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**MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION  
INDUSTRY ADVISORY  
REGULATORY GUIDANCE**

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**NOVEMBER 2, 2021**

**NOTICE TO SERVICERS:  
MARYLAND HOMEOWNER ASSISTANCE FUND TO OPEN SOON**

The Maryland Department of Housing and Community Development (“DHCD”) has been allocated more than \$200 million through the American Rescue Plan Act and has established the Homeowner Assistance Fund (HAF) program to aid Maryland homeowners who have been adversely impacted by the COVID-19 health crisis. DHCD expects to begin accepting applications for assistance by the end of this year. The program will include grants and deferred-payment loans, and will, among other things, aid homeowners in making delinquent mortgage payments. An overview of the program is available [here](#).

The program is not intended to supersede or replace loss mitigation offered by mortgage servicers; the program’s funds are limited, and are intended to serve as a final “backstop” for homeowners who may not have previously qualified for other loss mitigation options through their servicers, and to leverage and be supplementary to those loss mitigation options. Maryland Regulation [09.03.06.20](#) requires a servicer to make borrowers in default aware of loss mitigation options available to them, and to pursue loss mitigation when possible. As the HAF program is intended to be a program of last resort for a borrower, a servicer should not require a borrower to apply for assistance through the HAF program before applying for other loss mitigation options offered by the servicer. At the same time, the Commissioner views the HAF program as a supplemental, external loss mitigation option; servicers are expected to cooperate with borrowers seeking assistance through the program.

The HAF program is intended to allow a significant number of Marylanders to retain their homes, and the value of this program to these Marylanders, to their communities, and to the mortgage holders who will avoid the losses associated with foreclosure, cannot be overstated. Therefore, the Commissioner strongly encourages mortgage servicers to:

- Make Maryland borrowers in default aware of the program, and of the fact that they can submit an [expression of interest](#) with DHCD prior to the opening of the program so that they will be notified promptly when the program becomes available;
- Reconsider any denials of loss mitigation, when appropriate, for borrowers who subsequently receive assistance through the program as they may now qualify for loss mitigation; and

- To the greatest extent possible, delay the filing of foreclosure actions against Maryland homeowners, or the scheduling of foreclosure sales, until the program has opened and borrowers have had a reasonable time to apply and be evaluated for assistance under the program.

For questions about this advisory, please contact Clifford Charland, Director of Non-Depository Operations, at 410-230-6167, or by e-mail at [clifford.charland@maryland.gov](mailto:clifford.charland@maryland.gov). Please note that the HAF program is solely administered by the State of Maryland through DHCD. The Office of the Commissioner of Financial Regulation is not affiliated with the HAF Program and is unable to provide any guidance or additional information regarding the program. Questions regarding the program should be directed to DHCD [here](#). You may also find information regarding HAF funds on the U.S. Department of the Treasury's website [here](#).

*The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).*

