 U.S.C.A. 51](#)).
  5. The value of assistance to children as excluded under the National School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and under the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)).
  6. The value of commodities distributed under the Temporary Emergency Food Assistance Act of 1983 ([Public Law. 98-8](#), [7 U.S.C. 612c](#)).
  7. Allowances, earnings and payments to individuals participating in programs under the Job Training Partnership Act ([Public Law 97-300](#), [29 U.S.C.A. 1552\(b\)](#)).
  8. Program benefits received under the Older Americans Act of 1965 ([42 U.S.C. sub-section 3020\(a\)\(b\)](#)) as wages under the Senior Community Service Employment Program (SCSEP). Organizations involved in SCSEP include: The American Association of Retired Persons; Green Thumb Inc.; University of Maine, Cooperative Extension; U.S. Forest Service; and subgrantees of the Bureau of Maine's Elderly, including Aroostook Area Agency on Aging, Central Maine Area Agency on Aging, Coastal Economic Development Corporation, Diocesan Human Relations Services, Eastern Area Agency on Aging, Mid-Coast Human Resources Council, Southern Maine Area Agency on Aging, Western Area Agency on Aging.
  9. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([Public Law 93-113](#), [42 U.S.C. 5044](#)).

10. The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
11. The tax-exempt portions of payments made pursuant to the provisions of the Alaska Native Claims Settlement Act ([Public Law 92-203, 43 U.S.C. 1620\(a\)](#)).
12. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of [Public Law 93-113](#).
13. Any wages, allowances or reimbursement for transportation and attendant care costs, unless accepted on a case-by-case basis, when received by an eligible handicapped individual employed in a project under Title VI of the Rehabilitation Act of 1973 as amended by Title II of [Public Law No. 95-602](#).
14. All student financial assistance including the following programs funded under Title IV of the Higher Education Act as amended:
  - a. Pell Grants;
  - b. Supplemental Educational Opportunity Grants;
  - c. Grants to States for State Student Incentives;
  - d. Special Programs for Students from Disadvantaged Backgrounds;
  - e. Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work;
  - f. Robert C. Byrd Honors Scholarship Program;
  - g. Assistance to Institutions of Higher Education;
  - h. Veterans Education Outreach Program;
  - i. Special Child Care Services for Disadvantaged College Students.
  - j. Payments to veterans for Aid and Attendance benefits.

4. For any Applicant who pays court ordered child support, the Subgrantee will deduct paid and documented child support payments made during the income period from the Applicant's gross income.

G. For any Household found ineligible due to being over income, the Subgrantee will deduct paid and documented medical expenses not reimbursed for the income period from the gross income in an amount only enough to make Household eligible. Medical expenses may include medical and

dental insurance premiums and transportation to medical appointments. Subgrantees will use Internal Revenue Service Publication 502, as same may be amended from time to time, to identify eligible medical and dental expenses.

H. Primary Applicants may be required to refund any Overpayment. A Household’s Eligibility to receive benefits from Programs is contingent on the resolution of any Overpayment.

1. MaineHousing will recoup all outstanding Overpayments from any current or future Benefits until the Overpayment is paid in full.
2. The Household will be eligible for ECIP if they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the Overpayment or the Overpayment has been paid in full.
3. The Household will not be eligible to receive benefits under the Weatherization Assistance Program or CHIP until the Overpayment is paid in full.

4. Benefit Determination.

- A. Benefits are determined to ensure that Eligible Households with the lowest income and the highest Energy Cost in relation to income, taking into account family size, will receive a higher Benefit.
- B. Tenants residing in Subsidized Housing with heat included in their rent, who pay a portion of their rent or utility costs, are only eligible to receive a Benefit in an amount that complies with Maine law to maximize benefits under SNAP.
- C. MaineHousing, or the Subgrantee as allowed by MaineHousing, will assign a number of points to an Eligible Household that correlates to their Energy Costs. The number of points will be adjusted by an assigned percentage that correlates to the Eligible Household’s poverty level. The adjusted number of points will then be multiplied by a dollar value based on the amount of the federal HEAP grant received and the number of Eligible Households served in the previous Program Year, the average Energy Cost for an Eligible Household in the previous Program Year, any anticipated increase or decrease in the federal HEAP grant to be received in the current Program Year, and any anticipated increase or decrease in average Benefits or the number of Eligible Households.

MaineHousing will announce the actual dollar value of Consumption Based and DHLC points no later than the fifteen (15) calendar days following receipt of the federal HEAP grant award.

1. The number of points assigned to an Eligible Household will be determined pursuant to the following:

Calculated or Reported Energy Cost	Points
\$0-\$400	5
\$401-\$800	10
\$801-\$1200	15
\$1201-\$1600	20
\$1601-\$2000	25
\$2001-\$2500	30
\$2501 and over	35

Calculated or Reported Energy Cost falling between brackets will be rounded to the next higher or lower dollar amount, as appropriate. For example: \$400.01-\$400.49 will be rounded to \$400; \$400.50-\$400.99 will be rounded to \$401.

Poverty Level as Calculated under the Federal Poverty Income Guidelines (FPIG)	Percentage of Points
0%-25%	130%
26%-50%	120%
51%-75%	110%
76%-100%	100%
101%-125%	90%
126%-150%	80%
<u>151%-170% &gt; than 150% FPIG but not exceeding the maximum of the greater of 150% FPIG or 60% state median income</u>	70%
Calculated poverty level amounts falling between brackets will be rounded to the next higher amount. For example: income at 75.1% will be rounded to 76%.	

All final point results that are fractional will be rounded up to the nearest whole number.

2. Calculating Energy Costs. Energy Costs are calculated by the ConsumptionBased or DHLC method.
  - a. Consumption Based. Energy Costs will be based on the Eligible Household’s actual Home Energy deliveries, as reported on the Annual Consumption Report, for the primary Heating System as declared on the Eligible Household’s Application.
    1. If the primary Heating System is electric, Energy Costs will be calculated by deducting \$600 from the annual electricity cost as reported by the Vendor on the Annual Consumption Report. The \$600 deduction eliminates the non-heating usage of electricity.
    2. If an Eligible Household resides in Subsidized Housing and has a Direct Energy Cost, any annual utility allowance for heating will be deducted from the Eligible Household’s Energy Cost reported by the Vendor on the Annual Consumption Report.
    3. Energy Cost will be calculated using the Consumption Based method provided the Eligible Household meets the following requirements:
      - a. The Eligible Household has a Direct Energy Cost and;
      - b. An Applicant occupied the residence for the entire previous Heating Season and;
      - c. An Applicant had an eligible Application in the prior Program Year and;
      - d. The Eligible Household purchased all of their Home Energy for their primary Heating System from a Reporting Vendor(s) for the previous Heating Season and;

- e. Reporting Vendor(s) submitted an Annual Consumption Report to MaineHousing that provided the Eligible Household’s Home Energy delivery information and;
  - f. The Eligible Household’s Energy Costs, as reported by Vendor(s) to MaineHousing, is for their residence only and;
  - g. The Eligible Household’s primary Heating System does not use wood, wood pellets, corn, coal, or bio-bricks.
- b. Design Heat Load Calculation. DHLC shall be used to estimate the Energy Costs for Eligible Households that do not meet the requirements of the Consumption Based method. Under the DHLC, the number of rooms occupied by the Eligible Household shall be multiplied by the number of BTUs needed to heat an average sized room in a Dwelling Unit. That product will then be multiplied by the number of square feet of an average sized room in a Dwelling Unit. Next, that second product will be multiplied by the number of heating degree days of the Service Area in which the Eligible Household’s Dwelling Unit is located. That third product is then divided by one million BTUs. The quotient is then multiplied by the cost of the Eligible Household's primary Home Energy type per one million BTUs. That fourth product is then divided by the efficiency rate of the primary Home Energy type to arrive at the Eligible Household's amount of energy consumption. The cost per one million BTUs and efficiency rate of the Applicant's Home Energy type will be periodically established by MaineHousing. The DHLC is based on the following factors:
1. The total number of rooms in the Dwelling Unit as listed on the Application. Hallways, bathrooms, and closets are not counted in the total number of rooms;
  2. An assumed standard room size for the Dwelling Unit type. Standard room sizes and BTUs required to heat a Dwelling Unit vary by Dwelling Unit type because average room size and surface area exposure to the elements vary by Dwelling Unit type. The standard room sizes and BTUs used for each Dwelling Unit type are as follows:

Dwelling Unit Type	Standard Room Size	BTUs
Stick-built/Modular	144 square feet	14.3
Manufactured Home/mobile home	100 square feet	13
Apartment	120 square feet	8.3

3. The heating degree days for the Service Area. Heating degree days are determined by the National Weather Station in Gray, Maine.

Subgrantee	Service Area - counties	Heating Degree Days
Aroostook County Action Program	Aroostook	9543



Community Concepts, Inc.	Androscoggin, Oxford	7373
Downeast Community Partners	Washington, Hancock	7771
Kennebec Valley Community Action Program	Kennebec, Somerset	7680
Kennebec Valley Community Action Program	Lincoln, Sagadahoc	7420
Penquis Community Action Program	Penobscot, Piscataquis	8245
Penquis Community Action Program	Knox	7359
The Opportunity Alliance	Cumberland	7426
Waldo Community Action Partners	Waldo	7297
Western Maine Community Action	Franklin	8866
York County Community Action Corporation	York	7012

4. The estimated BTUs required to heat the Dwelling Unit;
5. Average cost per one million BTU. MaineHousing determines the average costs per one million BTU annually. Oil, kerosene, and propane costs are obtained by averaging the costs reported by the Governor’s Energy Office (GEO). Average costs for all other fuel types are based on a representative survey of Vendors’ pricing.
6. The efficiency rate for the primary Home Energy type listed on the Application. The Energy Cost per one million BTU and efficiency rate are based on the primary Home Energy type specified on the Eligible Household’s Application.

Home Energy Type	Efficiency Rate
Oil	65%
Kerosene	65%
Propane	65%
Natural Gas	65%
Electric	100%
Firewood	50%
Corn	60%
Wood Pellets	80%
Bio-bricks	80%

7. For Tenants in Subsidized Housing with a Direct Energy Cost, the annual utility allowance for heating, as provided by property manager on the Subsidized Housing form, must be deducted from the estimated Energy Cost in order to determine the Eligible Household’s heat burden.

5. Payment of Benefits.

- A. A Primary Applicant shall select a Vendor that will deliver Home Energy to the Eligible Household. Payment of Benefits will be made directly to the Vendor. Except as set forth below, Vendors may choose to receive HEAP Benefits prior to delivery or post-delivery.

1. For payment prior to delivery, MaineHousing, or a Subgrantee as allowed by

MaineHousing, will pay a Benefit to the Vendor or within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later.

2. For payment post-delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will provide a Credit Notification Report within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later. MaineHousing will make payment for HEAP Benefits after the Vendor makes delivery as authorized by MaineHousing.
  3. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for a Benefit after the Vendor makes delivery as authorized by MaineHousing and/or the Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing, or a Subgrantee as allowed by MaineHousing, within ~~forty-five thirty~~ (30)45 calendar days of the date of purchase order issuance. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing, or the Subgrantee as allowed by MaineHousing, will make payment within ten (10) business days of the signed purchase order receipt date. If the purchase order is not returned within ~~forty-five thirty~~ (30)45 calendar days of the date of issuance it may be considered void. Extensions may be granted by the MaineHousing on a case-by-case basis.
- B. If there is no Vendor that serves the area in which the Eligible Household resides then MaineHousing, or the Subgrantee as allowed by MaineHousing, may pay Benefits directly to the Primary Applicant.
  - C. Payment of Benefits may be made directly to Tenants with an Indirect Determinable Energy Cost.
6. TANF Supplemental Benefits.
- A. Except as may be expressly provided for elsewhere in this Rule, the use and administration of TANF Supplemental Benefits is subject to the standards for HEAP Benefits set forth in this Rule.
  - B. Eligibility. A Household may be eligible for a TANF Supplemental Benefit if its Application for HEAP has been certified eligible in the current Program Year and if on the Date of Application:
    1. it included at least one member who was under the age of eighteen (18); and
    2. it did not reside in Subsidized Housing with heat included.
  - C. Benefit Determination. The TANF Supplemental Benefit per Eligible Household per Program Year shall be determined each Program Year by MaineHousing based on the projected number of Households eligible for TANF Supplemental Benefits and available funding.
  - D. Payment of Benefits. Except in the case of utility Vendors, MaineHousing will make payment for a TANF Supplemental Benefit after the Vendor makes delivery as authorized by MaineHousing. The Vendor must submit a delivery ticket or invoice to MaineHousing together with a detailed account history showing delivery activity and payment activity from the previous May 1 through the date of the delivery being invoiced. MaineHousing will make payment within ten (10) business days of MaineHousing's receipt and approval of the required documentation.

7. Benefit Returns and Transfer:

- A. Program benefits may not be sold, released or otherwise conveyed, with or without consideration, by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when circumstances arise that prevent the Eligible Household from using the Benefit and MaineHousing determines such conveyance is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act.
- B. Program benefits may be available for reissue or transfer during the Program Year of issue and up until April 30<sup>th</sup> of the Program Year immediately following when:
  - 1. All Applicant(s) move in State but continue with same Vendor.
  - 2. All Applicant(s) move in State and change Home Energy vendors.
  - 3. Household changes Vendor.
  - 4. All Applicant(s) move in State from a Dwelling Unit with Direct Energy Cost to a Dwelling Unit with heat included in their rent (not including Subsidized Housing).
  - 5. All Applicant(s) move in State to Subsidized Housing with Direct Energy Cost.
  - 6. Household changes Home Energy type.
  - 7. Primary Applicant has deceased and there are surviving Applicants remaining in the Household (unless surviving Applicant moves in State to a Household that has received a Benefit in the current Program Year).
- C. Household may be required to provide in writing the following in order to receive a Benefit reissue or transfer:
  - 1. Primary Applicant's name.
  - 2. Previous address.
  - 3. Current address.
  - 4. Current phone number.
  - 5. Current rental agreement or current property tax bill, whichever is relevant.
  - 6. Current electric/utility company name and account number.
  - 7. Name on the electric/utility company account.
  - 8. Primary Heating System and Home Energy type.
  - 9. Fuel tank location.
  - 10. Current Home Energy Vendor name, address, and account number.
  - 11. Primary Applicant's signature and date submitted.

If for any reason the requested documentation is not provided, the reissuance or transfer of Benefits may be delayed and/or Benefits may be forfeited.

D. Benefits may not be eligible for reissue or transfer when:

1. It is determined that Primary Applicant committed Errors and Program Abuse when completing the Application.
2. It is determined that there was an Overpayment.
3. Primary Applicant's permanent residence changes to a nursing home or long term care facility and there are no surviving Applicants remaining in the Household.
4. All Applicant(s) move to Subsidized Housing with heat included.
5. Primary Applicant moves in State into a Household that has been determined eligible for a Benefit in the current Program Year.
6. The Benefit was issued before the previous or current Program Year.
7. The Benefit was issued the previous Program Year and was not used on or before April 30<sup>th</sup> of the Program Year immediately following.
8. All Applicant(s) move to an ineligible Dwelling Unit.
9. Primary Applicant has deceased and there are no surviving Applicants remaining in the Household.
10. All Applicants move out of State.

If the Household subsequently moves to an eligible Dwelling Unit, the Benefit may be eligible for reissue provided the Benefit was for the previous or current Program Year.

- E. In the event Vendor receives a Benefit return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to MaineHousing within fifteen (15) calendar days of date of Benefit return form. Once the funds are received, MaineHousing will process the reissue or transfer as appropriate within fifteen (15) calendar days.

8. Energy Crisis Intervention Program (ECIP).

- A. A Household may be eligible for ECIP if a Household member's health and safety is threatened by an Energy Crisis situation and the Household does not have the financial means to avert the Energy Crisis. The Subgrantee will determine whether the Household is experiencing an Energy Crisis on the Date of Application.

1. An Eligible Household is income eligible for ECIP. If a Household has not been certified eligible for a Benefit, the Household's income eligibility for ECIP will be based on one of the following timeframes, whichever allows eligibility:
  - a. The twelve (12) calendar months immediately preceding the Date of Application for ECIP;
  - b. The three (3) calendar months immediately preceding the Date of Application

for ECIP;

- c. The calendar month immediately preceding the Date of Application for ECIP; or
- d. The thirty (30) days immediately preceding the Date of Application for ECIP.

2. To determine if Household is in Energy Crisis:

- a. Reading of 1/8 tank or less on a standard 275 gallon heating oil tank;
- b. Reading of 25% or less on a propane tank;
- c. 3-day or less supply for other delivered Home Energy types.

3. To determine an Energy Crisis with respect to utility terminations:

- a. Household has received a disconnection notice; and
- b. Household has exhausted its ability to negotiate and pay the terms of a reasonable payment arrangement.

B. Allowable expenditures must be related to averting an Energy Crisis and may include:

- 1. Home Energy deliveries provided the Eligible Household has exhausted any remaining Benefits previously issued to a Vendor on behalf of the Eligible Household;
- 2. Surcharges, reconnection charges, or penalties related to a final utility disconnect notice. Utility costs must be directly related to the operation of the Heating System;
- 3. Heating System repair;
- 4. Purchase of space heaters;
- 5. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be averted within 18 hours by one of the above measures;
- 6. Rental payment assistance provided the Eligible Household is a Tenant whose rent includes heat and is facing eviction due to nonpayment of rent.

C. Unallowable Expenditures:

- 1. ECIP funds cannot be used to pay solely for a delivery charge.
- 2. ECIP funds cannot be used if the Household has any other Heating System that is safe, operable and is capable of heating the dwelling adequately during severe cold weather, and has a supply of product for that Heating System
- 3. ECIP funds cannot be used to pay for surcharges, reconnection charges, or penalties related to a final utility disconnect when that utility is not required for the operation of the primary Heating System.

4. ECIP funds cannot be used to pay for Home Energy deliveries or Heating System repairs if the Applicant resides in Subsidized Housing with heat included or a Rental Unit with heat included.
  5. An Applicant with an Overpayment balance is not eligible for ECIP benefits unless they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the Overpayment.
- D. The maximum ECIP benefit per Eligible Household per Program Year shall be determined each Program Year by MaineHousing based on Home Energy costs, economic conditions, and available funding.
- E. ECIP will be administered pursuant to HEAP:
1. ECIP timeframe is November 1 through the following April 30;
  2. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits, will be provided within 48 hours after Household has been certified eligible for ECIP;
  3. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits and is in a Life Threatening Crisis situation, will be provided within 18 hours after a Household has been certified eligible for ECIP.
- F. The Subgrantee will provide the Primary Applicant written notice of ECIP denial within three (3) business days.
- G. If a Household receives ECIP and it is subsequently determined that the Household was not eligible, MaineHousing or the Subgrantee may require the Household to repay the amount of ECIP. MaineHousing will recoup all outstanding Overpayments from any current or future Benefits until the Overpayment is paid in full.
- H. ECIP Payment to Vendors.
1. Except in the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order and a delivery ticket to MaineHousing/Subgrantee. The Vendor must also submit an invoice if the total amount on the delivery ticket is greater than the ECIP purchase order amount or the delivery ticket does not account for all the charges that were approved on the purchase order. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing will make payment within ten (10) business days of the receipt of the completed purchase order, a delivery ticket, and invoice (if applicable).
  2. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing/Subgrantee. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing/Subgrantee will make payment within ten (10) business days of the signed purchase order receipt

date.

9. Central Heating Improvement Program (CHIP).

A. Eligibility. A Household may be eligible for CHIP if the Household:

1. is eligible for HEAP ~~Weatherization~~ Fuel Assistance benefits;
2. has an eligible Application that was certified within the preceding twelve (12) months; and
3. does not have a more recent Application that has been certified-denied.

B. Subgrantees shall provide CHIP services based on the following priority order:

1. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
2. Non-wood Heating Systems that cannot achieve a minimum steady state efficiency of 70% (as determined by a CTE).
3. Preventative CTE and minor repairs on a non-emergency basis (owner-occupied dwelling units only). Date of the last CTE by a licensed technician must be more than twelve (12) months prior to the initiation of services date.

3.4. The installation of a Heat Pump.

Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority except when the Subgrantee is providing weatherization services to a Dwelling Unit. In this case, CHIP activities to Eligible Households that enable the Subgrantee to leverage funds may be served first.

C. Subgrantees shall administer and operate CHIP in their Service Areas unless otherwise determined by MaineHousing.

D. Heating System Replacement. Household may be eligible for assistance to replace a Heating System if the Household is eligible for Benefits pursuant to this Rule. The amount of assistance shall take into account the Applicant Household's and Non-occupying Co-owner's Countable Assets.

1. The Applicant Household will be required to contribute toward the cost of replacing the Heating System if the Applicant Household has Countable Assets in excess of \$5,000 or \$50,000 if a member of the Applicant Household is an Elderly Person. The same guidelines apply to Non-occupying Co-owner's Countable Assets.

The overall purpose of these asset limitations is to encourage a Household's contribution to meeting their needs, when possible, and at the same time recognize that household assets represent needed income and insurance against financial calamities, and that it is prudent to retain these assets to some extent.

2. An Applicant Household's contribution shall be determined by subtracting \$5,000 or \$50,000 (whichever is applicable) from its total Countable Assets. That difference will

then be multiplied by the Applicant Household's percentage of ownership. A Non-occupying Co-owner's contribution shall be similarly calculated. The maximum CHIP benefit amount shall be determined by subtracting the sum of the Applicant Household's and Non-occupying Co-owner's contributions from the total replacement costs.

- E. Rental Units Occupied By An Eligible Household: A life-time maximum benefit of \$400 for an Eligible Household. The maximum allowed in a non-owner occupied multi-family building is the lesser of \$400 times the number of Heating Systems that provide heat to Eligible Households or \$1,600.
- F. Life Estates and Life Leases: If an Eligible Household member holds a life estate or life lease interest in and occupies the Dwelling Unit, the Dwelling Unit may be eligible if:
  - 1. the document conferring the Applicant's rights of the life estate or life lease states that the Eligible Household member is responsible for maintaining the Dwelling Unit, or is silent as to who is responsible for maintenance; or
  - 2. the Dwelling Unit is owned by an Eligible Household.
- G. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and life leases require a copy of the document conferring the Applicant's rights.

The Subgrantee must obtain the written permission of the owner of the Rental Unit prior to performing any work on the Heating System unless the Tenant has exercised his or her right under 14 M.R.S.A. Section 6026 to make certain repairs.

- H. A Dwelling Unit will not be eligible under CHIP if:
  - 1. Dwelling Unit is a Rental Unit that has received prior CHIP services to the life-time maximum benefit;
  - 2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  - 3. Dwelling Unit has been designated for foreclosure;
  - 4. Dwelling Unit is for sale;
  - 5. Dwelling Unit is vacant;
  - 6. Dwelling Unit is uninhabitable;
  - 7. Dwelling Unit is in poor structural condition making the installation of CHIP services impractical, impossible, or ineffective;
  - 8. Dwelling Unit is in such poor structural condition that the proposed CHIP services would have a longer life expectancy than the Dwelling Unit;



9. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;

10. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the CHIP process. The Subgrantee must resolve any discrepancies before work can continue;

~~11. Dwelling Unit has any other Heating System that is safe, operable, and is capable of heating the dwelling adequately during severe cold weather.~~

~~12.11.~~ Subgrantee determines the Applicant failed to properly maintain a Heating System that was previously repaired or replaced under CHIP.

~~13.12.~~ Eligible Households who apply for CHIP services for more than one Dwelling Unit will be subject to additional review to ensure the requested services are consistent with the intent of the program.

I. CHIP Allowable Uses:

1. Cleaning, tuning, and evaluating oil or gas systems;
2. Cleaning, evaluating, and servicing solid fuel systems;
3. Replacing oil or gas burners;
4. Replacing cracked heat exchangers;
5. Replacing oil, gas, electric or solid fuel Heating Systems;
6. Sealing and insulating Heating System pipes or ducts in unconditioned spaces;
7. Installing electrical or mechanical Heating System ignition systems;
8. Replacing or relocating thermostats and anticipator adjustment;
9. Baffling of the combustion chamber;
10. Optimizing the firing rate;
11. Cleaning of the chimney;
12. Smoke Alarms;
13. Fire extinguishers;
14. Carbon Monoxide detectors;

15. Oil tanks;

~~15.~~ Installation of a Heat Pump;

16. Other measures necessary to bring Heating Systems into compliance with applicable State and local codes and Maine Fuel Board requirements; and
  17. Other measures necessary to correct any Heating System problems that pose an immediate threat to the health and safety of the Eligible Household.
- J. CHIP Unallowable Uses:
1. Reimbursement or payment for purchases made by or costs incurred by an Applicant.
  2. Replacement of a Heating System if the Dwelling Unit received a prior Heating System replacement funded by CHIP unless the Heating System is near the end of or beyond its estimated useful life as defined by [https://www.hud.gov/sites/documents/EUL\\_FOR\\_CNA\\_E\\_TOOL.PDF](https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF)
- K. Fuel Switching. As a general guideline, the practice of fuel switching is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request should be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.
- L. Subgrantee must perform a final inspection on all CHIP services in excess of \$1,000. Inspections will include an evaluation to determine:
1. Compliance with applicable codes;
  2. That all work performed was authorized by the Subgrantee; and
  3. The combustion efficiency level of the Heating System where technically feasible.
- M. Specific Procurement Requirements. Prior to the performance of CHIP services, the Subgrantee shall follow the procedures below:
1. Procurement less than or equal to \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Solicit by phone, email, vendor website, catalog, or price list, or similar means one price quote for the required materials, equipment and services.
    - b. Determine if the quoted price is reasonable based on one or more factors identified by Subgrantee, such as recent purchases of, or research on, goods or services of the same kind or related knowledge or expertise; otherwise, solicit two price quotes by similar means.
    - c. Copies of all procurement records, including basis for the contractor selection and factors used to determine if the quoted price is reasonable, must be retained in the Subgrantee files.
  2. Procurement over \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Perform a price survey for the required materials, equipment and services.

- b. Make every reasonable attempt to receive price quotations or bids from at least three (3) reputable Contractors and fully document the bid process and all bids received on a survey sheet.
  - c. Purchase the materials, equipment or services from the Contractor whose bid or proposal is the lowest, taking into consideration the Contractor's performance record and other relevant factors. Fully document the selection process.
  - d. Copies of all procurement records, including basis for contractor selection must be retained in the Subgrantee files.
3. The Subgrantee must prepare an Invitation to Bid or a Request for Proposal, which:
- a. Identifies all requirements which prospective bidders must fulfill, including the due dates for bids; and
  - b. Identifies all factors which the Subgrantees will consider in evaluating and awarding bids.
4. The Invitation to Bid or Request for Proposal must be mailed, faxed or emailed to no less than three (3) prospective contractors who may reasonably be expected to submit a bid.
5. All bids must be received by the Subgrantee contact person via mail, fax or e-mail prior to a specified time for a bid opening at a specified time and location. All bids received must be kept in a secure location prior to all bids being received and tabulated. In addition, all correspondence relating to the procurement action must be retained in the bid files.
6. Sole Source Procurement. Subgrantee may solicit a proposal from only one source for one of the following reasons.
- a. Sole source procurement may be used in the following instances:
    - 1. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed. Emergency or urgent situations include, but are not limited to, natural disasters or a Life Threatening Crisis.
    - 2. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
    - 3. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.
  - b. Subgrantee shall submit a written statement justifying the use and approval of all sole source procurements, in excess of \$10,000 to MaineHousing for its consideration prior to the installation of services.
  - c. Subgrantee will retain a copy of the solicitation and the proposal received in response, a record of the approval by MaineHousing in Subgrantee's records.

## 10. HEAP Weatherization.

- A. The purpose of HEAP Weatherization is to reduce Eligible Households' need for Fuel Assistance, particularly those with the lowest Household Incomes that pay a high proportion of Household Income for Home Energy and those that include Priority Applicants.
- B. Using HEAP Weatherization in conjunction with U.S Department of Energy (DOE) funds: If the requirements in this Rule conflict with those required by [10 CFR Part 440](#), DOE requirements shall have precedence. HEAP Weatherization funds may only be used to weatherize Dwelling Units occupied by Eligible Households.
- C. Weatherization measures must be installed in accordance with the Maine Weatherization Standards, as may be amended from time to time.
- D. Eligibility. A Household may be eligible for HEAP Weatherization if the Household:
  - 1. is eligible for Benefits pursuant to this Rule;
  - 2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit; and
  - 3. does not have a more recent Application that has been certified-denied.

Apart from the eligibility criteria identified in D.1-3., a Household may qualify for HEAP Weatherization if the:

- i. Household's Application was denied solely based on the Household Income exceeding the income limits for Benefits; and
  - ii. Household Income does not exceed the DOE income threshold.
- E. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and leases require a copy of the document conferring the Applicant's rights.

The Subgrantee must obtain the written permission of the owner of the Rental Unit prior to performing any work.

- F. A Dwelling Unit will not be eligible under HEAP Weatherization if:
  - 1. Dwelling Unit received weatherization services under HEAP Weatherization or another Maine Housing program within ten (10) years of the date of Application.
  - 2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  - 3. Dwelling Unit has been designated for foreclosure;
  - 4. Dwelling Unit is for sale;

5. Dwelling Unit is vacant;
6. Dwelling Unit is uninhabitable;
7. Dwelling Unit is in poor structural condition making the installation of HEAP Weatherization services impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed HEAP Weatherization services would have a longer life expectancy than the Dwelling Unit;
9. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;
10. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

G. Allowable Uses:

1. Weatherization needs assessments/audits;
2. Air sealing and insulation;
3. Storm windows;
4. Heating System modifications/repairs;
5. Heating System replacements;
6. Heating System cleaning, tuning, and evaluating;
7. Compact fluorescent light bulbs;
8. Energy related roof repairs;
9. Major appliance repairs/replacements, including water heaters, provided total cost of the appliances does not exceed 20% of the labor and material costs associated with the installation of energy conservation measure or one appliance if the 20% will not cover the repair/replacement cost of one appliance;
10. Incidental Repairs – per unit average not to exceed 20%;
11. Health and safety measures – per unit average not to exceed \$1,200;
12. Replacement windows and doors are allowable only under exceptional circumstances and only after all other reasonable repair options have been considered and rejected.

H. Fuel Switching: As a general guideline, the practice of fuel switching when replacing Heating Systems is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request should be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.

- I. Work on an eligible Dwelling Unit previously weatherized under a MaineHousing program may be reopened if:
  - 1. the reopening occurs within six (6) months of completion of the original weatherization service; and
  - 2. The reopening is required because the previous service is the proximate cause of an immediate threat to the health and safety of the occupants; or
  - 3. The quality of weatherization material or its installation is deemed deficient by MaineHousing.
- J. Subgrantees shall administer and operate HEAP Weatherization in their Service Areas, unless otherwise authorized by MaineHousing.
- K. For the purposes of HEAP Weatherization, Subgrantees must conduct a public bid process at least annually as prescribed by MaineHousing.

#### 11. Administration of the Program.

- A. MaineHousing will prepare and submit to the Secretary of the United States Department of Health and Human Services an annual State Plan for HEAP in conformity with the provisions of the HEAP Act. MaineHousing will notice a public hearing for the purpose of taking comments on the State Plan and will also prepare a transcript of such comments.
- B. HEAP Handbook. The HEAP Handbook is an operations manual for the administration of the Programs. This Rule shall control in the event of any inconsistency between the HEAP Handbook and this Rule.
- C. General. To the extent practicable, MaineHousing will contract with Subgrantees for the purpose of administering the Programs and may require the Subgrantee to provide benefits in connection therewith, including Supplemental Benefits if such benefits become available during the Program Year, to Eligible Households. MaineHousing may, in its discretion, provide benefits in connection with the Programs and make prepayments, installment payments and advances with or without interest in connection therewith, including without limitation, payment of direct benefits to Eligible Households or Vendors, or may contract with other entities, such as municipalities, to administer the Programs and provide benefits.
- D. Conflict of Interest. No employee, officer, board member, agent, consultant or other representative of Subgrantee, Vendor, or Contractor who exercises or has exercised any function or responsibility with respect to Programs' activities or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from Programs' activities or have an interest in any contract, subcontract or agreement regarding the Programs' activities, or the proceeds there under, which benefits him or her or any person with whom he or she has business or family ties. Subgrantees, Vendors, and Contractors shall notify MaineHousing of any potential conflict of interest.
- E. Confidentiality. Subgrantees, Vendors, Contractors, and their employees and agents shall keep confidential:
  - Applicant or beneficiary information obtained in the administration of the Programs, including without limitation, an individual's name, address and phone number, household income, assets or

other financial information, and benefits received (“Confidential Information”).

Subgrantees, Vendors, Contractors, and their employees and agents shall safeguard and protect from disclosure at all times Confidential Information including, without limitation, taking the following steps:

1. Put measures in place to prevent the loss, theft, misappropriation or inadvertent disclosure of Confidential Information.
  2. Encrypt all Confidential Information contained on computers, laptops, and other electronic devices and media used in whole or in part, in the operation or administration of the Programs.
  3. Send e-mail or e-mail attachments containing Confidential Information only if encrypted or only through a secure e-mail server.
  4. Make their employees, officers, agents, contractors, sub-contractors and other representatives who operate or administer any of the Programs or otherwise provide services under the Programs aware that the responsibility to safeguard and protect Confidential Information applies at all times, whether or not they are at a work location during normal business hours.
  5. Limit disclosure to persons with a direct need to know.
- F. MaineHousing will conduct program and fiscal monitoring of Subgrantees and Vendors to ensure compliance with Federal, State, and MaineHousing rules and regulations in a manner consistent with applicable State law, as may be amended from time to time, and the HEAP Act.

## 12. Subgrantees.

- A. Service Areas. MaineHousing will select at least one Subgrantee to administer the Programs in each Service Area.
- B. Selection of Subgrantees. Subgrantees will be selected annually based on the following criteria:
  1. Experience with providing Fuel Assistance or similar programs to low-income persons;
  2. Current capacity to administer a timely and effective Fuel Assistance program for the intended Service Area;
  3. Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;
  4. The availability of other qualified entities to service a particular area;
  5. The geographic area customarily serviced by the potential Subgrantee;
  6. Cost efficiency in administering a Fuel Assistance program;
  7. The ability to enhance accessibility to other low-income programs administered by the Subgrantee;
  8. Acceptable schedule for taking Applications; and

9. The ability to perform outreach activities and serve homebound recipients.

Subgrantees shall make annual, written applications to MaineHousing that address each of the criteria listed above. Subgrantee applications must be received no later than June 1 of each year.

C. Allocation to Each Subgrantee. MaineHousing will determine the annual allocation of HEAP funds to each Subgrantee, the amount of which annual allocation shall not include any amount of HEAP funds allocated to MaineHousing to pay Benefits in the event MaineHousing elects to provide Benefits directly. MaineHousing may base any allocation determination on the number of Applications certified eligible in the Service Areas in the previous Program Year.

D. Subgrantee Administrative and Program Expenses. Subgrantees shall be permitted administrative and program expenses necessary to carry out their responsibilities under this Rule and the Programs. Such expenses will be allowed in a manner consistent with the provisions of the HEAP Act and must be reasonable in amount as determined by MaineHousing following its review of the Subgrantee work plans and budgets. Allowable administrative and program expenses for each of the Programs are listed below. Other expenses may be allowed if authorized by MaineHousing before the expenses are incurred.

<b>Fuel Assistance and ECIP</b>	<b>Expense Category</b>
Salary and fringe benefit costs for the actual time an individual performs intake, processing, or eligibility determination functions associated with an active Application	Program
Salary and fringe benefit costs for the actual time an individual participates in administering Fuel Assistance or ECIP and is not performing functions associated with an active Application	Administrative
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, data processing/computer costs, equipment repairs and maintenance, equipment purchase/lease, and consultants/professional services	Administrative
Indirect costs	Administrative
<b>HEAP Weatherization and CHIP</b>	<b>Expense Category</b>
Material/labor costs for Heating system repairs/replacements and measures installed as part of weatherization	Program
<u>Either</u> Salary and fringe benefit costs for the actual time staff participates in administering HEAP Weatherization or CHIP <u>or a program management fee established by MaineHousing.</u>	Program



Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, equipment purchase/lease, liability insurance, pollution occurrence insurance, and consultants/professional services.	Program
Indirect costs	Administrative
<b>Assurance 16 Services</b>	<b>Expense Category</b>
Salary and fringe benefit costs for staff providing direct services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space	Program

- E. Assurance 16 Activities. Subgrantees may submit annual proposals, for MaineHousing’s consideration, describing their planned activities and expenses associated with providing services to Applicants pursuant to Assurance 16 of the HEAP Act.
- F. Subgrantee’s Responsibilities. The responsibilities of the Subgrantee include, but are not limited to, the following and as further defined in the annual Subgrant Agreement:
1. To conduct client outreach in a manner consistent with the HEAP Act and as prescribed in this Rule.
  2. To accept and verify Applications from Primary Applicants in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  3. To determine Household eligibility in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  4. To pay benefits, if required by MaineHousing, to or on behalf of Eligible Households in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  5. To provide documentation and assistance as needed for MaineHousing to conduct informal reviews and fair hearings.
  6. To pay Supplemental Benefits, if required by MaineHousing, if such benefits become available during the Program Year.
  7. To use MaineHousing database software and equipment.
  8. To address no-heat emergencies.
  9. To cost effectively administer and operate the Programs.
  10. To prioritize Eligible Households for HEAP Weatherization services in accordance with the HEAT Enterprise software.
  11. To coordinate services between Programs.

12. To submit to MaineHousing production schedules for the Programs.
13. To submit to MaineHousing work plans and budgets, monthly status reports and any other such reports or information required in connection with the Programs.
14. To submit to MaineHousing billing information, including zero billings, for open contracts by 20th of each month.
15. To use forms provided or approved by MaineHousing to administer the Programs.
16. To protect personally identifiable information.
17. At Applicant's request, to make reasonable accommodations for a Person with a Disability.
18. To ensure that procurement of materials and services is conducted in a manner to provide open and free competition and to avoid any appearance of impropriety, the Subgrantee shall be bound by general federal procurement principles at [45 CFR §§ 75.327](#) to 75.335 and property management principles at [45 CFR §§ 75.316](#) to 75.323..

G. Recordkeeping, Reporting and Accounting. Subgrantee shall comply with the following requirements:

1. Subgrantee shall maintain comprehensive and accurate documentation, payroll reports, financial statements, and other records in connection with its administration of the Programs, including at a minimum, the amount and disposition of the Programs' funds received by the Subgrantee and the total cost necessary to administer the Programs. Subgrantee shall keep such records separate and identifiable from the records of Subgrantee's other business and activities. MaineHousing and its representatives shall have the right to examine such records at reasonable times upon reasonable notice by MaineHousing. Subgrantee shall furnish copies of any such records requested by MaineHousing. All records must be retained by the Subgrantee for a minimum of three (3) years from the end of relevant contract period. In cases of litigation, other claims, audits, or other disputes the Subgrantee will retain all relevant records for at least one (1) year after the final disposition thereof.
2. Subgrantee shall comply with all reporting requirements of MaineHousing. Subgrantee shall submit to MaineHousing an annual budget prior to each Program Year. Within ninety (90) calendar days after the close of the Subgrantee's fiscal year, Subgrantee shall furnish to MaineHousing an annual financial statement of Subgrantee, prepared by an independent certified public accountant in accordance with audit requirements at 45 CFR Part 75, Subpart F.

H. Funds for administrative expenses for the Program Year and supplemental funding received, if any, may be spent only between October 1 and the following September 30 of the applicable Program Year, unless otherwise authorized by MaineHousing.

I. Noncompliance.

1. MaineHousing shall have the right to terminate the Subgrantee Agreement in its sole discretion if it determines the Subgrantee has failed to perform one or more of its obligations to include malfeasance or misappropriation of funds. A written Notice of Termination of Subgrantee will set forth the specific violation.

2. For non-compliance other than those which MaineHousing determines are subject to immediate termination, a deficiency notice will be sent to the Subgrantee in the event it fails to comply with any provision of this Rule, the Subgrantee Agreement, the Program Handbook, and the provisions of other applicable law. The Notice will set forth the specific violation and allow a reasonable time period for response by the Subgrantee. Upon review and consideration of any responses, MaineHousing will notify the Subgrantee in writing of any action to be taken and may establish a reasonable time period within which remedial action must be taken. Failure of Subgrantee to comply will result in a Notice of Termination of Subgrantee stating the cause and effective date of its termination.
3. MaineHousing shall have the right to suspend in whole or in part the Subgrantee's performance of one or more services provided under the Agreement whenever MaineHousing determines such suspension is in MaineHousing's best interest.
4. MaineHousing may bar a Subgrantee's participation in programs administered by MaineHousing for its malfeasance or misfeasance with respect to the administration or operation of any of the Programs.

### 13. Indian Tribes.

- A. Direct Allocation to Indian Tribes. Indian Tribes may receive a direct allocation of HEAP funds from the Secretary of the United States Department of Health and Human Services pursuant to the HEAP Act. The amount of the direct allocation is determined by MaineHousing. In its determination MaineHousing will consider the number of Eligible Households during the previous Program Year that include an Applicant who is a member of the Indian Tribe, when that information is available.
- B. Agreements with Indian Tribes. When an Indian Tribe receives a direct allocation of Fuel Assistance and ECIP, MaineHousing will enter into an agreement with the Indian Tribe that, at a minimum, provides for the coordination of services and administration of the Fuel Assistance and ECIP by Indian Tribe and Subgrantees to prevent duplication of services.

### 14. Vendors.

- A. Vendor Eligibility. A vendor interested in becoming a Vendor must demonstrate the capacity and stability of its business to MaineHousing's satisfaction. The vendor must supply a credit report and a business plan. The vendor must be in business for one year prior to becoming a Vendor.

MaineHousing reserves the right to exclude a vendor for the following, not limited to:

1. Any bankruptcies or judgments;
2. Owners and/or officers of vendor were previously owner/officer of terminated Vendor;
3. Failure to comply with Close-Out requirements.

#### B. Enrollment.

1. Open Enrollment for new vendors: vendors may enter into a Vendor Agreement during the time period as prescribed by MaineHousing. If the vendor does not submit accurate and complete documentation the vendor may not be allowed to participate in the current

Program Year.

2. Re-Enrollment for Vendors: Vendors who have a current Program Year contract may enroll as prescribed by MaineHousing. Continued participation is contingent upon performance and compliance with terms of Vendor Agreement.
- C. MaineHousing, at its discretion, may terminate any Vendor:
1. That does not comply with the terms and conditions of the Vendor Agreement;
  2. That fails to provide documentation and cooperate with any audit/investigation and/or the return of unused Benefits as determined by any audit/investigation. In addition, MaineHousing may undertake any of the following:
    - a. Bar the Vendor from future participation;
    - b. Refer the case to State or federal officials for criminal prosecution or civil action; and
    - c. Pursue other remedies as determined by MaineHousing.
- D. Vendors must comply with State law concerning consumer home heating rights, which is described in Office of the Maine Attorney General Consumer Law Guide Chapter 19.
- E. Vendor may not consider an Eligible Household's outstanding indebtedness to Vendor in calculating the Retail Cash Price applicable to a delivery of Home Energy to that Eligible Household.
- F. Return of Payments.
1. In the event Vendor receives a Benefit Return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to MaineHousing, or Subgrantee as allowed by MaineHousing, within fifteen (15) calendar days of date of Benefit Return form.
  2. In the event Vendor becomes aware of any of the events listed below affecting an Eligible Household, Vendor shall within fifteen (15) calendar days of the date that Vendor becomes aware of any such event, submit to MaineHousing a completed Benefit Return form and return any remaining Benefits paid to Vendor on behalf of the affected Eligible Household, unless the remaining Benefits are less than \$25.
- Vendor may aggregate any remaining Benefits with a balance less than \$25 and return the balance to MaineHousing when the Annual Consumption Report is submitted. All related recordkeeping must clearly show all remaining benefit balances.
- a. The death of an individual who was the sole member of an Eligible Household;
  - b. The institutionalization of an individual who was the sole member of an Eligible Household;
  - c. Vendor's receipt of a written notice from an Eligible Household that it no longer desires to receive Home Energy deliveries from Vendor;

- d. An Eligible Household has not received deliveries of Home Energy for twelve (12) consecutive months;
  - e. An Eligible Household has moved out of Vendor's Service Area;
  - f. An Eligible Household has moved out of State;
  - g. Vendor has been paid an excessive Benefit on behalf of the Eligible Household.
3. Vendor shall return to MaineHousing all unused Benefits in its possession or custody, whether directly or indirectly, within fifteen (15) calendar days of the termination of the Vendor Agreement.
  4. With respect to each return of Benefits, the Vendor agrees to provide in writing: the name and address of the Vendor; the name and address of the Eligible Household; the Eligible Household's account number; the Benefit amount being returned; and a concise explanation for the return of funds. In addition Vendor must include a detailed account history showing delivery activity and payment activity from twelve (12) months prior to the date the Benefit was received by Vendor to the current date. Vendor must also provide any other information required by MaineHousing related thereto.
  5. Vendors may refund credit balances to Eligible Households only to the extent that such credit balances can be documented and demonstrated to be the Eligible Household's funds and not Fuel Assistance funds.
- G. As part of the Annual Consumption Report process, Vendors must review Eligible Household accounts and identify any remaining Benefits that were issued in or prior to the preceding Program Year. All such unused Benefits must be returned to MaineHousing no later than June 30.

H. Use of Benefits.

1. Program benefits may not be sold, released or otherwise conveyed, with or without consideration, by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when circumstances arise that prevent the Eligible Household from using the benefit and MaineHousing determines such conveyance is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act.
2. Benefits cannot be used to pay Incidental Costs.
3. Unless otherwise authorized by MaineHousing, the Vendor may only deliver the product stated on the Vendor Voucher Report, the Credit Notification Report, or the purchase order for wood or ECIP.
4. Vendor may deliver the entire Benefit if the Household has placed an order (for partial Benefit) or if the Household is on automatic delivery unless:
  - a. The Household advises the Vendor all Applicants are moving;
  - b. The Household advises the Vendor that Household's Heating System has mechanical difficulties;
  - c. The Household's Home Energy storage tanks are either being replaced or do

not meet code.

- I. If Vendor has delivered Home Energy to an Eligible Household on or after October 1st of the current Program Year and the Eligible Household or a private individual (such as a relative or a friend) has paid Vendor for the delivery or there is an outstanding balance for the delivery, Vendor may apply HEAP Benefit funds received for the account of the Eligible Household to that Home Energy delivery. After an amount of HEAP Benefit funds equal to the cost of the Home Energy delivery has been applied, the amount previously paid by the Eligible Household or the private individual must be credited to the Eligible Household's account with Vendor. The funds credited to the Eligible Household's account become the Eligible Household's funds and are not HEAP Benefits. The use of these funds/credit balances is subject to the terms and conditions in place between the Vendor and its customer.

Any deliveries paid by an organization, including but not limited to Citizen's Energy, Keep ME Warm, churches, general assistance programs, and municipalities are not subject to this clause and cannot be covered with HEAP Benefits.

- J. In the case of electricity and natural gas Vendors, the Vendor may apply HEAP Benefit funds received for the account of the Eligible Household to past due charges for Home Energy deliveries to the Eligible Household, with the oldest charges being paid first. HEAP Benefits cannot be applied to Incidental Costs.
- K. Vendor Watch List. In the event MaineHousing determines, in its sole judgment based on Vendor's actions or omissions or other information obtained by MaineHousing directly or from any third party, that such actions, omissions or other information raise issues concerning Vendor's continued ability to make Home Energy deliveries or otherwise comply with the terms of the Vendor Agreement, or that Vendor's performance is out of compliance with the requirements of the Vendor Agreement, MaineHousing may place, in its sole discretion, Vendor on a Watch List.
- L. Prohibited Discrimination. The Vendor is prohibited from discriminating against any Eligible Household regarding the extension of credit to purchase Home Energy or other services, the price of Home Energy or other services, or the terms or conditions of the delivery of Home Energy or other services solely on the basis of its being an Eligible Household.

## 15. Errors and Program Abuse.

### A. Reports of Errors and Program Abuse:

1. Subgrantees must report in writing to MaineHousing suspected Errors and Program Abuse related to Programs.
2. Any individual may report to MaineHousing suspected Errors and Program Abuse related to Programs:
  - a. By telephone at 1-800-452-4668 or (207) 626-4600
  - b. In writing to MaineHousing, ATTN: LIHEAP Errors and Program Abuse, 353 Water Street, Augusta, Maine 04333
  - c. By e-mail to [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org);
  - d. Or via MaineHousing's website at <http://mainehousing.org/contact/info-request-form>

The report must include the name of the person being reported, their county of residence, and details of the suspected Errors and Program Abuse.

- B. MaineHousing will investigate all reported Errors and Program Abuse. If there is documented information to indicate Errors and Program Abuse, MaineHousing may notify the Applicant and provide them an opportunity to respond. Based on the response, MaineHousing will determine what, if any, appropriate action should be taken.
- C. Once Errors and Program Abuse is confirmed or if an Applicant fails to respond to inquiries regarding suspected Errors and Program Abuse, an Overpayment will be calculated and communicated to the Applicant. In addition to the Overpayment, the communication will include: 1) the facts surrounding the decision, 2) the reason for the decision, and 3) the manner by which the Applicant can request an appeal. MaineHousing will investigate the previous three (3) Program Years from the Date of Discovery. The Overpayment may include any or all of those three (3) years.
- D. When calculating an Overpayment MaineHousing will use the HEAP Handbook in effect for the applicable years the Overpayment occurred.
- E. An Applicant may request a fair hearing to dispute an Overpayment. The Applicant must submit to MaineHousing a written request for a fair hearing no later than thirty (30) calendar days from the postmark date of the first notification from MaineHousing of suspected Errors and Program Abuse. All requests for fair hearing shall follow the Rule as set forth in Section 15.
- F. MaineHousing will pursue recouping of Overpayments by any and all of the following:
  - 1. Applicant may pay MaineHousing the full amount an Overpayment.
  - 2. Applicant may enter into a payment arrangement. Minimum monthly payment allowed will be set at \$20.00 a month.
  - 3. Despite the existence of a repayment agreement, MaineHousing will recoup any current and future Benefits to offset against an Overpayment balance.
  - 4. MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an Overpayment balance.
- G. When Applicant fails to repay Overpayment, the case may be referred to other parties for additional action.
- H. MaineHousing may close an Overpayment for any of the following reasons:
  - 1. Overpayment has been paid in full.
  - 2. The overpayment is determined to be invalid based on a fair hearing decision or a court decision.
  - 3. All adult persons(s) responsible for Overpayment are deceased.

## 16. Appeal.

- A. The benefit notification shall:
  - 1. State the Benefit amount;
  - 2. State the date the Benefit was sent to the Vendor;
  - 3. State the approved Home Energy type;
  - 4. State the manner by which the Applicant can request an informal review, if applicable;
  - 5. State the manner by which the Applicant can request an appeal, if applicable.
- B. The denial notification shall:
  - 1. State the facts surrounding the decision;
  - 2. State the reason(s) for the decision;
  - 3. State the manner by which the Applicant can request an appeal, if applicable.
- C. The Applicant must submit a written appeal request for an informal review no later than:
  - 1. Thirty (30) calendar days from the postmarked date of the denial notification;
  - 2. Thirty (30) calendar days from the postmarked date of the benefit notification;
  - 3. Ninety (90) calendar days from the Date of Application, if the Application has not been approved or denied; or
  - 4. Ninety (90) calendar days from the postmarked date of the request for refund of an Overpayment.
- D. Written requests for appeal may be mailed to MaineHousing, 353 Water Street, Augusta, Maine 04330; or emailed to [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org).
- E. Informal Review. Informal reviews are intended to provide a minimum hearing requirement and need not be as elaborate as the fair hearing. An Applicant may request, in writing, an informal review for any dispute other than a dispute regarding TANF Supplemental Benefits

The informal review will be conducted by a person other than the one who made or approved the decision under review or a subordinate of this person. MaineHousing will review the file, conduct necessary research, and give the Applicant an opportunity to present written or oral objections to the decision under review. In rendering a decision MaineHousing will evaluate the accuracy of the calculations, the level of documentation provided by the Applicant, and the accuracy of the decision. MaineHousing will communicate the results of the research/review to the Applicant.

F. Fair Hearing.

Pursuant to the HEAP Act, [42 USC §8624\(b\)\(13\)](#), MaineHousing will provide an Applicant an opportunity for a fair administrative hearing if the Applicant's claim for assistance has been denied or not acted upon with reasonable promptness. MaineHousing will also provide an Applicant an opportunity for a fair administrative hearing if the Applicant is required to refund an Overpayment.



1. Fair hearings shall be conducted in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375 by the Director of MaineHousing (or his/her designee) or such other contractor selected by MaineHousing. The parties may receive a transcript of the hearing upon payment of the reasonable cost for the production thereof.
2. Within thirty (30) calendar days of the hearing's conclusion the hearing officer will prepare a recommended hearing decision. Copies of the recommended decision will be provided to the appellant.
3. A final decision and order will be made by the Director of MaineHousing in writing within sixty (60) calendar days of receipt of the hearing officer's recommendation. In the event the Director of MaineHousing presides over a hearing, she/he shall render his/her decision and order within sixty (60) calendar days of the hearing's conclusion or sixty (60) calendar days of the recommended decision. The Director's decision and order shall include findings of fact sufficient to apprise the parties of its basis. A copy of the decision and order will be provided promptly to each party to the proceeding or his representative of record. Written notice of the party's right to appeal the decision and other relevant information will be provided to the parties at the time of the decision and order. The decision and order will be implemented by the Subgrantee no later than ten (10) calendar days after receipt if it is in the Appellant's favor and otherwise forty-five (45) calendar days unless stayed on appeal.

G. TANF Supplemental Benefits are not subject to appeal.

#### 17. Additional Provisions.

- A. Other Laws. If this Rule conflicts with any provision of applicable federal or State law, including without limitation the Act and the HEAP Act, such federal or State law shall control.
- B. Additional Requirements. This Rule does not preclude such additional or alternative requirements as may be necessary to comply with the Act and the HEAP Act.
- C. Pool of Eligible Households. This Rule establishes a pool of eligible applicants but does not preclude additional reasonable criteria and does not confer any automatic right or entitlement on any person or entity eligible hereunder.
- D. Availability of Funds. Assistance provided pursuant to this Rule is conditioned on the availability of HEAP funds.
- E. Waivers. Upon determination for good cause, the Director of MaineHousing, or the Director's designee, may, subject to statutory limitations, waive any provision of this Rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.
- F. Final Action. The Director of MaineHousing, individually or by exercise of the delegation powers contained in the Act, shall make all decisions and take all action necessary to implement this Rule. Such action of the Director shall constitute final agency action.

**BASIS STATEMENT:** ~~This rule repeals and replaces in its entirety the current Home Energy Assistance Program Rule. The rule establishes standards for administering fuel assistance, emergency fuel assistance, TANF Supplemental Benefits,~~

weatherization, and heating system repair and replacement funds to low-income households in the State of Maine. The replacement rule: (i) removes the “Discount Off Retail” \$0.07 reduction a Vendor’s Retail Cash Price for all Home Energy deliveries for the fuel type listed on the Vendor Voucher Report or the Credit Notification; (ii) amends the definition of “priority applicant” to include children 72 months (6 years) or younger; (iii) amends language throughout the rule to accommodate pre-delivery payment and post-delivery payment for fuel; and (iv) allows Vendors to return remaining balances for Clients with balances less than \$25 at the time of the Annual Consumption Reporting rather than throughout the year.

#### PROCESS:

Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the May 1, 2019 edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on May 2, 2019, and published the proposed rule on its website on May 1, 2019. MaineHousing held a public hearing on May 21, 2019. The comment period was held open until May 31, 2019. MaineHousing received comments from Maine Community Action Association, Equal Justice Partners, Western Maine Community Action, Penquis Community Action Agency, and Maine Energy Marketers Association.

#### SUMMARY OF COMMENTS AND RESPONSES:

*Comments from Mark Green, Executive Director, Downeast Community Partners on behalf of the Maine Community Action Association:*

*Priority Applicants:* Mr. Green testified in support of the proposed Rule and Model State Plan change for prioritizing households with children from 24 months or younger to 72 months or younger.

*Changes to Information Gathering and Eligibility Documentation:* MaineHousing should consider ways to reduce paperwork, duplicative information gathering, and increased electronic information gathering, storage and dissemination.

*MaineHousing Response:* The specific information gathering requirements for HEAP are not expressly discussed in the rule; however, MaineHousing is working closely with the Community Action Agencies to find efficiencies in information gathering and application processing requirements. Plans are in place to consider immediate modifications to process and procedures and to develop a longer-term implementation plan for the reduction of paperwork and documentation.

*Allowable Costs:* Space and other allocated costs related to the support of HEAP should be considered eligible program expenses, consistent with the weatherization program. Currently, only salary and fringe benefit costs for the application and certification process have been allowed from program funds.

*MaineHousing Response:* At this time, MaineHousing will continue allowing only salary and fringe benefit costs for the delivery of HEAP to be eligible program expenses. MaineHousing has encouraged the Community Action Agencies to consider how best to use these funds for the support of the program and will entertain requests for additional salary and fringe benefit costs from program funding.

*Comments from William Crandall, Housing Program Manager from Western Maine Community Action Program on behalf of Maine Community Action Association as current Chair of the MCAA Housing Council:*

Mr. Crandall testified in support of the change to the procurement threshold from \$3,000 to \$10,000 to align it with OMB regulations.

*Comments from Chris Hastedt, Senior Policy Advisor at Maine Equal Justice Partners:*

*Increase Enrollment Through Inter-Agency Collaboration:* Ms. Hastedt recommended that MaineHousing consider collaboration with Maine DHHS to use the automated client eligibility system (ACE) which is used for such

~~programs as Medicare, SNAP and TANF. This approach would allow for categorical eligibility for HEAP benefits if the applicant is enrolled in eligible programs.~~

~~*MaineHousing Response:* MaineHousing welcomes the opportunity to engage in further dialogue regarding the concept of “categorical eligibility” and will pursue these discussions with DHHS and other interested parties. MaineHousing does not recommend any changes to the Rule at this time, but will actively pursue engagement with DHHS, MEJP and other interested parties in the coming year.~~

~~*Comments from Jamie Py, President and CEO of Maine Energy Marketers Association:*~~

~~Mr. Py testified in support of the recommended changes to the HEAP Rule and did not provide any additional recommendations.~~

STATUTORY AUTHORITY: 30-A M.R.S.A. §§4722(1)(W), 4741(15), and 4991 et seq.; 42 U.S.C.A. §§8621, et seq.

FISCAL IMPACT NOTE: The replacement HEAP Rule will not impose any cost on municipalities or counties for implementation or compliance.

EFFECTIVE DATE:



**Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy - Director of Asset Management  
**Date:** August 13, 2019  
**Subject:** Monthly Report for August - Asset Management

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**Dixfield Village Ownership Transfer Completed**

This month we completed one of the more challenging property transfers in recent memory. Dixfield Village is a 24 unit Section 8 Family property located in Dixfield. The owner was deceased and his estate was the Seller. The Buyer was an owner of record for several other MaineHousing properties and had included this purchase in a like-kind exchange with another sale. The like-kind exchange requirements included a firm closing date that could not be exceeded. HUD had conditioned their approval of the sale on certain requirements that included additional rehabilitation, increased funding of Project Reserves and other stipulations imposed on the Buyer. Through the conscientious efforts of Jane Sturk and Vicky Dute from Asset Management and John Bobrowiecki from Legal Services, we were able to resolve the myriad of issues and achieve a closing days before the deal would have collapsed due to the like-kind exchange provisions.

Many thanks to Jane, Vicky and John for going above and beyond to successfully preserve the property for the residents and community of Dixfield.

**Property Transfers to the Performance Based Contract Administration (PBCA) Contract**

HUD recently informed MaineHousing that they are preparing to transfer a number of properties from the Traditional Contract Administration (TCA) contract to the PBCA contract. The TCA contract represents the original contract for the administration of the Section 8 program set back in the 1970's. The PBCA contract, implemented in 2000, covered Section 8 contracts that were not originally included in the TCA contract. As TCA projects had their contracts renewed, HUD migrated them over to the PBCA contract. Ultimately HUD wanted every Section 8 contract administered under the PBCA.

In this latest move it is estimated that 35 properties will be moved by HUD from the TCA to the PBCA. This will result in some changes to the compliance monitoring requirements and administration fees.

HUD is targeting October 1 to complete this move.



## Communications & Planning Department Memorandum

**To:** Board of Commissioners  
**From:** Denise Lord, Senior Director of Communications and Planning  
**Date:** August 13, 2019  
**Subject:** August Monthly report

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### **Asylum Seeking Families/City of Portland**

Working closely with the City of Portland, we are identifying housing options for recently arrived immigrant families living in the Portland Expo. The Expo is temporary housing to manage the 300 or so immigrants who arrived in Portland in June. MaineHousing is administering contingency funds provided by the Governor for rental assistance. We are not displacing any applicants for subsidized housing or housing choice vouchers. The properties we have identified have been former group homes. The city has forged relationships with property management companies in the Brunswick, Lewiston and Portland areas.

We have been meeting regularly as part of a special team organized by Commissioner Lambrew of DHHS to support the city in its efforts to house asylees.

### **50<sup>th</sup> Anniversary**

The staff, family and commissioners BBQ will be held on Thursday, August 15<sup>th</sup>. It will be held in downtown Augusta's Mill Park and will feature lunch, live entertainment, and very few formal remarks!

We are working on a 50 Years of MaineHousing commemorative book that will be published in time for the Affordable Housing Conference. It will feature interviews, testimonials and a timeline of milestones.

And don't forget:

	<b>2019 MAINE AFFORDABLE HOUSING CONFERENCE</b>	Augusta Civic Center Augusta, ME October 1st, 2019	<b>Shaping Our Housing Future</b>
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If you haven't already, be sure to register at: <https://www.eiseverywhere.com/website/2473/>

### **Marketing and Communication**

We wrapped up the videos of first homebuyers; these will start appearing on our social media platforms. Arsenic marketing is being finalized. And we have developed a marketing plan for the HEAP program.

### **Learning and Development**

In June, we launched our Learning Management System (LMS), an online training platform for MaineHousing employees and partner organizations. The first online training opportunities for MaineHousing employees include a mandatory training on our emergency action plan and optional courses on teamwork, coaching and mentoring, improving presentations skills, and several others. The LMS offers training to homeless shelters and organizations participating in the Homeless Management Information System – our first partner training opportunity.

We are preparing for our next Leadership Development Program. Applications for the second, year long, intensive program will be open on August 26<sup>th</sup>. And the next offerings of staff development courses begins in August with classes in Coaching and Mentoring Influence and Persuasion, Improving Personal Productivity, Conflict and Group Cohesion, and Delivering Feedback.

### **Partner Meetings/Conferences**

AARP Rural Livability Workshop  
Opioid Summit

### **Community Forums**

We completed an ambitious schedule of consultations with partners and interested parties in order to gain a better understanding about Maine's housing needs and in preparation for the 5 year plan due to HUD. The schedule is as follows:

Low income families and advocates

### **Interns**

This week we say goodbye to our fabulous summer interns: Donald Peterson and Tyler Waaler. Donnie has supported our marketing and communications efforts, developed the HEAP marketing plan and basically anything else we have thrown his way. Tyler has written a state of housing in Maine report similar to the Harvard State of the Nation's Housing. Both are talented and enthusiastic individuals. We are sad to see them leave us, but hopefully not Maine!

### **Program Development**

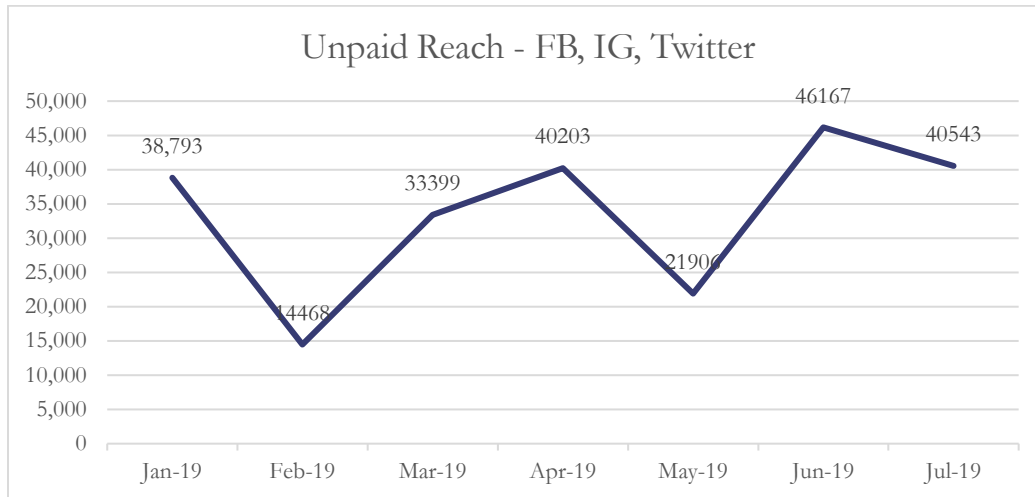
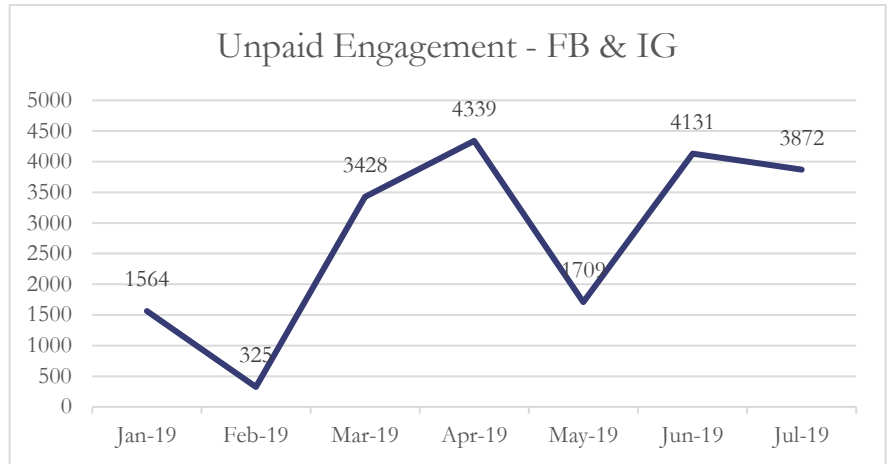
We assembled a team to visit the Treehouse Foundation intergenerational housing development in Easthampton, MA and participate in a two day training of their model for possible replication in Maine.

We have established regular meetings with DHHS to plan and coordinate our support of Recovery Housing.

Below are charts illustrating our social media platform reach and engagement for January-July 2019 on our social media platforms – Facebook, Instagram, and Twitter.

How to read this data:

- The data presented in these three charts are organic, meaning that we did not pay to promote reach or engagement on posts.
- Reach is defined as the number of profiles (people/organizations) who viewed the content.
- Engagement is defined as the number of profiles (people/organizations) who reacted (clicked like, love, etc.), commented, shared, or clicked through to the article or site that was linked.





**Development Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Mark C. Wiesendanger, Director of Development  
**Date:** August 20, 2019  
**Subject:** Monthly Report

**2020 LIHTC (9%) Pre-applications**

We received 16 Pre-applications for the 9% credit. We are meeting with all applicants to discuss their projects. Full applications are due September 26.

<b>Project</b>	<b>Location</b>	<b>Developer</b>	<b>Tenants</b>
Lewiston Mill	Lewiston	Developers Collaborative	Family
Phoenix at Danforth	Portland	Developers Collaborative	Family
West End Apts. II	South Portland	Avesta Housing	Family
Lockwood Mill	Waterville	North River	Family
Front ST Redevelopment I	Portland	Portland Housing	Family
First ST Apts.	Bangor	Bangor Housing	Family
Oak Grove Estates	Bath	Realty Resources	Family
Mary ST Apt Homes	Skowhegan	KVCAP	Family
Valley ST	Portland	Avesta Housing	Older Adults
Hillside at Village Square	Gorham	Avesta Housing	Older Adults
Newton Place	Bangor	Penquis CAP	Older Adults
Washington Gardens	Portland	Portland Housing	Older Adults
Stearns Assisted Living II	Millinocket	Realty Resources	Older Adults
83 Middle ST	Portland	CHOM	Older Adults
Senior Living at the Market Place	Augusta	Tim Gooch	Older Adults
Lewis H. Emery Apts.	Westbrook	Westbrook Housing	Older Adults

**National Housing Trust Fund (HTF)**

The 2019 National Housing Trust Fund Request for Proposals has been published. Changes have been made to align with the priorities outlined in the 2018 and 2019 Housing Trust Fund Allocation Plans as approved by HUD. Scoring criteria weighting has been re-adjusted to better reflect



MaineHousing's priorities. Cost and subsidy caps have been recalibrated consistent with HUD regulations to better align with MaineHousing policy, and the increasing cost of supportive housing. Additional changes include clarifications, removal of unnecessary language, and grammatical and formatting updates.



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Daniel Drost, Director of Energy and Housing Services  
**Date:** August 20, 2019  
**Subject:** EHS Monthly Report – August 2019

**HEAP PRODUCTION STATISTICS THROUGH August 8, 2019**

Number of Applications	PY 2019	PY 2018	% change
Applications Taken	50,924	48,966	+4.0%
Households Certified-Eligible for Benefits	39,020	37,423	+4.3%
No. of Family Members	38,083	37,513	+1.5%
HEAP Benefits Paid	\$27,628,618	\$24,363,057	+13.4%
HEAP Households Served	31,123	29,550	+5.3%
ECIP Benefits Paid	\$1,290,132	\$809,418	+59.4%
ECIP Households Served	3,847	2,767	+39.0%
Subsidized Rent w/Heat Households	6,982	7,969	-12.4%
Subsidized Rent w/Heat Paid (\$21 benefit)	\$146,790	\$167,454	-12.3%
<b>TOTAL BENEFITS PAID</b>	<b>\$29,065,539</b>	<b>\$25,339,929</b>	<b>+14.7%</b>

See attached detail of HEAP Application Counts by category and by Community Action Agency through August 8 2019.

**OTHER HEAP INFORMATION**

State-Wide Current Program Year – Additional Information	PY2019	% of Total
Hypothermic/Disabled Households Served	28,762	92.4%
Hypothermic/Disabled Benefits Paid	\$21,165,902	72.8%
Avg. Household Income	\$13,405	
New Households Served	10,043	32.3%
Avg. Household HEAP Benefit Paid	\$889	
Avg. Household ECIP Benefit Paid	\$337	
Avg. Household HEAP Benefit Not Including Subsidized w/Heat Included	\$931	

<b>TANF Supplemental Benefits –</b>	<b>PY2019</b>
Total Households	6,446
Percentage of Total HEAP Households Served	16.5%
Total Credit Notifications Issues	4,936
Total Credit Notification Amount Issued	\$1,852,621.32
Total Payments Made (Direct Checks and Utilities)	1,152
Total Payments Amount (Direct Checks and Utilities)	\$431,762.10
Total Payments Made Against Benefit Notifications (Thru 8/8/2019)	\$651,758.60

### **Lead Paint Hazard Reduction Programs**

MaineHousing’s Lead Hazard Reduction Demonstration Grant will be coming to a close on December 31, 2019. We are on schedule to meet our benchmark of reducing lead hazards in 230 units across the state.

MaineHousing submitted a Lead-Based Paint Hazard Reduction Grant application to HUD last Friday, August 9, 2019. We requested \$3,818,377.33 (Lead \$3,218,377.33 and Healthy Homes Supplemental \$600,000). Now MaineHousing waits for HUD to announce the awards.

### **Home Accessibility and Repair Program (HARP)**

MaineHousing is on track with the development of our HARP database. We have begun the testing phase and the plan is to “Go Live” September 3, 2019.

### **New Weatherization Program Billing Process**

EHS identified that the billing process used with the Weatherization Assistance Program (WAP) was taking more time than seemed to be ideal and that some process improvement may be needed to help gain efficiencies in the process. In March 2018, Jason Bullock, Clyde Barr, Alison Dyer, Tracey Anderson embarked on a Lead Project as part of MaineHousing’s Leadership Development Program. Their project was to complete a comprehensive analysis of the WAP billing process at that time; look at ways the process could be “leaned out”; and help develop recommendations to implement process improvements. This group engaged with select EHS team members as part of the process and the project was wrapped up in winter 2018, that included a debrief with EHS.

The revised WAP billing process was implemented with February 2019 billings submitted by the Community Action Agencies. Initial observations by MaineHousing are that the new process expedited the review component. The change eliminated the need for one employee’s involvement, in the process, which frees them up to focus on other assigned responsibilities and tasks. The new process also is streamlined and supports staffs who still work with in being more responsive to the CAAs. Anecdotal input is that the CAAs really like the new process, including the use of a revised Billing Review Checklist. The process has provided more real time information and communication on items that are missing or need to be addressed, which shortens related turnaround time in addressing items, so that invoices are able to approved and paid more quickly.

### **Heat Pump Program Initiative**

In June 2019, Maine Governor, Janet Mills, signed LD 1766 “An Act To Transform Maine's Heat Pump Market To Advance Economic Security and Climate Objectives”, which establishes the goal of installing 100,000 heat pumps in Maine by 2025. MaineHousing is committed to this heat pump initiative and will target serving HEAP clients (and those who otherwise would be eligible for

Central Heating Improvement Program services) whose homes are good candidates for heat pumps as secondary heat sources, reducing the households' overall energy burdens.

This program will be administered as part of the Central Heating Improvement Program (CHIP) and administered through the Community Action Agency network. MaineHousing is working closely with Efficiency Maine Trust (EMT) to utilize existing resources as part of developing and deploying the heat pump program. EHS is following a timeline to have this program out to the CAAs to administer by the end of September 2019.

**HEAP Client and Benefit Management System: HEAP Cloud Project**

EHS along with MH Audit, IT and Legal Departments; CAAs; and Hancock Software, have been working diligently to build and test the HEAP Cloud (MERAC Replacement) software system, working to have the system up and functioning to take PY2020 HEAP applications starting on September 4, 2019. Hancock Software is providing an overview of the product as part of the HEAP PY2020 CAA training being held August 12-14, 2019 at the Augusta Civic Center. Additional, in-depth, HEAP Cloud training is being provided for CAAs via an online meeting platform August 22 and 23.



## Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: August 12, 2019

Subject: Monthly Report – Finance Department

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### ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The Accounting and Financial Reporting Unit (AFR) continued to work on the A-133 compliance audit for the year ended December 31, 2018. The A-133 audit is an annual audit of MaineHousing’s federally funded programs to determine whether the programs have been administered in compliance with federal guidelines.

In 2018, MaineHousing administered and disbursed approximately \$154 million through nineteen different federal programs. Federal programs are audited on a revolving basis and the December 31, 2018 audit is focusing on the Section 8 Performance Based Contract Administration (PBCA) and Temporary Assistance for Needy Families (TANF) programs. The final report needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) by September 30, 2019.

- The AFR staff completed the second-quarter end closing for 2019 and the Financial Statements for the period ended June 30, 2019. A draft of the June 30, 2019 quarterly Financial Statements has been completed and the results are presented in the Financial and Budget Results section of the Board packet.
- The State of Maine is preparing its audited financial statements for their fiscal year ended June 30, 2019. MaineHousing is considered a component unit of the State for accounting purposes. As such, MaineHousing needs to prepare and provide financial information for inclusion in the State’s financial statements. This involves preparing a reporting package and converting our audited financial statements into a format consistent with the State. We recently prepared and submitted our reporting package.
- The State Budget Office requires agencies that receive funding to submit Work Program worksheets (WPW) at the beginning of State’s fiscal year. The WPWs present the agencies planned distribution of funds for the upcoming year year. MaineHousing receives certain program funds from the State and WPWs were prepared and submitted in July for fiscal Year 2020. The WPWs were prepared based on the recently adopted State budget, which included the following for MaineHousing: \$18.8 million for Housing Opportunities for Maine (HOME) Fund, \$4.3 million for Maine Energy, Housing & Economic

Recovery (MEHER) Fund, \$2.5 million for Shelter Operating Subsidy (SOS), and \$50,000 for Home Modification Certification Program.

HOME funds represent a portion of total real estate transfer taxes (RETTs) collected by the State. MaineHousing allocates and uses these funds in various housing programs. MEHER funds also come from RETTs collected by the State and are used exclusively by MaineHousing to make debt service payments on related bonds. The SOS program is a pass-through program and MaineHousing distributes all funds to the homeless shelters in Maine. The Home Modification Certification Program provides funds to perform certification work associated with the State's home accessibility tax credit program.

## **LOAN ADMINISTRATION:**

- Finance staff recently met with representatives from Emphasys, the software vendor for many of our lending, loan servicing, and financial functions. Emphasys provided an overview of their products and shared their "Road Map to the Future" for upcoming technological enhancements to their core system, as well as their various business modules. The two-day meeting included a review of MaineHousing's use of the system, an assessment of our workflows and suggestions for improvements we would like with software functionality. In addition, staff broke out into individual work sessions for more individualized training and discussion of the specific system modules.
- The delinquency rate for our First Home loan portfolio continues to be at historically low levels. Currently, over 97% of the loans sub-serviced by Mortgage Servicing Solutions (MSS) are in a performing status. We have worked closely with MSS to communicate with our customers and maximize workout options with our borrowers who have difficulty making their payments. MSS also implemented other tools to improve the performance of this portfolio. More than 65% of MaineHousing's First Home customers are using MSS's non-traditional payment methods to make their monthly payments, such as electronic payments through the Automated Clearing House (ACH), Web Pay, and Interactive Voice Response (IVR).

MSS receives approximately 240 inbound calls monthly through their IVR system. This system has reduced the number of misdirected calls, thus ensuring customer calls are not dropped and their needs are addressed more timely. MSS also set up a Customer CareNet website that provides the customer with real-time access to their loan information and it provides the customer with another option to make online payments. MSS also implemented increased daily calling hours, including two Saturdays per month, in an effort to reach customers in a delinquency status. All of these activities have contributed towards reducing the sub-serviced portfolio's overall delinquencies and cost of servicing associated with defaulted loans.



## Finance Department Memorandum

To: Board of Commissioners  
From: Darren R. Brown  
Date: August 12, 2019  
Subject: Monthly Financial and Budget Report

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### FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the six-month period ended June 30, 2019.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year and a brief explanation for the changes between the current and prior year net operating results.

Total combined assets are approximately \$1.87 billion and total combined liabilities approximate \$1.5 billion. Total net assets amount to approximately \$355 million. Total combined revenues approximate \$126.8 million and total expenses amount to approximately \$114.5 million, which results in a net operating income of \$12.3 million. For this six-month period in 2018, total combined net operating income was approximately \$4.1 million. Net operating income is \$8.2 million higher in 2019 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, and an increase in the fair value of non-mortgage investments.

The MPP's current year net operating income is approximately \$8.9 million compared to net operating income of \$1.3 million in 2018. MPP's net operating income has increased by \$7.6 million due primarily to the recognition of a paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$4.2 million was recognized in 2019, which represents an increase of \$7.6 million compared with the paper loss of \$3.4 million recorded in 2018. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts and management when assessing profitability. Excluding the paper gains and losses, MPP's net operating income is \$4.7 million at June 30, 2019 and 2018.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended June 30, 2019. These results are summarized and presented on the attachment described below:

### **OPERATING REVENUES AND EXPENSES BUDGET**

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities, which is the difference between interest income earned from mortgage and non-mortgage investment assets and the interest paid on bonds, or fee income received for the administration of federal and other programs.

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and program administrative expenses. It also presents the aggregate operating and program administrative expenses. Total budgeted revenues for 2019 are \$82.2 million and total expenses are budgeted at \$72.2 million. Total actual revenues as of June 30, 2019 amount to \$39.5 million, while total expenses amount to \$34.6 million. For the six-month period ended June 30, 2019, revenues exceed expenses by \$4.9 million. Actual revenue and expense activities are consistent with that anticipated for the period and there are no significant variances at this time.

The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below:

### **OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES**

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Total 2019 operating expenses are budgeted at approximately \$18.5 million. As of June 30, 2019, approximately \$8.8 million or 48% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$3.5 million as of June 30, 2019. Overall, expenditures in these areas are consistent with that anticipated for the period and there are no significant variances at this time.

### **CAPITAL BUDGET**

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2019 is approximately \$14.1 million. Expenditures amounted to \$2.2 million as of June 30, 2019 and were mainly for renovation work on the new office building.

### **MEMBERSHIPS, DUES AND SPONSORSHIPS**

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues and sponsorship expenses as of June 30, 2019.



**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**JUNE 30, 2019**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2018</b>	<b>2019</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	1,671	1,840	0	1	179	12	1,648	0	0
Investments	400,813	437,586	359,118	8,028	39,845	22,024	4,812	2,143	1,616
Accounts receivable - Federal	2,585	2,423	0	0	0	0	2,423	0	0
Assets held for sale	0	3,667	0	0	0	3,667	0	0	0
Accrued interest and other assets	13,750	13,183	9,807	7	78	1,698	1,325	251	17
Mortgage notes receivable, net	1,325,071	1,389,524	1,348,517	0	9,703	22,571	0	0	8,733
Other notes receivable, net	307	266	0	0	256	0	0	10	0
Land, equipment and improvements, net	2,265	5,286	22	0	5,264	0	0	0	0
Other real estate owned	138	72	0	0	72	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	2,907	10,062	10,062	0	0	0	0	0	0
Deferred pension expense	1,865	616	351	2	60	0	0	203	0
Deferred amount on debt refundings	4,673	4,061	4,061	0	0	0	0	0	0
<b>Total Assets</b>	<b>1,756,045</b>	<b>1,868,586</b>	<b>1,731,938</b>	<b>8,038</b>	<b>55,457</b>	<b>49,972</b>	<b>10,208</b>	<b>2,607</b>	<b>10,366</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	5,126	5,650	5,607	0	0	0	0	0	43
Accounts payable - Federal	397	444	0	0	0	0	444	0	0
Accounts payable & accrued liabilities	4,498	2,013	457	2	1,491	0	63	0	0
Unearned income	4,594	7,899	0	0	0	622	868	6,409	0
Net pension liability	3,712	2,283	1,297	8	243	0	0	735	0
Deferred pension credit	2,223	1,016	628	4	103	0	0	281	0
Derivative instrument - interest rate swaps	2,907	10,062	10,062	0	0	0	0	0	0
Interfund	0	0	2,870	12	(1,468)	(808)	3,408	(4,014)	0
Mortgage bonds and notes payable, net	1,398,342	1,483,859	1,437,534	0	20,200	0	0	0	26,125
Deferred grant income	126	0	0	0	0	0	0	0	0
Deferred loan origination points	34	28	28	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,421,959</b>	<b>1,513,254</b>	<b>1,458,483</b>	<b>26</b>	<b>20,569</b>	<b>(186)</b>	<b>4,783</b>	<b>3,411</b>	<b>26,168</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	300,066	320,444	273,455	8,012	0	50,158	5,425	(804)	(15,802)
Unrestricted Net Assets	34,020	34,888	0	0	34,888	0	0	0	0
<b>Total Net Assets</b>	<b>334,086</b>	<b>355,332</b>	<b>273,455</b>	<b>8,012</b>	<b>34,888</b>	<b>50,158</b>	<b>5,425</b>	<b>(804)</b>	<b>(15,802)</b>
<b>Total Liabilities and Net Assets</b>	<b>1,756,045</b>	<b>1,868,586</b>	<b>1,731,938</b>	<b>8,038</b>	<b>55,457</b>	<b>49,972</b>	<b>10,208</b>	<b>2,607</b>	<b>10,366</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED JUNE 30, 2019**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2018</b>	<b>2019</b>							
<b>REVENUES:</b>									
Interest from mortgages and notes	29,493	30,765	30,400	0	315	30	0	0	20
Income from investments	3,510	4,731	4,168	94	131	244	5	28	61
Net increase (decrease) in the fair value of investments	(3,469)	4,292	4,227	0	65	0	0	0	0
Fee income	4,158	4,227	237	0	329	0	3,557	104	0
Other revenue	69	49	1	0	48	0	0	0	0
Grant income	21,132	25,179	0	0	0	1,160	22,772	1,247	0
Income from State	7,348	7,680	0	0	0	7,680	0	0	0
Federal rent subsidy income	49,099	49,760	0	0	0	0	49,760	0	0
Gain on bond redemption	27	135	135	0	0	0	0	0	0
<b>Total Revenues</b>	<b>111,367</b>	<b>126,818</b>	<b>39,168</b>	<b>94</b>	<b>888</b>	<b>9,114</b>	<b>76,094</b>	<b>1,379</b>	<b>81</b>
<b>EXPENSES:</b>									
Operating expenses	8,523	8,823	0	0	8,823	0	0	0	0
Other program administrative expenses	2,772	2,667	2,495	0	15	0	122	35	0
Mortgage servicing fees	780	810	798	0	12	0	0	0	0
Provision for losses on loans	15	26	0	0	11	15	0	0	0
Losses on foreclosed real estate	100	0	0	0	0	0	0	0	0
Interest expense	20,812	22,818	22,308	0	0	0	0	0	510
Grant expense	25,436	29,229	0	0	0	5,557	22,325	1,247	100
Federal rent subsidy expense	48,876	50,096	0	0	0	0	50,096	0	0
Loss on bond redemption	0	0	0	0	0	0	0	0	0
Excess arbitrage	0	0	0	0	0	0	0	0	0
Allocated operating costs	0	0	4,677	28	(7,978)	0	3,204	69	0
<b>Total Expenses</b>	<b>107,314</b>	<b>114,469</b>	<b>30,278</b>	<b>28</b>	<b>883</b>	<b>5,572</b>	<b>75,747</b>	<b>1,351</b>	<b>610</b>
Net Operating Income (Loss)	4,053	12,349	8,890	66	5	3,542	347	28	(529)
Transfers between funds, net	0	0	0	0	8	0	(8)	0	0
Change in net assets	4,053	12,349	8,890	66	13	3,542	339	28	(529)
Net assets at beginning of year	330,033	342,983	264,565	7,946	34,875	46,616	5,086	(832)	(15,273)
Net assets at end of period	334,086	355,332	273,455	8,012	34,888	50,158	5,425	(804)	(15,802)

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED JUNE 30, 2019**

*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Lending Activities Actual</b>	<b>Federal &amp; Other Program Administration Actual</b>	<b>Total Combined Actual</b>	<b>Total Annual Budget</b>	<b>Total Under/(Over)</b>	<b>% Variance</b>
<b>REVENUES:</b>						
Interest from mortgages and notes	30,715	0	30,715	63,356	32,641	52%
Income from investments	4,393	33	4,426	8,807	4,381	50%
Fee income	566	3,661	4,227	9,818	5,591	57%
Other revenue	184	0	184	218	34	16%
<b>Total Revenues</b>	<b>35,858</b>	<b>3,694</b>	<b>39,552</b>	<b>82,199</b>	<b>42,647</b>	<b>52%</b>
<b>EXPENSES:</b>						
Operating expenses	5,550	3,273	8,823	18,449	9,626	52%
Other program administrative expenses	3,331	157	3,488	8,853	5,365	61%
Interest expense	22,308	0	22,308	44,900	22,592	50%
<b>Total Expenses</b>	<b>31,189</b>	<b>3,430</b>	<b>34,619</b>	<b>72,202</b>	<b>37,583</b>	<b>52%</b>
<b>Excess Revenues Over Expenses</b>	<b>4,669</b>	<b>264</b>	<b>4,933</b>	<b>9,997</b>	<b>5,064</b>	<b>51%</b>

**MAINE STATE HOUSING AUTHORITY**  
**OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

**ATTACHMENT B**

	<b>Total Annual Budget</b>	<b>Total Year to Date Actual</b>	<b>Budget Available</b>	<b>Percentage of Budget Available</b>
<b>Operating Expenses</b>				
Salaries	9,975,522	4,904,136	5,071,386	51%
Payroll Taxes	727,792	373,990	353,802	49%
Retirement	964,556	463,835	500,721	52%
Medical and Life Insurance	2,654,279	1,320,590	1,333,689	50%
Other Fringe Benefits	12,000	4,786	7,214	60%
Office Supplies	60,165	17,858	42,307	70%
Printing	87,300	51,738	35,562	41%
Membership and Dues	57,852	43,493	14,359	25%
Subscriptions	18,024	11,906	6,118	34%
Sponsorships	16,500	10,000	6,500	39%
Staff Educ/Train/Conf	203,693	58,023	145,670	72%
Travel/Meals - Staff Educ/Train/Conf	162,898	67,259	95,639	59%
Partner/Client Train/Meetings	144,480	44,309	100,171	69%
Travel/Meals - Partner/Client Training	116,285	37,347	78,938	68%
Staff Events	20,500	12,990	7,510	37%
Meals - Staff Events	23,730	10,516	13,214	56%
Leased Vehicles	131,000	63,401	67,599	52%
Computer Supplies	85,500	30,977	54,523	64%
Computer License SAAS	130,317	57,868	72,449	56%
Building Rent & Utilities	847,520	423,842	423,678	50%
Rent-Other	34,530	14,900	19,630	57%
Repairs and Maintenance	82,245	36,696	45,549	55%
Computer Maintenance	657,580	250,929	406,651	62%
Depreciation	320,000	108,916	211,084	66%
Telephone	68,800	31,481	37,319	54%
Employment Advertising	3,600	80	3,520	98%
Postage and Shipping	91,610	42,041	49,569	54%
Insurance	98,649	42,053	56,596	57%
Recording Fees	600	458	142	24%
Payroll Services	26,440	12,720	13,720	52%
Audit Services	142,800	93,500	49,300	35%
Property Expenses	82,600	21,974	60,626	73%
Professional Services	399,973	158,898	241,075	60%
<b>Total Operating Expenses</b>	<b>18,449,340</b>	<b>8,823,510</b>	<b>9,625,830</b>	<b>52%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	500,000	126,354	373,646	75%
REO expenses	60,000	10,049	49,951	83%
Mortgage Servicing fees	1,690,000	810,629	879,371	52%
Provision for losses on loans & REOs	250,000	11,041	238,959	96%
Loan Origination expenses	3,050,000	1,049,581	2,000,419	66%
Bond Issuance Costs	750,000	200,817	549,183	73%
Trustee/Bank fees	152,400	93,364	59,036	39%
Program advertising/printing	150,160	98,936	51,224	34%
Bond and mortgagee insurance	13,500	0	13,500	100%
Variable rate bond remarket/liquidity facilities	1,070,780	529,245	541,535	51%
Cash flow/arbitrage/swap consultants/legal	514,000	365,173	148,827	29%
Homebuyer education	95,000	40,300	54,700	58%
Program administrator fees	512,696	141,031	371,665	72%
Section 8 security deposits/landlord incentives	45,000	11,210	33,790	75%
<b>Total Other Program Administration Expenses</b>	<b>8,853,536</b>	<b>3,487,730</b>	<b>5,365,806</b>	<b>61%</b>

MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED JUNE 30, 2019

ATTACHMENT C

Description	2019 Budget	2019 Actual	Budget Available	% Expended
<b>Computer Hardware:</b>				
Network switch replacement (1)	1,500	0	1,500	
Phone system replacement - hardware	30,000	0	30,000	
Laptop replacements (32)	45,440	14,810	30,630	
Printer replacements (2)	3,000	0	3,000	
Total computer hardware	<u>79,940</u>	<u>14,810</u>	<u>65,130</u>	<u>19%</u>
<b>Computer Software:</b>				
Mobile device management software	5,000	0	5,000	
Phone system replacement - software/licensing	100,000	0	100,000	
Faxing software	5,000	0	5,000	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems modifications	10,000	0	10,000	
Section 8 HCV Elite system modifications	6,000	0	6,000	
Hancock/LIHEAP system implementation	50,000	8,000	42,000	
Hancock/LIHEAP system - payment software	5,000	0	5,000	
EHS program tracking database	50,000	0	50,000	
Total computer software	<u>241,000</u>	<u>8,000</u>	<u>233,000</u>	<u>3%</u>
<b>Office Equipment:</b>				
Desktop scanners (10)	11,000	0	11,000	
New Office Building - workstations & furniture	1,600,000	0	1,600,000	
New Office building - security & life safety equipment	97,000	0	97,000	
Total office equipment	<u>1,708,000</u>	<u>0</u>	<u>1,708,000</u>	<u>0%</u>
<b>Office Building &amp; Land: - Acquisition/Rehab</b>	<u>12,053,902</u>	<u>2,149,843</u>	<u>9,904,059</u>	<u>18%</u>
<b>Total</b>	<u><u>14,082,842</u></u>	<u><u>2,172,653</u></u>	<u><u>11,910,189</u></u>	<u><u>15%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED JUNE 30, 2019**

Description	Amount
<b>Memberships and Dues</b>	
Kennebec Valley Human Resource Association - employee annual membership	150
Maine Real Estate & Development Association - annual membership	1,200
Maine Bankers Association - annual affiliate membership	950
Kennebec Valley Board of Realtors - annual affiliate membership	171
Maine Association of Mortgage Professionals - annual membership	375
National Leased Housing Association - annual membership	600
Maine Real Estate Management Association - annual membership	100
Information Systems Audit and Control Association - employee annual membership	210
Institute of Internal Auditors - employee annual membership	165
Association of Certified Fraud Examiners - employee annual membership	225
American Payroll Association - employee annual membership	254
National Association for State Community Services Programs - annual membership	1,302
National Energy Assistance Directors' Association - annual membership	6,341
National Affordable Housing Management Association - affiliate membership	1,075
Council of State Community Development Agencies - annual membership	1,500
International Code Council - annual membership	135
Construction Specifications Institute - employee annual membership	325
Association of Government Accountants - (8) employee annual memberships	880
Maine Public Relations Council - employee annual membership	90
Project Management Institute - employee annual membership	154
Society for Human Resource Management - employee annual membership	189
Notary Public - (1) employee renewal fee	50
Maine Society of CPAs - employee annual membership	250
National Council of State Housing Agencies - annual membership	26,702
Maine State Treasurer - employee radiation control license renewal	100
Total	<u>\$ 43,493</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Resident Service Coordinator Association - annual sponsor	3,500
MREMA - conference sponsor	2,000
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u>\$ 10,000</u>



## Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: August 12, 2019

Subject: Monthly Report – Finance Department

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### ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The Accounting and Financial Reporting Unit (AFR) continued to work on the A-133 compliance audit for the year ended December 31, 2018. The A-133 audit is an annual audit of MaineHousing's federally funded programs to determine whether the programs have been administered in compliance with federal guidelines.

In 2018, MaineHousing administered and disbursed approximately \$154 million through nineteen different federal programs. Federal programs are audited on a revolving basis and the December 31, 2018 audit is focusing on the Section 8 Performance Based Contract Administration (PBCA) and Temporary Assistance for Needy Families (TANF) programs. The final report needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) by September 30, 2019.

- The AFR staff completed the second-quarter end closing for 2019 and the Financial Statements for the period ended June 30, 2019. A draft of the June 30, 2019 quarterly Financial Statements has been completed and the results are presented in the Financial and Budget Results section of the Board packet.
- The State of Maine is preparing its audited financial statements for their fiscal year ended June 30, 2019. MaineHousing is considered a component unit of the State for accounting purposes. As such, MaineHousing needs to prepare and provide financial information for inclusion in the State's financial statements. This involves preparing a reporting package and converting our audited financial statements into a format consistent with the State. We recently prepared and submitted our reporting package.
- The State Budget Office requires agencies that receive funding to submit Work Program worksheets (WPW) at the beginning of State's fiscal year. The WPWs present the agencies planned distribution of funds for the upcoming year year. MaineHousing receives certain program funds from the State and WPWs were prepared and submitted in July for fiscal Year 2020. The WPWs were prepared based on the recently adopted State budget, which included the following for MaineHousing: \$18.8 million for Housing Opportunities for Maine (HOME) Fund, \$4.3 million for Maine Energy, Housing & Economic

Recovery (MEHER) Fund, \$2.5 million for Shelter Operating Subsidy (SOS), and \$50,000 for Home Modification Certification Program.

HOME funds represent a portion of total real estate transfer taxes (RETTs) collected by the State. MaineHousing allocates and uses these funds in various housing programs. MEHER funds also come from RETTs collected by the State and are used exclusively by MaineHousing to make debt service payments on related bonds. The SOS program is a pass-through program and MaineHousing distributes all funds to the homeless shelters in Maine. The Home Modification Certification Program provides funds to perform certification work associated with the State's home accessibility tax credit program.

#### **LOAN ADMINISTRATION:**

- Finance staff recently met with representatives from Emphasys, the software vendor for many of our lending, loan servicing, and financial functions. Emphasys provided an overview of their products and shared their "Road Map to the Future" for upcoming technological enhancements to their core system, as well as their various business modules. The two-day meeting included a review of MaineHousing's use of the system, an assessment of our workflows and suggestions for improvements we would like with software functionality. In addition, staff broke out into individual work sessions for more individualized training and discussion of the specific system modules.
- The delinquency rate for our First Home loan portfolio continues to be at historically low levels. Currently, over 97% of the loans sub-serviced by Mortgage Servicing Solutions (MSS) are in a performing status. We have worked closely with MSS to communicate with our customers and maximize workout options with our borrowers who have difficulty making their payments. MSS also implemented other tools to improve the performance of this portfolio. More than 65% of MaineHousing's First Home customers are using MSS's non-traditional payment methods to make their monthly payments, such as electronic payments through the Automated Clearing House (ACH), Web Pay, and Interactive Voice Response (IVR).

MSS receives approximately 240 inbound calls monthly through their IVR system. This system has reduced the number of misdirected calls, thus ensuring customer calls are not dropped and their needs are addressed more timely. MSS also set up a Customer CareNet website that provides the customer with real-time access to their loan information and it provides the customer with another option to make online payments. MSS also implemented increased daily calling hours, including two Saturdays per month, in an effort to reach customers in a delinquency status. All of these activities have contributed towards reducing the sub-serviced portfolio's overall delinquencies and cost of servicing associated with defaulted loans.



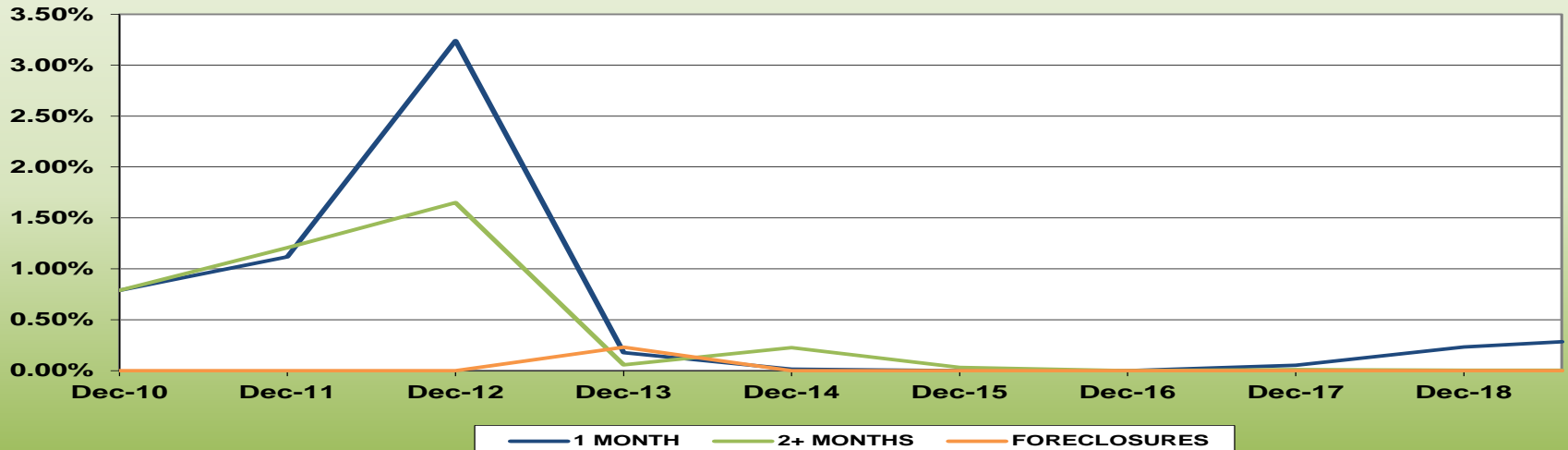
# Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY  
MULTI-FAMILY DELINQUENCIES  
7/31/2019

<b>Section 8</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
FOXWELL AT KITTERY	6,280.95	06/01/19	KITTERY	BERRY PARK HOUSING CORPORATION	03/27/06	910,296.00	0.00	0.00
FOXWELL AT KITTERY	4,660.73	06/01/19	KITTERY	BERRY PARK HOUSING CORPORATION	03/27/06	676,195.00	0.00	0.00
PARKVIEW APARTMENTS	378.40	06/01/19	SOUTH PARIS	BAHRE, ROBERT P	06/09/99	32,056.00	0.00	0.00
						<u>1,618,547.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Rental Housing</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE								
						<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Supportive Housing &amp; Other</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
MARKET HILL HOMES	20,600.00	04/27/18	BIDDEFORD	SOUTHERN MAINE AFF HSG INC	05/27/16	0.00	0.00	20,600.00
DEXTER GROUP HOME	1,496.93	06/01/19	DEXTER	PENQUIS MENTAL HEALTH ASSOCIAT	12/20/00	142,947.00	0.00	0.00
DOVER SUPPORTED APARTMENTS	549.51	06/01/19	DOVER-FOXCROFT	PENQUIS MENTAL HEALTH ASSOCIAT	10/02/91	18,411.00	0.00	0.00
						<u>161,358.00</u>	<u>0.00</u>	<u>20,600.00</u>
						<u>1,779,905.00</u>	<u>0.00</u>	<u>20,600.00</u>
<b>Grand Total</b>								
<b>% of Portfolio Delq 60+ days</b>	<b>0.00%</b>							
<b>Total Number of Loans</b>	<b>1,074</b>							

# Multi-Family Delinquency & Foreclosure Trends

**MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES**



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	
Jul-19	\$ 624,024,945	\$ 1,779,905	0.29%	\$ 20,600	0.00%	\$ -	0.00%	
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%	
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%	
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%	
Dec-12	\$ 487,638,082	\$ 15,815,491	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%	
Dec-11	\$ 486,421,972	\$ 5,436,378	1.12%	\$ 5,875,983	1.21%	\$ -	0.00%	
Dec-10	\$ 469,245,963	\$ 3,701,050	0.79%	\$ 3,701,803	0.79%	\$ -	0.00%	



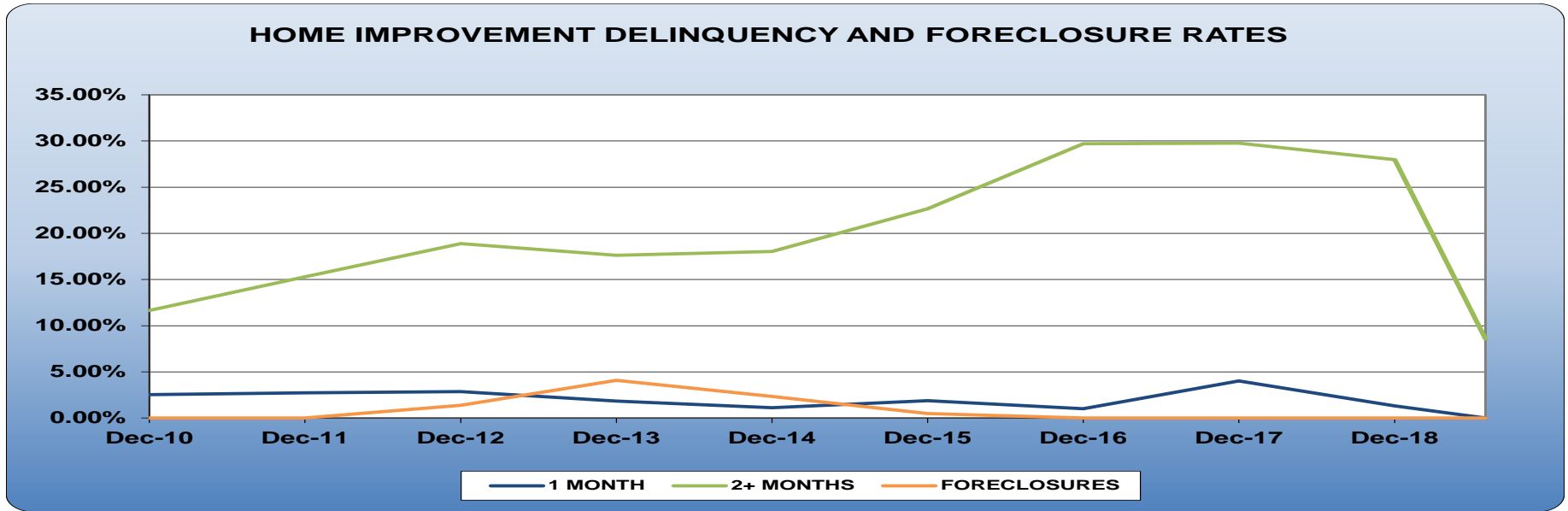
# Home Improvement Delinquent Loans

## Maine State Housing Authority Home Improvement Delinquencies by Lender 7/31/2019

LENDER	% of Portfolio Delq 60+ Days	OUTSTANDING PRINCIPAL	DELINQUENT		
			1 MONTH	2 MONTHS	3+ MONTHS
ACAP	0.00%	7,637.28	0.00	0.00	0.00
CCI	6.52%	28,033.42	0.00	0.00	1,826.72
CED	0.00%	1,298.92	0.00	0.00	0.00
KVCAP	41.52%	11,446.22	0.00	4,751.96	0.00
PCAP	0.00%	8,429.32	0.00	0.00	0.00
PROP	0.00%	101.84	0.00	0.00	0.00
RCAM	100.00%	8,129.37	0.00	0.00	8,129.37
WCCSA	0.00%	5,448.19	0.00	0.00	0.00
WHCAP	59.97%	3,228.39	0.00	0.00	1,935.94
YCCAC	0.00%	2,310.77	0.00	0.00	0.00
BATH SAVINGS	0.40%	36,312.27	0.00	0.00	146.94
CAMDEN NATIONAL	0.00%	20,658.61	0.00	0.00	0.00
KENNEBUNK SAVINGS	0.00%	9,797.73	0.00	0.00	0.00
NORTHEAST BANK	0.00%	15,025.36	0.00	0.00	0.00
NORWAY SAVINGS	0.00%	8,051.23	0.00	0.00	0.00
SKOWHEGAN SAVINGS	0.00%	24,216.03	0.00	0.00	0.00
THE FIRST	0.00%	5,525.41	0.00	0.00	0.00
<b>TOTAL</b>	<b>8.58%</b>	<b>195,650.36</b>	<b>0.00</b>	<b>4,751.96</b>	<b>12,038.97</b>
Total Number of Loans	70				



# Home Improvement Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	
Jul-19	\$ 195,650	\$ -	0.00%	\$ 16,791	8.58%	\$ -	0.00%	
Dec-18	\$ 301,364	\$ 3,941	1.31%	\$ 84,317	27.98%	\$ -	0.00%	
Dec-17	\$ 515,603	\$ 20,749	4.02%	\$ 153,526	29.78%	\$ -	0.00%	
Dec-16	\$ 795,184	\$ 7,930	1.00%	\$ 236,299	29.72%	\$ -	0.00%	
Dec-15	\$ 1,062,015	\$ 20,041	1.89%	\$ 240,688	22.66%	\$ 5,160	0.49%	
Dec-14	\$ 1,412,221	\$ 15,722	1.11%	\$ 254,707	18.04%	\$ 32,897	2.33%	
Dec-13	\$ 2,066,062	\$ 38,101	1.84%	\$ 364,218	17.63%	\$ 84,283	4.08%	
Dec-12	\$ 2,803,309	\$ 79,925	2.85%	\$ 529,227	18.88%	\$ 38,727	1.38%	
Dec-11	\$ 3,766,637	\$ 102,824	2.73%	\$ 576,053	15.29%	\$ -	0.00%	
Dec-10	\$ 4,739,314	\$ 119,963	2.53%	\$ 552,474	11.66%	\$ -	0.00%	



# Single-Family Delinquent Loans

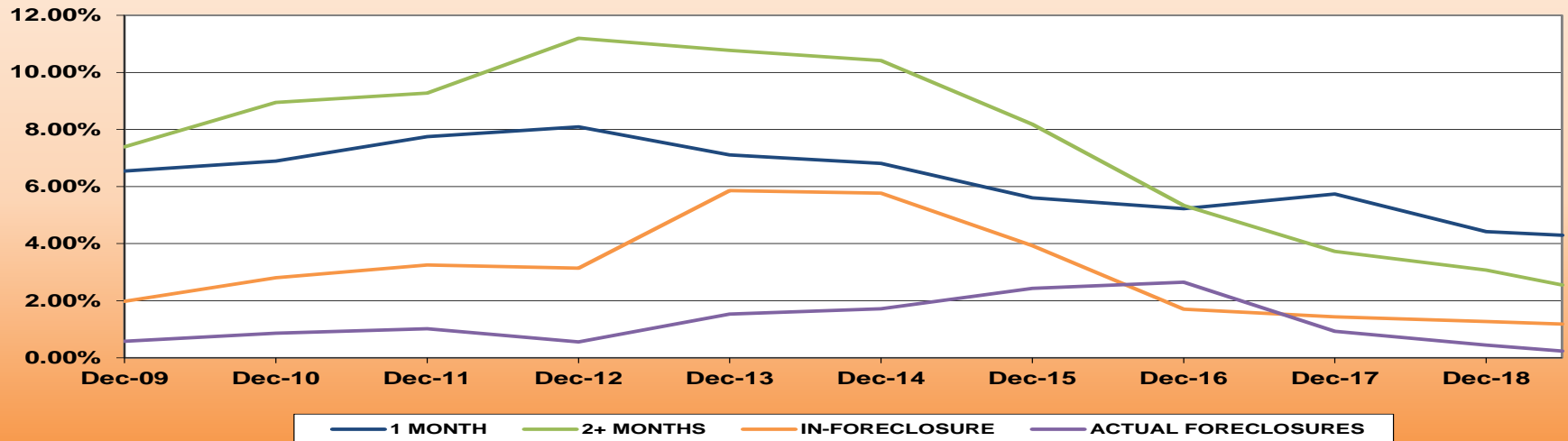
## Maine State Housing Authority Single-Family Delinquencies by Servicer 6/30/2019

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	67.25%	2.76%	624,317,414.39	31,314,101.38	6,741,192.56	2,090,999.29	8,378,565.03
BANGOR SAVINGS BANK	16.12%	1.26%	149,665,516.33	3,450,149.41	672,796.01	387,803.64	821,902.06
CAMDEN NATIONAL BANK UK	9.26%	1.59%	85,965,174.08	2,119,575.72	339,120.54	406,768.68	625,083.22
MACHIAS SAVINGS BANK	5.59%	3.98%	51,929,407.01	2,026,896.02	1,019,546.87	458,820.42	586,360.37
BANK OF AMERICA NA	1.30%	6.93%	12,056,427.14	625,954.17	144,499.41	219,022.68	472,213.64
JPMORGAN CHASE BANK NA	0.38%	9.43%	3,486,410.74	169,056.89	170,903.30	69,949.04	88,038.81
SALEM FIVE MORTGAGE CORP	0.10%	0.00%	886,150.43	123,528.86	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00%</b>	<b>2.55%</b>	<b>928,306,500.12</b>	<b>39,829,262.45</b>	<b>9,088,058.69</b>	<b>3,633,363.75</b>	<b>10,972,163.13</b>



# Single-Family Delinquency & Foreclosure Trends

SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES

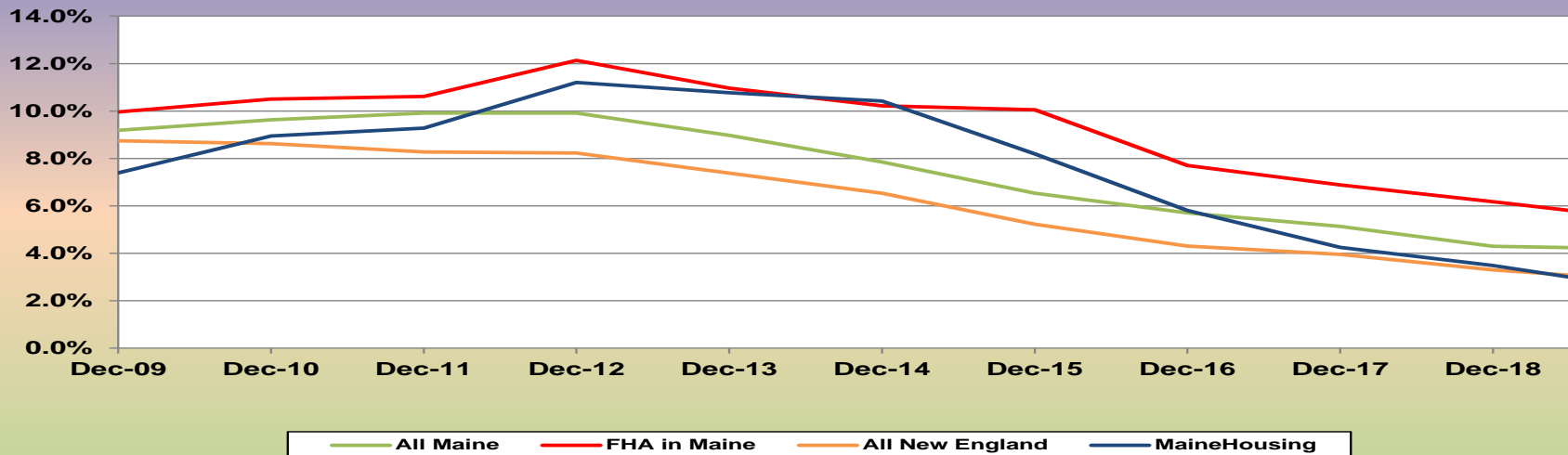


	OUTSTANDING PRINCIPAL		<u>1 MONTH</u>		<u>2+ MONTHS</u>		<u>IN-FORECLOSURE</u>		<u>ACTUAL FORECLOSURES</u>	
	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	
Jun-19	\$ 928,306,500	\$ 39,829,262	4.29%	\$ 23,693,586	2.55%	\$ 10,972,163	1.18%	\$ 2,215,355	0.24%	
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%	
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%	
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%	
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 19,220,066	2.43%	
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%	
Dec-13	\$ 849,385,825	\$ 60,378,599	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%	
Dec-12	\$ 899,788,247	\$ 72,815,090	8.09%	\$ 100,738,963	11.20%	\$ 28,237,109	3.14%	\$ 4,987,749	0.55%	
Dec-11	\$ 980,359,797	\$ 75,979,115	7.75%	\$ 90,934,130	9.28%	\$ 31,846,771	3.25%	\$ 9,975,164	1.02%	
Dec-10	\$ 962,495,378	\$ 66,355,253	6.89%	\$ 86,097,209	8.95%	\$ 27,008,649	2.81%	\$ 8,252,719	0.86%	



# Single-Family Delinquency Comparison Trends

**MAINEHOUSING, FHA, ALL STATE & ALL NEW ENGLAND DELINQUENCY RATE COMPARISON**



**MAINEHOUSING LOAN COUNT COMPARISON**

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	117,035	0.78%	1.29%	2.17%	4.24%
FHA for State*	18,529	1.47%	1.71%	2.62%	5.80%
All New England*	1,632,266	0.78%	1.09%	1.21%	3.08%
MaineHousing**	10,726	1.17%	0.51%	1.31%	2.99%

\*This information is obtained from MBA's National Delinquency Survey for the first quarter of 2019.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.55%, whereas rates in this exhibit are based on loan count.



# Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

6/30/2019

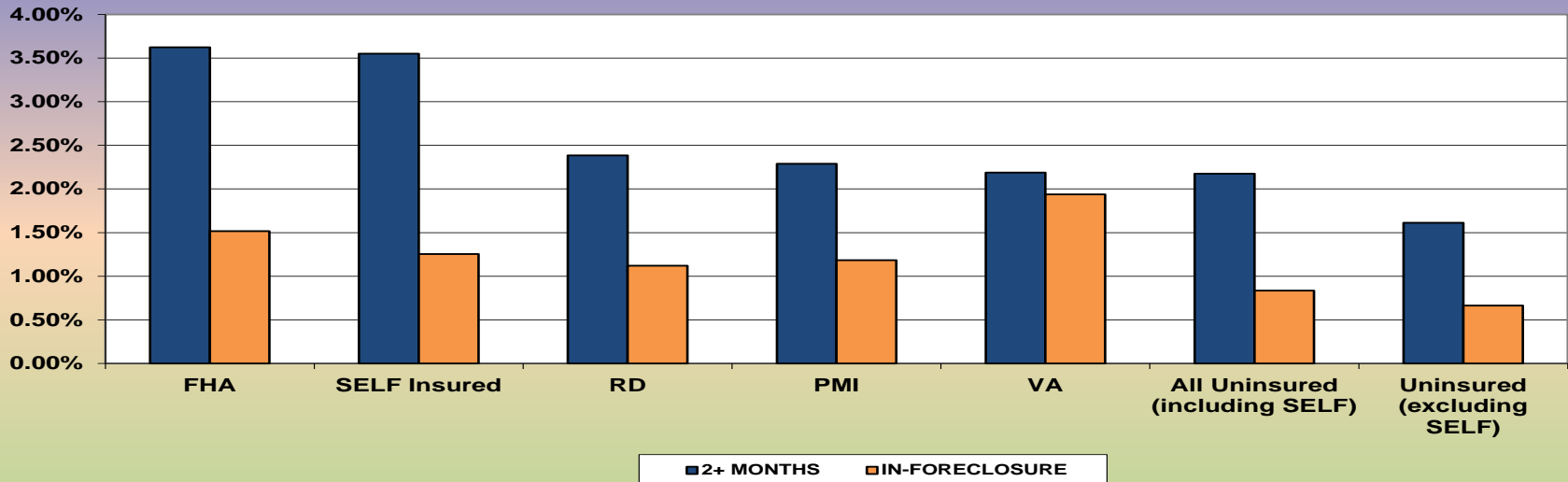
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	3.62%	1.52%
SELF Insured	3.55%	1.25%
RD	2.38%	1.12%
PMI	2.29%	1.18%
VA	2.19%	1.94%
All Uninsured (including SELF)	2.18%	0.83%
Uninsured (excluding SELF)	1.61%	0.66%

As A Percent of Total Loan Portfolio

6/30/2019

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.35%	0.63%
FHA	0.64%	0.27%
All Uninsured (including SELF)	0.39%	0.15%
Uninsured (excluding SELF)	0.20%	0.08%
SELF Insured	0.18%	0.08%
VA	0.11%	0.09%
PMI	0.08%	0.04%

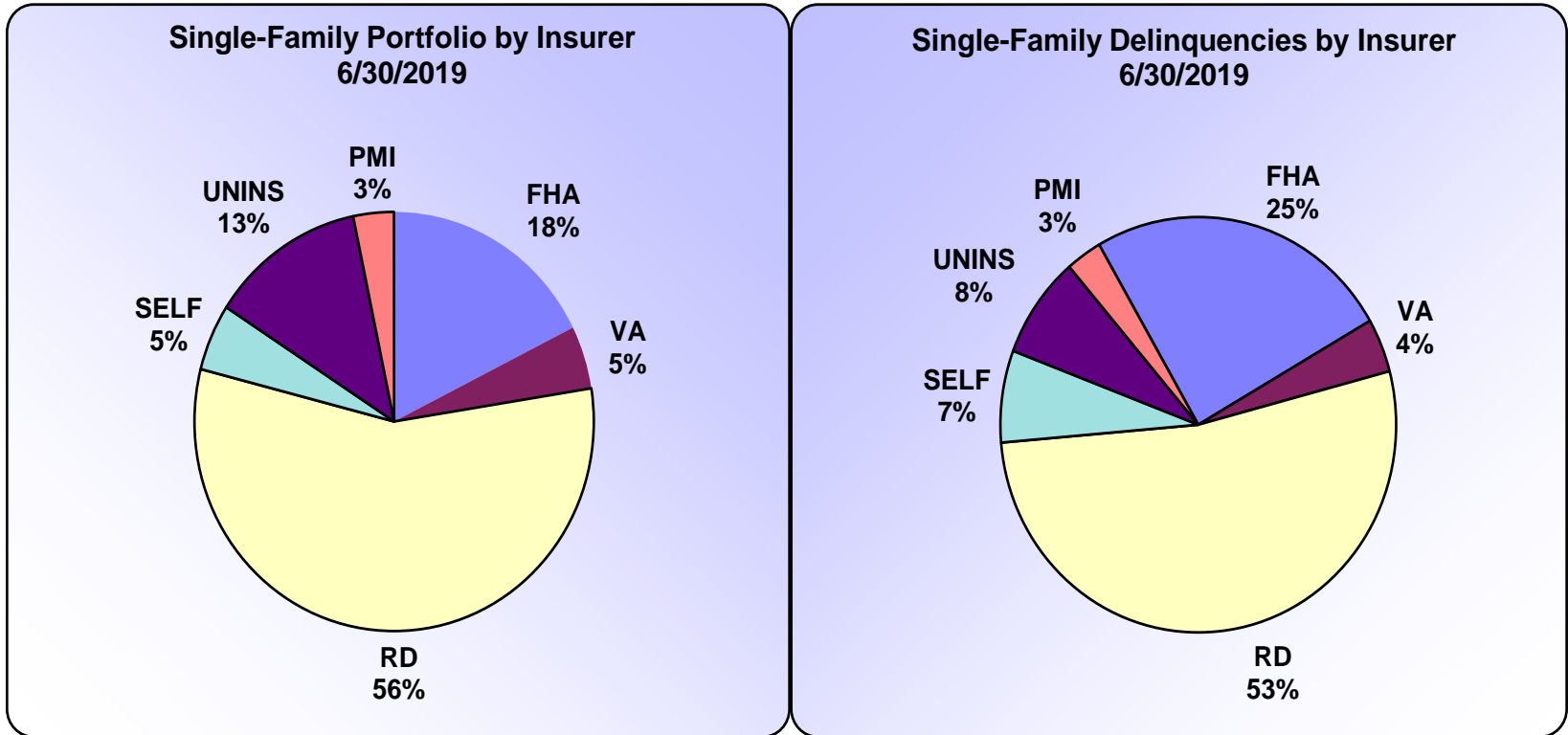
SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



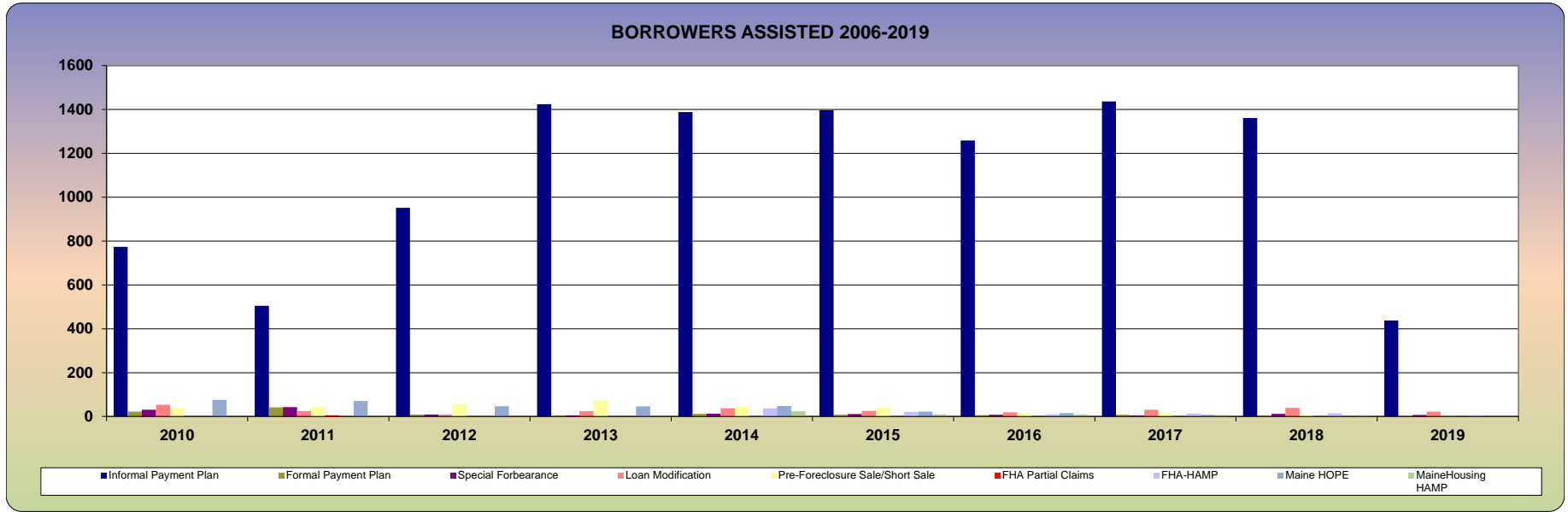


# Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.



# Single-Family Foreclosure Prevention Activities



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Jun-19	438	1	7	22	2		6	4	0	480
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576
Dec-12	952	9	9	9	56			47		1082
Dec-11	505	42	43	25	43	2		71		731
Dec-10	774	22	31	54	38	0		76		995

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Jun-19	32	10,726	0.30%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%
Dec-12	60	11,641	0.52%
Dec-11	115	12,311	0.93%
Dec-10	96	12,320	0.78%





**To:** MaineHousing Board of Commissioners  
**From:** Craig Reynolds, Director of Homeownership  
**Date:** August, 2019  
**Subject:** Monthly Report – Homeownership Department

**PRODUCTION UPDATE**

Purchases & Reservations Past/Current Comparison	July 2018		July 2019		
	#	\$ Volume	#	\$ Volume	% Change # (2019 vs. 2018)
Purchases (YTD)	564	\$74.3M	493	\$65.1M	(12.5%)
Reservations in Pipeline	418	\$55.6M	378	\$54.8M	(9.5%)

Monthly Reservations by Program Option		
Total Loans Reserved in July	#	\$
2 points	0	\$0M
0 points	12	\$1.9M
0 points with Advantage	157	\$22.9M
<b>Totals</b>	<b>169</b>	<b>\$24.8M</b>

**PROGRAM HIGHLIGHTS**

**Loan Activity & Market Status**

The months of June and July were characterized by strong real estate market activity and steady increases in both the number of First Home Loans purchased and reserved. Although YTD totals for both categories are lagging behind last year, steady gains are being made after a slow start for all real estate activity in 2019. Many attribute the slow start to a combination of the federal government shutdown, a continued shortage of homes for sale inventory and a winter season that would not end. For sale inventory remains an issue particularly in southern and coastal Maine, however there are some signs that the rise in home prices may be slowing in other areas.

Market interest rates in Maine remained very stable through June and July, hovering generally at or just below 4% for a 30 year fixed rate loan. MaineHousing benefitted from conditions in financial markets as Treasurer, Tom Cary orchestrated a bond sale to fund the First Home Loan (FHL)

program which resulted in the opportunity to reduce the program's base rate to a very attractive 3.375% rate for a 30 year fixed - 0 point loan. This gives the FHL program rate its largest spread below market rates in several months and should generate a strong increase in loan production through August and hopefully beyond.

## **Month of June Events**

### **Realtor CEU Classes**

Partner Education & Outreach Officer, Lisa McKenna conducted the '*MaineHousing: Affordable Home Financing for ME*' CEU class for 32 real estate licensees at Central Maine Community College in Auburn. The class offers 3 hours of continuing education credit toward the license renewal requirements for Maine real estate agents. Lisa reported several very positive comments were made about our First Home Loan program on the post class-evaluations that were submitted by attendees. The class was sponsored by Debra Bodwell, from our lender partner Residential Mortgage Services, and co-sponsored by Jennifer Doucette from Red Door Title Co.

Mortgage Lending Officer, Michelle White also conducted 2 sessions of the '*MaineHousing: Affordable Home Financing for ME*' course for real estate licensees in June. Both classes were sponsored by lender partner University Credit Union. One class held in Scarborough had 10 attendees, and another in Orono had 21 local agents in attendance. Michelle reported lively discussions and positive feedback about our First Home Loan program coming from attendees at both locations.

### **Pleasant Point Housing Fair**

Consumer Education Coordinator, Matthew Drost represented MaineHousing at a Housing Fair held at the Pleasant Point Reservation for the Passamaquoddy tribe of Native Americans. Matthew presented an overview of MaineHousing's First Home Loan program to attendees who were specifically interested in financing options for homes not located on tribal land.

### **Military & Family Resource Fair**

Mortgage Lending Officer, Michelle White and Consumer Education Coordinator, Matthew Drost represented MaineHousing at a Military & Family Resource Fair held at the Augusta State Armory and sponsored by the Maine Department of Professional & Financial Regulation. Representatives from the Maine Department of Defense, Veterans & Emergency Management and the Maine Department of Labor were also on hand to share information with attendees. The event focused on a number of topics important to active duty military, veterans and their families including housing, consumer credit, financial literacy and all types of insurance. Michelle and Matthew shared information concerning homebuyer education and the First Home Loan program.

### **Lender Partner Training**

Mortgage Lending Officer, Michelle White conducted a training webinar on the First Home Loan program for 7 staff members involved in various aspects of loan processing at Mechanics Savings Bank. Bank executives at Mechanics requested the training and have expressed their intention to produce more MaineHousing First Home Loans in 2019.

Michelle also held a First Home Loan on-site training for 6 staff members of First National Bank at their Rockland branch office. Among those attending from the bank's lending group were the VP of Lending, underwriters and loan assistants.

## Month of July Events

### Military Networking Conference

Mortgage Lending Team Leader, Brianne McNally and Consumer Education Coordinator, Matthew Drost represented MaineHousing as exhibitors at the Maine Military Networking Conference held at the Augusta Civic Center. Approximately 50 vendors were present to share information and materials with approximately 150 attendees, with many of them being persons who in some capacity interact with and assist military personnel and their families by making them aware of the wide range of services and programs available specifically for them. Many visitors to the MaineHousing table took informational materials to have on display in their respective offices and to distribute to military personnel they meet and work with. MaineHousing was invited to attend another similar event being held at the Augusta State Armory in October.



*Matthew Drost, Consumer Education Coordinator; at the MaineHousing exhibit table*

### Emphasys Team Visits MaineHousing

An elite team from Emphasys Software based in Miami, FL visited MaineHousing to conduct two full days of discussion, training, program module analysis, and assessment of current workflow and system functions. Emphasys Software products provide the core software systems relied upon to support the operation of MaineHousing's Finance and Homeownership departments, and other functions within the agency. Homeownership's Mortgage Lending Manager, Tina Partridge did an outstanding job in organizing the agenda of topics and in facilitating many of the individual sessions that were scheduled during the two day period. The various sessions were attended by staff from our IT department and key users of the



*(L-R) Colin Wells, Alfonso Iglesias, George Rodriguez, Vivian Cueva from Emphasys, Tina Partridge, Homeownership Manager; David Raynes, Data & Mortgage Specialist; and Brianne McNally, Mortgage Lending Team Leader; from MaineHousing.*

Emphasys products from Homeownership, Finance and Treasury. The Emphasys team consisted of General Manager, George Rodriguez; Systems Manager, Alfonso Iglesias; Director of Operations/HFA Division, Vivian Cueva and Director of Operations HL & SF, Colin Wells, Housing Locator Director. By all accounts the visit yielded a wealth of valuable information for MaineHousing, and was a learning opportunity for both parties as vendors/users. It was agreed by all that the detailed face to face discussions and the ability to actually run, view and analyze system modules “at work” was much more beneficial than what a webinar or online tutorial could offer.



**Homeless Initiatives Department Memorandum**

**To:** Board of Commissioners  
**From:** Lauren Bustard, Interim Department Director  
**Date:** August 9, 2019  
**Subject:** August Report

**2019 Emergency Shelter and Housing Assistance Program (ESHAP)**

The Homeless Initiatives Department released the 2<sup>nd</sup> quarter shelter payments for the Operations and Stabilization Shares totaling \$1,232,468. The Stabilization Share is contingent upon meeting specific rapid rehousing and stabilization benchmarks for the number of clients assessed, stabilized, and receiving services.

The Performance Share provides funding to shelters that achieve specific performance measures that focused efforts on helping clients achieve permanent housing and ensuring that they remain stably housed. This share is released twice a year at the end of the second and fourth quarters. The total Performance Share for the first half of 2019 was \$610,574.

The following is a breakdown of the funds utilized:

<b>2019 ESHAP (2nd Quarter) Payments April thru June</b>				
	<b>Operations Share</b>	<b>Stabilization Share</b>	<b>Performance Share</b>	<b>TOTAL</b>
State General Funds	\$ 314,402.56	\$ 314,402.57	\$ 311,514.92	\$ 940,320.05
State HOME Funds	\$ 301,831.44	\$ 301,831.43	\$ 299,059.08	\$ 902,721.95
<b>TOTAL</b>	<b>\$ 616,234.00</b>	<b>\$ 616,234.00</b>	<b>\$ 610,574.00</b>	<b>\$ 1,843,042.00</b>

**Homeless Solutions Rule**

At the August board meeting we will be asking for permission to commence rule-making for changes to the Homeless Solutions Rule. A memo outlining the proposed substantive changes to the rule is in the Board packet.



## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners  
**From:** Allison Gallagher - Director of HCV Programs  
**Date:** August 20, 2019  
**Subject:** Monthly Report – Housing Choice Voucher Program

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### Program Updates:

HCV drafted the 5 year/annual plan and presented a draft to the board at the June meeting. HCV will hold a public hearing on the plan at the August board meeting and it will be voted on at the September board meeting

Additional Housing Assistance money has been allocated to the HCV voucher program. The notice of funding has created an opportunity to increase our voucher offers in an effort to spend at least 98% of the money by December 1<sup>st</sup> 2019. I presented ideas and policy changes to increase HAP payments at the June board meeting. The board voted favorably on two administrative plan changes regarding subsidy standards and STEP participants. The new plan is effective August 2, 2019.

HCV sent out 1131 letters to applicants on our waitlist as part of our efforts to get more vouchers on the street. Below are some statistics as of 7/31/19:

- 62 vouchers issued
- 1 Leased
- 409 have not responded
- 95 were returned mail undeliverable
- 40 did not qualify for the agency preferences
- 524 remaining to be verified/qualified as eligible

“Kudos to all the hard work on the waiting list. I just passed an inspection for Ken V in Norway. He has been on the waiting list for 8 years he said. Soon he has to have hip replacement surgery and had no idea how he was going to manage paying his rent. He said we are “changing lives” And we absolutely are!” Shawn Roy, Inspector

HCV is working closely with Denise Lord coordinating the temporary housing subsidy provided by the Governor for the Asylum Seekers staying at the Portland Expo. We have processed 12 applications to assist families in units located in Bath, Brunswick and Scarborough.



Barbara Brann, HCV Inspections Manager has begun coordinating inspections with our Asset Management department to streamline inspections in properties working with both departments.

### **Inspections Update: June 2019**

Abatelements: 7

STEP abatelements: 2

24 hour fails: 0

No Shows: 22

Initials: 85 (40 passed the first time, 31 passed with comments, 14 failed) – 43 re-inspections

STEP inspections: 14 initials, 8 annuals, 20 re-inspections

Average number of days to schedule initials: 3

Average number of days to schedule homeless initials: 3

Annuals: 334 (93 passed the first time, 56 within the 30 day fail period and 33 were inspected three or more times before they passed). 152 failed

Mileage: 16,005

Landlord Repair Program: \$28,421.49

STEP Landlord Repair Program: \$2,757.39

### **July 2019**

Abatelements: 10

STEP Abatelements: 4

24 hour fails: 0

No Shows: 16

Initials: 89 (40 passed the first time, 25 passed with comments, 24 failed) – 63 re-inspections

STEP inspections: 12 initials, 8 annuals, 14 re-inspections

Average number of days to schedule initials: 5

Average number of days to schedule homeless initials: 4

Annuals: 359 (79 passed the first time, 95 within the 30 day fail period and 58 were inspected three or more times before they passed). 127 failed

Mileage: 15,797

Landlord Repair Program: \$34,585.89

STEP Landlord Repair Program: \$6,406.70

### **Partner Relationships:**

HCV held a Landlord outreach event on June 13<sup>th</sup> at the Bangor Savings building. Amy Sneirson Executive Director, Maine Human Rights spoke about medical marijuana in housing and Peter Marcinuk, Owner of Northeast Rental Housing, spoke about the importance of maintaining quality units and communication between owner and tenant.

Here is a response from one of our landlords, Hannah Clark, when we emailed her to let her know we were approving her reimbursement for the Landlord Repair Program:

Her unit is in Mechanic Falls.

“Honestly you guys have exceeded my expectations with sec 8 and I will absolutely be using you all for my rents in the future!”

Allison presented an overview of the HCV program to the Children's Behavioral Health Team at DHHS. They were interested in resources for families with disabled children.

**Staff News:**

Laurie and Brianna, our FSS team, attended a Motivational Interviewing training. We will be providing the same training to all HCV staff in October.

We have advertised a new Housing Navigator Position in HCV to assist people searching for housing and help network with landlords to increase the listing of available units while building strong partnerships.



**Information Technology Department Memorandum**

**To:** Board of Commissioners

**From:** Sheila Nielsen, Director of IT

**Date:** August 13, 2019

**Subject:** Monthly Report

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The IT Department has been working on the following efforts throughout the summer:

- IT security risk assessment vendor, Illumant, has been contacted to schedule retest. Once the retest findings have been released, a special Audit Committee meeting will be scheduled to present the details.
- After much analysis and discussion, the vacant Data Architect position was reallocated and posted as a Helpdesk Analyst I position. The primary reasons to post at this time are:
  - Current volume of daily work
  - Ability to complete Windows 7 to 10 migration before the end of 2019
  - Preparations for move to Edison Drive
  - Expectation that additional technology at Edison Drive will increase Help Desk tickets
- A cross functional MaineHousing team hosted representatives from Emphasys, the AOD system vendor, on site for two days to discuss opportunities to improve the utilization of the software.
- Hancock Cloud, the MERAC HEAP replacement system has entered the final testing and training phase and is poised to be used by CAA staff starting September 3<sup>rd</sup> to process HEAP client applications.
- Docuware, the document management system, system upgrade is in progress and is expected to go live next month. The new application version will expand workflow feature and functions.
- Edison Drive Building Initiatives:
  - New phone system selection team has been identified and requirements have been drafted for inclusion in an RFP.
  - Low voltage (data) and electrical plans are being compared to audio visual, furniture and building security vendor plans to ensure alignment.
  - Audio visual contract negotiations are still underway with Headlight, the selected vendor.

## Board Calendar 2019

<p><b>JANUARY 15</b></p> <ul style="list-style-type: none"> <li>• Legislative Preview (P. Merrill)</li> </ul> <p>NCSHA HFA Institute (Jan. 13 – 18) Washington, DC</p>	<p><b>FEBRUARY 19</b></p> <ul style="list-style-type: none"> <li>• Introduce HEAP</li> <li>• STEP program/Allison Gallagher</li> </ul>
<p><b>MARCH 19</b></p> <ul style="list-style-type: none"> <li>• HEAP discussion (draft policy changes)</li> </ul> <p>NCSHA Legislative Conference (March 11-13) Washington, DC</p>	<p><b>APRIL 16</b></p> <ul style="list-style-type: none"> <li>• Commence rulemaking HEAP</li> <li>• 2018 Year-end Financials</li> <li>• Commence rulemaking QAP</li> </ul>
<p><b>MAY 21</b></p> <ul style="list-style-type: none"> <li>• HEAP Public Hearing</li> <li>• QAP public hearing</li> </ul>	<p><b>JUNE 18</b></p> <ul style="list-style-type: none"> <li>• Adopt HEAP rule</li> <li>• Introduce HCV Annual Plan</li> <li>• Adopt QAP</li> </ul> <p>NCSHA Credit Connect (June 11-14) San Francisco</p>
<p><b>JULY 16</b></p> <ul style="list-style-type: none"> <li>• <b>BOARD MEETING IF NEEDED</b></li> </ul> <p>Statewide HUD Consolidated Plan Public Hearings</p> <p>NCSHA Executive Directors Workshop (location unknown at this time)</p>	<p><b>AUGUST 20</b></p> <ul style="list-style-type: none"> <li>• HCV Annual Plan Public Hearing</li> <li>• MaineHousing Communication Plan</li> <li>• Swap/Investment Policy</li> <li>• Commence Rulemaking Homeless Solutions Rule</li> <li>• Commence Rulemaking HEAP Rule</li> </ul>
<p><b>SEPTEMBER 17</b></p> <ul style="list-style-type: none"> <li>• Adopt HCV Annual Plan</li> <li>• Public Hearing Homeless Solutions Rule</li> <li>• Public Hearing HEAP Rule</li> </ul>	<p><b>OCTOBER 15</b></p> <ul style="list-style-type: none"> <li>• NCSHA Annual Conference (Oct. 19-22)</li> <li>• Boston, MA</li> <li>• DOE Weatherization State Plan</li> <li>• Adopt Homeless Solutions Rule</li> <li>• Adopt HEAP Rule</li> </ul>
<p><b>NOVEMBER 19</b></p> <ul style="list-style-type: none"> <li>• Review Preliminary 2020 Budget</li> <li>• DOE Weatherization State Plan Public Hearing</li> </ul>	<p><b>DECEMBER 17</b></p> <ul style="list-style-type: none"> <li>• Approve 2020 Budget</li> <li>• Elect Officers</li> <li>• DOE Weatherization Adopt State Plan</li> <li>• MPP Series Resolution</li> </ul>