



Department of Defense  
**DIRECTIVE**

June 26, 1991  
NUMBER 4165.50

ASD(P&L)

SUBJECT: Homeowners Assistance Program (HAP)

- References:
- (a) DoD Instruction 4165.50, "Administration and Operation of the Homeowners Assistance Program," February 11, 1972 (hereby canceled)
  - (b) DoD Directive 5100.54, "Homeowners Assistance Program," December 29, 1967 (hereby canceled)
  - (c) Section 1013 of Public Law 89-754, "Demonstration Cities and Metropolitan Development Act of 1966," as amended (80 Stat. 1255 and 1290)

**A. REISSUANCE AND PURPOSE**

This Directive:

1. Reissues reference (a).
2. Replaces reference (b).
3. Continues to authorize the HAP under reference (c) to assist eligible military and civilian Federal employee homeowners when the real estate market is adversely affected by closure or reduction-in-scope of operations, at a military, including a Coast Guard, installation.
4. Updates policy, delegates authority, assigns responsibilities, and prescribes procedures for managing the HAP.
5. Designates the Secretary of the Army as the DoD Executive Agent for administering, managing, and executing the HAP.

**B. APPLICABILITY**

This Directive applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is operating as part of the Department of the Navy, and, by agreement with the Department of Transportation, when it is not operating as a part of the Department of the Navy), the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense, the Uniformed Services University of the Health Sciences, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

Transportation. For HUD, see the agreement between the Secretary of Defense and the Secretary of HUD (enclosure 3).

- (3) Acquisition of private contractor services.
  - (4) Administering appeals and eligibility exceptions.
  - (5) Publishing regulations and forms.
  - (6) Reducing administrative costs and expediting payments by redelegation of authorities to the lowest practical level.
- b. Establish detailed policies and procedures.
  - c. Maintain a HAP central office and HAP field offices.
  - d. Determine that a specific military, including a Coast Guard, installation meets the requirements of Pub. L. No. 89-754, Section 1013 (reference (c)).
  - e. Determine the eligibility of each applicant.
  - f. Determine and advise each applicant on the most appropriate type of assistance.
  - g. Determine amounts to be paid consistent with DoD policy and make payments or authorize and arrange for acquisition or transfer of the applicant's property.
  - h. Maintain, manage, and dispose of acquired properties or contract for such services with private contractors, if the services are not handled by the Department of HUD.
  - i. Take steps to ensure contractor accountability and quality control, with special emphasis on potential abuses caused collaboration between contractors or contractors and applicants.
  - j. Maintain necessary records, prepare reports, and conduct audits.
  - k. Establish and maintain an appeals procedure.
  - l. Prepare the Future Years Defense Program and annual budgets for the Homeowners Assistance Fund, Defense.
  - m. Publish regulations and forms, subject to review by the Assistant Secretary of Defense (Production and Logistics).
4. The Heads of the DoD Components and the Commandant of the Coast Guard shall:

## DEFINITIONS

1. Benefit Elections. Eligible personnel electing to participate in the HAP may elect one of the following:

a. In the United States and its possessions:

(1) Partial compensation for sale-by-owner losses.

(2) Purchase by the Government.

(3) Payment of the costs of a foreclosure on the dwelling, under certain circumstances.

b. In foreign countries:

(1) Partial compensation for sale-by-owner losses.

(2) Foreclosure costs calculated on a sale-by-owner basis.

(3) Compensation for the applicant's ownership interest in property located on a U.S. installation. Government purchase of off-installation dwellings is not available.

(Detailed regulations regarding available benefits are published by the DoD Executive Agent.)

2. Eligible Personnel. Military personnel or Federal civilian employees, who are homeowner-occupants of a one- or two-family dwelling at, or near, military, including Coast Guard, installations ordered closed or reduced-in-scope. That order must have adversely affected the homeownership market, as validated by the DoD Executive Agent. The Coast Guard installations and personnel are covered for closings or reductions ordered after January 1, 1987. The Non-Appropriated Fund Instrumentalities (NAFI) personnel are covered for closings or reductions ordered after December 31, 1988. Civilian personnel, including the NAFI employees, serving overseas with reemployment rights at applicable installations are covered for closings or reductions ordered after November 5, 1990. Temporary employees serving under a time limitation and independent contractors and their employees are not covered.

3. Homeowners. Eligible personnel who hold fee simple title or have a contract to purchase in fee simple qualifying residential dwellings, unless the dwelling is part of a cooperative association. Ownership interest in a cooperative homeownership association shall be recognized under the cooperative homeownership laws of the State where the affected property is located. Ownership of a mobile home constitutes homeownership if the mobile home is affixed to the land and the underlying realty is held in either fee simple, long-term lease (27.5 years or longer), or contract-to-purchase.

LIST OF HAP FIELD OFFICES

Field Office:

For Installations Located In:

U.S. Army Engineer District  
P.O. Box 2288  
Mobile, AL 36628-0001

Alabama, Florida (Bay, Calhoun,  
and Escambia Counties),  
Mississippi, Tennessee (excludes  
Ft. Campbell), South America,  
South Africa, and Canal Zone

U.S. Army Engineer District  
P.O. Box 898  
Anchorage, AL 99506-0898

Alaska

U.S. Army Engineer District  
P.O. Box 2711  
Los Angeles, CA 90053

California (south of, and  
including, San Luis Obispo, Kern,  
Inyo, and Los Angeles Counties),  
Arizona, and Nevada (Clark and  
Lincoln Counties)

U.S. Army Engineer District  
650 Capital Mall  
Sacramento, CA 95814-4794

California (north of, and  
including, Monterey, Kings,  
Tulare, and Mono Counties), Nevada  
(except Clark and Lincoln  
Counties), and Utah

U.S. Army Engineer District  
P.O. Box 889  
Savannah, GA 31402-0889

Georgia, North Carolina, and South  
Carolina

U.S. Army Engineer Division  
Pacific Ocean  
Fort Shafter, HI 96858-5440

Hawaii, American Samoa, Guam,  
Asia, and Australia

U.S. Army Engineer District  
P.O. Box 1715  
Baltimore, MD 21103-1715

Maryland, Delaware, District of  
Columbia, Pennsylvania, Virginia  
(City of Alexandria; Arlington,  
Fairfax, Loudoun, and Prince  
William Counties; Vint Hill  
Farms Station; Warrenton Training  
Center, and North Virginia  
Personnel Office), and West  
Virginia

U.S. Army Engineer District  
P.O. Box 4970  
Jacksonville, FL 32232-0019

Florida (except those areas  
assigned to the Mobile Office),  
Puerto Rico, and Virgin Islands

U.S. Army Engineer District  
P.O. Box 59  
Louisville, KY 40201-0059

Illinois, Indiana, Kentucky,  
Michigan (except Sawyer AFB  
and Wurtsmith AFB), Ohio, and  
Tennessee (Ft. Campbell only)

HOMEOWNERS ASSISTANCE PROGRAM  
Agreement Between the Department of Defense  
and the  
Department of Housing and Urban Development

ARTICLE I - INTRODUCTION

Section 1. Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754, enacted November 3, 1966) authorizes the Secretary of Defense to provide assistance to owners of one- or two-family dwellings located at or near military installations, ordered to be closed in whole or in part subsequent to November 1, 1964, when certain determinations have been made with respect to eligibility. In certain instances, this assistance may be rendered by acquiring title to the properties of such owners under terms and conditions prescribed by the statute.

Section 2. Section 1013(d) of the Act provides a fund for the purpose of this program, which has been established as the Homeowners Assistance Fund, Defense. Section 1013 (g) authorizes the Secretary of Defense to enter into agreement with the Secretary of Housing and Urban Development with respect to administration of the program. This agreement is executed on behalf of the Secretary of Defense by the Assistant Secretary of Defense (Installations and Logistics) pursuant to delegation of authority contained in DoD Directive 5100.54 dated December 29, 1967, and by the Secretary of Housing and Urban Development.

Section 3. For the purposes of this Agreement, the following definitions shall apply:

(a) "Act" means Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, Public Law 89-754, enacted November 3, 1966.

(b) "Secretary of Defense" means the Secretary of Defense or an officer or employee of the Department of Defense empowered to exercise any of the functions of the Secretary of Defense under the Act.

(c) "DoD" means Department of Defense.

(d) "Secretary, HUD" or "HUD" means the Secretary of Housing and Urban Development or an officer or employee of the Department of Housing and Urban Development empowered to exercise any of the functions of the Secretary of Housing and Urban Development under the Act.

(e) "Corps" means the Office of the Chief of Engineers, Department of the Army.

(f) "Division/District Engineer" means either the Division Engineer of the Corps or the District Engineer of the Corps, as applicable under the circumstances, having military jurisdiction in the area in which the property is located.

(g) "FHA" means the Federal Housing Administration.

(h) "Assistant Commissioner-Comptroller" means the Assistant Commissioner-Comptroller of the Federal Housing Administration.

(i) "FHA Insuring Office" means the local insuring office of FHA having jurisdiction over the area where the property is located.

(j) "Fund" means the Homeowners Assistance Fund, Defense, established pursuant to the authority contained in Section 1013(d) of the Act.

(k) "Acquired Property" means property acquired pursuant to the Act.

ARTICLE II - POLICY  
AND  
OBJECTIVES

Section 1. As more fully set forth below, Secretary, HUD will accept custody, subject to funds made available by DoD, of property acquired pursuant to the Act and maintain, manage, and dispose of such properties on behalf of the Secretary of Defense. In the event the Fund no longer has any monies available, the Secretary, HUD may terminate this Agreement and DoD shall in that event assume custody and responsibility for all properties accepted, and mortgage payment liabilities accepted assumed, by HUD pursuant to this Agreement. It is the agreed objective that acquired properties will be held, managed and disposed of in such a way as to:

(a) Avoid further depression of local real estate market conditions in areas where the housing market is depressed, and

(b) Consistent with item (a) above and with the desirability of disposing of the properties as rapidly as feasible, seek to obtain the best possible financial return to the Fund. During the period properties are held by FHA, and when it is feasible and in the best interest of the Government, consistent with HUD/FHA policy as to Secretary, HUD-owned property in the areas acquired in the course of FHA mortgage insurance operations, properties will be rented to third parties at rates generally obtainable for comparable properties in the area.

Section 2. The Secretary of Defense and the Secretary, HUD will expedite action in all offices and at all levels of their organizations relative to matters that are the subject of this Agreement, and each will use all available means to assure that the purposes of the Act are accomplished in accordance with the spirit and intent of the Act.

ARTICLE III -  
ACQUISITION AND ASSUMPTION  
OF CUSTODY

Section 1. As to properties acquired by the Corps under this Act, acquisition will be accomplished by the Division/District Engineer, who will negotiate with the owner as to terms, will affect the closing, and will pay to the property owner such

event hazard insurance is obtained, HUD/FHA will pay for such insurance and will be reimbursed from the Fund.

ARTICLE IV -  
MAINTENANCE, MANAGEMENT  
AND DISPOSAL

Section 1. To the extent not inconsistent with the provisions of this Agreement, HUD/FHA will maintain, manage, renovate, rent, sell and dispose of the acquired properties in the same manner and under the same procedures as are used by HUD/FHA for properties acquired pursuant to FHA insurance contracts. HUD/FHA will give neither advantage nor disadvantage insofar as sale or other activity is concerned to properties acquired pursuant to this Agreement. HUD/FHA will treat such properties in the same manner as properties acquired pursuant to FHA insurance contracts. HUD/FHA is hereby authorized to repair, renovate, restore, or take any protective maintenance deemed necessary by HUD/FHA insofar as any property covered by this Agreement is concerned. The terms of rental, sale for cash or credit by the assumption of the existing mortgage, or by other means of disposal of any property covered by this Agreement which is contracted for or otherwise entered into by FHA shall be final.

Section 2. While any acquired property is under HUD/FHA's custody, payments in lieu of taxes will be made by the FHA Assistant Commissioner-Comptroller to local taxing authorities in amounts equivalent to the taxes which would be payable were the properties in private hands, except when the Government is making expenditures for streets, utilities or other public services. In such cases, the Division/District Engineer will advise the FHA Assistant Commissioner-Comptroller of such expenditures and specify what allowances are to be deducted. It shall be the responsibility of the Division/District Engineer to advise the FHA Assistant Commissioner-Comptroller in such cases sufficiently prior to the time that the Assistant Commissioner-Comptroller makes payment of any tax bill received by FHA on acquired properties. In the event that such notice is not received by the Division/District Engineer by such time, the Assistant Commissioner-Comptroller may pay the amount of the net tax bill without penalties.

Section 3. This Agreement contemplates that disposal of the properties will be accomplished by the financing arrangements available to HUD/FHA and beneficial to DoD. The following financial arrangements will generally be used and FHA will be guided by the same considerations that govern FHA sales of its properties:

1. Sale of the property for cash or through the use of a conventional uninsured mortgage.
2. Sale of the property providing for assumption of the existing mortgage indebtedness by the buyer or sale of the property subject to the existing mortgage indebtedness.
3. Sale of the property by use of FHA's insured private financing program or FHA's instant FNMA

closing program if available.

4. Sale of the property by use of a purchase money mortgage taken by the Secretary, Department of Housing and Urban Development.

In those cases where an existing mortgage is assumed and the assumptor subsequently defaults, the Fund will be responsible for all costs, expenses or losses sustained by HUD/FHA in satisfying the Government's liability on the mortgage. In the event it is advantageous to the Government to sell by assumption and the sales price is less than the outstanding mortgage balance, the Fund shall be responsible for the money which is required to reduce the outstanding principal balance of the mortgage. When, in order to facilitate the sale of acquired properties, FHA insures the mortgage, the Fund will be responsible for all expenses incurred by FHA on the first sale, including losses in connection therewith, as computed by the FHA Assistant Commissioner-Comptroller.

ARTICLE V - FINANCING,  
ACCOUNTING AND REPORTING

Section 1. The Corps will furnish to HUD/FHA by June 1 of each year an estimate of the number of housing units expected to be acquired and transferred to HUD/FHA during the succeeding fiscal year and those during the following budget year. The estimates will show number of housing units, FHA insuring office jurisdiction, estimated average monthly principal and interest payments and expected quarterly phasing of transfer to FHA.

On August 1 of each year HUD/FHA will submit a budget estimate to the Corps setting forth the estimated financial requirements for the activities that FHA is to perform for the Secretary of Defense pursuant to the terms of this Agreement covering the then current fiscal year and the following budget year. The estimate, in terms of obligations/expenditures, should be by FHA insuring office jurisdiction and in the same cost categories as maintained in the automatic tape record as set forth in Article V, Section 2, for each acquired property and as included in the monthly reimbursement request set forth in Article V, Section 3, for all other expenses. On May 1 of each year FHA will furnish to the Corps in the same format as the August 1 statement an updated estimate of obligations/expenditures then estimated to be incurred in the succeeding fiscal year.

Based on the estimated financial requirements, in consonance with budgetary and appropriation actions, the Corps will issue to FHA on July 1 of each year a reimbursable order including and obligation/expenditure limitation as to the amount which the FHA may, on a net basis obligate/expend in anticipation of reimbursement from the Fund for that fiscal year. FHA will promptly advise the Corps whenever it determines that the performance of its responsibility under this Agreement requires any adjustment, together with an estimate and explanation of the changes needed so as to permit the continued effective operation of the program as contemplated under this Agreement. The Corps of Engineers will arrange to provide for the

Jun 26, 91  
4165.50 (Encl 3)

after the end of each calendar quarter a duplicate of the FHA automated tape record for all acquired properties.

Section 4. Whenever FHA determines that they do not plan to offer properties for sale within 12 months after acquisition, the FHA will so advise the Secretary of Defense, with the expected prospects for such disposition. The Secretary of Defense will consult with the FHA on alternative means of disposal in such cases where such alternatives are considered feasible.

Section 5. FHA will not drop closed cases for properties acquired pursuant to the Act from the automated tape records except by special agreement with the Corps, at which time a duplicate of FHA's automated tape of such cases will be furnished to the Corps.

Section 6. It is agreed and understood that, in performing the accounting and reporting operations set out herein, FHA will accomplish the objectives using its existing automated data processing routines and programs, and that no special programming or detailed printouts will be required from FHA.

Section 7. The Corps, within 6 working days after receipt of a monthly statement indicating the amount due FHA, will reimburse FHA by check for the amount shown on the statement. The check will be made payable to the Federal Housing Administration and will be forwarded to the FHA Assistant Commissioner-Comptroller.

Section 8. In those instances where the statement indicates an amount due the Fund, a check payable to the Homeowners Assistance Fund, Defense, for such amount will accompany the monthly statement submitted to the Corps by FHA.

Section 9. The following FHA issuances and changes thereto will be furnished to the Corps:

- (a) FHA 2750, Accounting Manual for Acquired Properties;
- (b) FHA Manual, Field Expense and Performance Handbook;
- (c) FHA Manual, Departmental Expense and Performance Handbook.

Section 10. FHA will maintain a separate document file for each acquired property. The file will contain at least the FHA Form 1174 and FHA Form 1175 and attachments thereto.

#### ARTICLE VI - FINALITY OF ACTION

Section 1. This Agreement embodies the full understanding of the Department of Defense and the

Department of Housing and Urban Development concerning their responsibilities and it is understood that all decisions made and all actions taken by HUD/FHA within the terms of this Agreement with respect to all aspects of clearing impediments of title, prepayment of mortgages, eviction of occupants, prepayment of hazard insurance coverage premiums, and all other matters relating to the maintenance, management, renovation, rental, sale, or other disposal of properties and the selection and use of brokers shall be final and conclusive as fully as if made or taken by the Secretary of Defense.

#### ARTICLE VII - DELEGATION OF AUTHORITY

Section 1. The Secretary of Housing and Urban Development is hereby authorized, with respect to acquired properties, to acquire title to, hold, manage, sell for cash or credit by taking a purchase money mortgage in the name of the Secretary of Housing and Urban Development, and, in connection therewith, to execute deeds of conveyance and all other instruments necessary to fulfill the purpose of Section 1013 of the Demonstration Cities and Metropolitan Act of 1966 (Public Law 89-754, enacted November 3, 1966), to issue rules and regulations and to make any or all determinations and to take any or all further actions in connection with acquired properties which the Secretary of Defense is authorized to undertake pursuant to the provisions of the Act. The Secretary of Housing and Urban Development is further authorized to redelegate any of the functions, powers and duties delegated herein to officers and employees of HUD and to authorize successive redelegations.

Approved:

s: Thomas D. Morris

Assistant Secretary of Defense  
(Installations and Logistics)  
Department of Defense

Date: June 18, 1968

s: Robert C. Weaver  
Secretary, Department of Housing and  
Urban Development

Date: June 18, 1968

Jun 26, 91  
4165.50 (Encl 4)

MEMORANDUM OF AGREEMENT  
BETWEEN  
THE UNITED STATES DEPARTMENT OF TRANSPORTATION  
AND  
THE UNITED STATES DEPARTMENT OF DEFENSE

1. Purpose. To establish the relationships and procedures which will govern the administration of the Homeowners Assistance Program as authorized by Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754), as amended, 42 U.S.C. 3374 as such program is applicable to eligible personnel of the United States Coast Guard.

2. Authority. The authority to execute this agreement is vested in the parties hereto by the provisions of Section 11 of Public Law 100-448 (42 U.S.C. 3374(n); 10 U.S.C. 113(d); 10 U.S.C. 3036(d); and 31 U.S.C. 1535.

3. Policy. This agreement between the Department of Transportation and the Department of Defense, will allow the U.S. Army Corps of Engineers and other agents of the Department of Defense to provide services under the Homeowners Assistance Program to eligible personnel of the United States Coast Guard which the Department of Transportation will fund for the United States Coast Guard. Such assistance will be provided under terms equivalent to those provided under 42 U.S.C. 3374 for closings of military bases and installations under the jurisdiction of the Secretary of Defense.

4. Scope. The work consists of the processing of all claims by Federal employees or service members of the United States Coast Guard serving or employed at a United States Coast Guard installation which has been ordered to be closed in whole or in part, or has had a reduction in its scope of operations, and payment of such claims to the extent that they are determined to be eligible for payment under the program. It also applies to eligible personnel of other Federal agencies serving or employed at or near such installation, who are affected by such closings or reductions. Assistance is provided to such persons who are owners and occupants of a dwelling to offset losses suffered in the sale or attempted sale of their dwelling upon transfer to another duty station, when such losses result from a depressed real estate market due to base closures or reductions in the scope of operations.

5. Responsibilities.

a. The United States Coast Guard will be responsible for making available to its personnel all informational material made available to the United States Coast Guard by the U.S. Army Corps of Engineers explaining the applicability of the Homeowners Assistance Program. Upon deciding to initiate a reorganization or close an installation, the United States Coast Guard will provide a

copy of the signed Operating Facility Change Order or similar notification, to the Director of Real Estate, U.S. Army Corps of Engineers. The United States Coast Guard will provide assistance to the servicing District Commanders of the U.S. Army Corps of Engineers in obtaining all necessary information and data concerning base closures or reductions in the scope of operations which may require the implementation of the Homeowners Assistance Program. In addition, the United States Coast Guard will provide data as to numbers of personnel affected, numbers who are homeowners, and similar data required for the U.S. Army Corps of Engineers to make a determination as to market impact of the closing.

b. The U.S. Army Corps of Engineers is responsible for management of the program and will be responsible for making the determination as to whether the necessary market impact has been established to involve the Homeowners Assistance Program. The U.S. Army Corps of Engineers, through the servicing District Commanders, will receive and process all applications for assistance under the Homeowners Assistance Program and will provide assistance to United States Coast Guard personnel under terms equivalent to those under which assistance is provided for closings of military bases and installations under the jurisdiction of the Secretary of Defense, pursuant to the provisions of 42 U.S.C. 3374.

c. Funding and Reimbursement. The Department of Transportation will reimburse all costs for actual assistance payments and all costs incurred in support of the program by the U.S. Army Corps of Engineers as well as other agents of the Department of Defense. These include travel, per diem, and all applicable labor costs including overhead. All proceeds from the sale of homes acquired on behalf of the Department of Transportation will be credited to the fund established pursuant to Section 1013(d) of Public Law 89-754 (42 U.S.C. 3374(d)). The Coast Guard will establish a reimbursable order for services by submitting DD Form 448, Military Interdepartmental Purchase Request (MIPR) to the Director of Real Estate, Headquarters, U.S. Army Corps of Engineers. Headquarters, U.S. Army Corps of Engineers will provide quarterly detailed billings (SF 1080) to Commandant (G-CAC), U.S. Coast Guard, Washington, D.C. 20593. The U.S. Army Corps of Engineers accounting system and regulations will be used for accounting and allocation of costs. Points of contact for funding shall be:



**US Army Corps  
of Engineers**  
Fort Worth District

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# **Homeowners Assistance Program (HAP)**

## **Real Estate Division**

## TABLE OF CONTENTS

Initial Eligibility	.....	1
Approval for HAP	.....	2
Information Sheet	.....	3
Information Sheet (cont'd)	.....	4
DD Form 1607		
Detailed Questionnaire		
Tax Bites	.....	5
Private Sale Benefits	.....	6
Government Acquisition Benefits	.....	7
Foreclosure Benefits	.....	8
Conditions of Sale	.....	9
Questions and Answers	.....	10

### APPENDIX

Organization Chart

**HOMEOWNERS ASSISTANCE PROGRAM  
HAP  
PUBLIC LAW 89-754**

**Law authorizes assistance to:**

**\* Military, civilian federal, and non-appropriated fund (NAF) employee homeowners to reduce losses incident to sale of their homes caused by closure or reduction in operations of military base where they are employed**

**\* Otherwise eligible military or civilian federal employee homeowners living at or near base even though not assigned to that base**

**\* Civilian federal employees serving overseas who are homeowners and entitled to reemployment at or in connection with the base ordered to be closed**

**APPROVAL  
FOR  
HOMEOWNERS ASSISTANCE PROGRAM**

UPON ANNOUNCEMENT, THE DISTRICT TAKES THE FOLLOWING ACTIONS:

- \*PREPARES A POTENTIAL IMPACT REPORT AND SUBMITS TO HEADQUARTERS, ARMY CORPS OF ENGINEERS**
- \*MONITORS THE LOCAL MARKET FOR CHANGES**
- \*COORDINATES INFORMATION EXCHANGE WITH BASE PERSONNEL**
- \*COMPLETES MARKET IMPACT REPORT (INCLUDING APPRAISALS OF HOMES) AND SUBMITS TO HEADQUARTERS ARMY CORPS OF ENGINEERS WITH RECOMMENDATIONS**

FOR APPROVAL OF HAP, THE FOLLOWING CONDITIONS MUST EXIST:

- \*A DECLINE IN MARKET VALUES OF 5% OR MORE**
- \*LACK OF A MARKET FOR SALE OF A HOME UPON REASONABLE TERMS AND CONDITIONS**
- \*CAUSAL RELATIONSHIP BETWEEN LACK OF MARKET AND CLOSURE/REDUCTION ANNOUNCEMENT**

**INFORMATION SHEET ON THE HOMEOWNERS ASSISTANCE PROGRAM (HAP)  
ELIGIBILITY, APPLYING AND PROCESSING  
TO BE ELIGIBLE FOR HAP BENEFITS YOU MUST MEET ALL REQUIREMENTS**

**1. BASIC ELIGIBILITY REQUIREMENTS:**

- a. Applicant must have been a service member, non-temporary Federal employee or a non-appropriated fund (NAF) employee at or in connection with the installation and the owner-occupant of a dwelling located near the installation at the time of the public reduction announcement, OR transferred within six months prior to the reduction announcement, OR within 15 months prior to the reduction announcement transferred overseas unaccompanied by dependents.
- b. Must have been a civilian employee serving overseas who is entitled to reemployment at or in connection with the installation.
- c. If otherwise eligible, applicant must transfer, elect not to re-enlist, have employment terminated, voluntarily resign from a position which was or will be abolished or elect to retire.
- c. If otherwise eligible, applicant must actually relocate beyond normal commuting distance from the owner-occupied dwelling before benefits can be paid.

**II. APPLYING FOR BENEFITS:**

- a. You must complete the following paperwork and send the requested copies to the Fort Worth District, Corps of Engineers, ATTN: CESWF-RE-MD, P. O. Box 17300, Fort Worth, Texas 76102-0300.
  1. DD Form 1607, Application for Homeowners Assistance: Part of this form requires completion by your Personnel Office. We need three copies but all signatures must be original.
  2. ENG Form 4161-R: Detailed Questionnaire (three copies).
  3. Three copies of your Warranty Deed evidencing your ownership of the property for which you seek assistance.
  4. Letter or receipts from your utility company indicating that you occupied your house on the date of the announcement or at time of transfer within six months or 15 months prior to the announcement as described above (one copy).
  5. Transfer order, retirement order, separation letter or other evidence of your relocation (one copy).
  6. A signed and dated statement describing your efforts to sell your house, the approximate dates the property was on the market and any offers you received. You should attach a copy of your agreement with your real estate agent or copies of newspaper ads you placed yourself (one copy).

b. If you sell your house to another party (not the Government), we will need one copy of the following:

1. Warranty Deed transferring your property to the purchaser.
2. Closing or settlement statement.
3. Release of liability. **SPECIAL NOTICE:** If your mortgage is VA-guaranteed or FHA-insured and you sell your house through an assumption of your existing loan, it is recommended that your sales contract be contingent on the buyer being accepted as the substitute mortgagor by the FHA or VA and that you be released from liability. If your purchaser is not acceptable to VA or FHA, you will not receive any benefits from HAP until your purchaser is accepted and a release of liability issued to you.

### III. PROCESSING OF YOUR APPLICATION:

- a. Upon receipt of your application, we will assign a number and acknowledge receipt of your application. If some items are missing from your package, we will request those items at this time. When we have all the items needed, properly filled out, a title certificate and an appraisal are ordered. \*Under normal conditions, we receive these in four to six weeks.
- b. Upon receipt of the title and appraisal, we will send you a letter advising of the appraised value of your house as of the announcement date. In that letter your options are explained and instructions given as to how to proceed. If you then request that the Government acquire your property, your file is referred to an attorney for closing. Attorneys handle the files in the order in which they are assigned to them. \* Under normal conditions, it will be another six to eight weeks before your house is acquired.
- c. The Corps of Engineers is committed to processing each application as rapidly as possible, and the time frames given above are very general so you will know about what to expect.  
\* These time frames may be much longer depending on the number of applications we receive, the availability of program funds, and other unforeseen circumstances.

#### d. WHAT YOU CAN DO TO SPEED THINGS UP:

1. Apply as soon as you receive orders or as early as possible as soon as a program is approved.
2. Keep us informed in writing of how we may reach you by mail and by phone;
3. Read all instructions and correspondence carefully; and
4. Please keep telephone calls to a minimum so we may spend maximum time processing applications. If you need to talk to us, call Jean Dillon at 817-334-4048 or Samuel Vasquez at 817-334-4047.

## APPLICATION FOR HOMEOWNERS ASSISTANCE

**IF:** YOU ARE OR WERE A SERVICEMEMBER OR A FEDERAL EMPLOYEE SERVING AT OR NEAR A MILITARY INSTALLATION WHICH HAS BEEN ORDERED TO BE CLOSED IN WHOLE OR IN PART OR HAS BEEN CLOSED TO REDUCE THE SCOPE OF OPERATIONS;

**AND:** YOU OWN OR OWNED YOUR HOME NEAR THAT INSTALLATION;

**AND:** YOU WILL BE OR HAVE BEEN OBLIGED TO MOVE AWAY TO OBTAIN NEW WORK, ARE REASSIGNED TO ANOTHER AREA, OR ARE INVOLUNTARILY UNEMPLOYED;

YOU MAY BE ENTITLED TO BENEFITS UNDER THE DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.

*(For details on how you may qualify, see below.)*

### THE LAW

Public Law 89-754, Section 1013, as amended, authorizes the Secretary of Defense to provide financial help to eligible homeowners serving or employed at or near military installations which were ordered closed or partially closed, realigned or were ordered to reduce the scope of operations. The Department of the Army acts as executive agent for DoD in administering the program for all military departments. Before the benefits can be paid, certain conditions must be met.

### CONDITIONS

**The Base Closure or Reduction Action.** There must be a decline in the market value of your home which can reasonably be shown to have been caused by the closure.

**The Homeowner.** There are several circumstances which may qualify you to benefit from the Homeowners Assistance Program. As a servicemember or Federal employee (other than a temporary employee serving under a time limitation) you may qualify if your service assignment or your job is ended as a result of the closure or reduction.

Benefits may also be available to eligible personnel on permanent change of station moves during the period of continued market impact. Payment may not duplicate any payment received under any other law. Benefits under the program are not available to personnel of contractors or those paid from nonappropriated funds.

**Service Requirements.** You must have served at or have been employed at or near the installation when the closure or reduction was announced; OR

You must have transferred from the installation (or had your employment ended as a result of reduction-in-force) within the six months prior to the announcement; OR

You must have transferred from the installation on an oversea tour, unaccompanied by dependents, within 15 months prior to the announcement.

At the time of the announcement transfer or job termination, you must have been the owner - occupant of the dwelling (or have left it after being ordered into on-post housing during the six months before the announcement).

**The Dwelling.** Your residence must be a one- or two-family dwelling which you both owned and occupied at the time of the announcement, transfer or termination of employment. In general, a trailer or mobile home will not qualify because it can be readily removed from the basic property.

### CONDITIONS (Continued)

**The Local Real Estate Market.** The law permits benefits if your property has decreased in value because of the announced closure or reduction so that it cannot be sold on "reasonable terms." Local market conditions and causal relationships between a base closure or reduction action and reduced home market values will be determined by the Government.

**Finally, to qualify, you MUST:** Relocate beyond a normal commuting distance from the dwelling for which assistance is sought; OR

Be unemployed involuntarily and able to demonstrate such financial hardship that you are unable to meet your mortgage payments and related expenses.

### BENEFITS

There are three ways you can be assisted. The decision of which method you use is up to you. NOTE: You cannot receive benefits and continue to own your home.

You may choose:

- (1) To take a cash payment to cover part of your losses resulting from a private sale of the dwelling; or
- (2) To sell your house to the Government; or
- (3) To be paid losses you have incurred or will incur as a result of the foreclosure of a mortgage on the dwelling.

**Cash Payment.** If you have sold your dwelling, the amount to be paid to you cannot be more than the difference between (a) 95 percent of the fair market value of the property before the announcement and (b) the fair market value at the time of the sale.

Example: A house had a fair market value of \$50,000 before the announcement. Ninety-five percent of that is \$47,500. If you sold the house for \$45,000 and that sum is accepted as the fair market value as of the time of sale you will be paid \$2,500 being the difference between the fair market value at the time of sale and 95 percent of the fair market value before sale.

If there is a Federally insured or guaranteed mortgage on the property, a cash payment will not be made unless (a) the mortgage debt is paid off before or at the time the Homeowners Assistance Program payment is made or (b) the mortgage is assumed by a purchaser satisfactory to the Federal agency backing up the mortgage.

**Selling to the Government.** If you still own your dwelling and choose to sell it to the Government after having made a reasonable effort to sell the property, the amount to be paid to you cannot be more than 85 percent of the fair market value of the property before the announcement less the amount of outstanding mortgage balances, which the Government will pay or take over. If the outstanding mortgage balances are greater than 85 percent of the prior fair market value, the Government will take over your property and pay or assume your mortgage liabilities but it will not give you any cash payment.

**Foreclosure.** If the lenders have foreclosed on the property, you may be reimbursed for amounts you paid out as a result of the foreclosure. This payment may include (a) direct costs of foreclosure and expenses and liabilities enforceable under the terms of the loan agreement for the house or (b) debts established against you by a Federal agency. If these debts have not yet been paid, the Government may pay them on your behalf. This remedy is seldom used because of the availability of the other remedies.

### HOW TO APPLY

Attached to this fact sheet is an application for Homeowners Assistance. If you believe that you qualify for such assistance, read the application over carefully and answer completely each part which applies to you. Your application must be reviewed by a Department of Defense personnel or industrial relations officer, military or civilian, for verification of your service or employment records and mailed to the appropriate field office of the U.S. Army Corps of Engineers which administers the program on behalf of the Secretary of Defense.

The Field Office will notify you when your application is received.

<b>APPLICATION FOR HOMEOWNERS ASSISTANCE</b>	REPORT CONTROL SYMBOL
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**Privacy Act Statement**

**AUTHORITY:** Section 1013 of Public Law 89-754 (80 Stat. 1255, 1290), as amended, and EO 9397, November 1943 (SSN).

**PRINCIPAL PURPOSE(S):** To evaluate and determine the status of employment and home ownership. Eligibility for assistance under the statute is conditioned by these factors. To be submitted to the applicant's personnel office for verification of employment. Information on home ownership is reviewed by Corps of Engineers, Executive Agent for the program.

**ROUTINE USE(S):** None.

**DISCLOSURE:** Voluntary; however, if not furnished, it would be difficult to establish eligibility under the statute, except for the SSN which is used for identification purposes only. Disclosure or non-disclosure of the number will not affect the application.

**NOTE TO APPLICANT:** Read carefully the rules and conditions in the attached Fact Sheet for determining eligibility for Homeowners Assistance. If you believe that you qualify for assistance and you fill in this application, please type or print, limiting each entry to the space provided. If there is not enough space for your answer, go to the REMARKS section on the back of this form, repeat the item number and give the additional information. Where a date is required, enter year, month, and day (for example, November 20, 1989 is shown as 891120).

**PART I - QUALIFICATION (To be filled in by Applicant)**

<b>1. NAME (Last, First, Middle Initial)</b>	<b>2. SOCIAL SECURITY NUMBER</b>	<b>3. GRADE / RANK</b>
<b>4. PRESENT MAILING ADDRESS (Street, City, State and Zip Code)</b>	<b>5. INSTALLATION OR ACTIVITY ANNOUNCED FOR CLOSURE OR REDUCTION IN SCOPE OF OPERATIONS (Name of Installation / Activity, City or Town, and State)</b>	
<b>6. DATE OF CLOSURE OR REDUCTION ANNOUNCEMENT (YYMMDD)</b>		

**7. EMPLOYMENT OR SERVICE AT INSTALLATION NAMED IN ITEM 5.**

<b>a. UNIT IN WHICH EMPLOYED OR ASSIGNED</b>	<b>b. BRANCH OF SERVICE (X one)</b>						
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">(1) Army</td> <td style="width: 25%; text-align: center;">(3) Air Force</td> <td style="width: 50%; text-align: center;">(5) Other (Specify)</td> </tr> <tr> <td style="text-align: center;">(2) Navy</td> <td style="text-align: center;">(4) Marine Corps</td> <td></td> </tr> </table>	(1) Army	(3) Air Force	(5) Other (Specify)	(2) Navy	(4) Marine Corps	
(1) Army	(3) Air Force	(5) Other (Specify)					
(2) Navy	(4) Marine Corps						
<b>c. STARTING DATE (YYMMDD)</b>	<b>d. TYPE OF APPOINTMENT</b>						
<b>e. ENDING DATE (YYMMDD)</b>	<b>f. NATURE OF SEPARATION</b>						

**8. REASON FOR DESIRING ASSISTANCE (Complete 8.a. if Civilian, 8.b. if Military)**

**a. CIVILIAN**

<b>(1) ACCEPTED FEDERAL TRANSFER (a) To (Name of Installation)</b>	<b>(b) Date (YYMMDD)</b>	<b>(c) Location of Installation</b>
<b>(2) ACCEPTED OTHER EMPLOYMENT (a) At (Name of Subsequent Employer)</b>	<b>(b) Date (YYMMDD)</b>	<b>(c) Location of Subsequent Employer</b>
<b>(3) TRANSFERRED FOR UNACCOMPANIED OVERSEAS TOUR ON (YYMMDD)</b>		
<b>(4) FURNISH UNEMPLOYMENT INFORMATION AT RIGHT ONLY WHEN APPLICATION IS BASED ON FINANCIAL HARDSHIP DUE TO YOUR INABILITY TO BE EMPLOYED IN THE AREA OF THE CLOSED / REDUCED INSTALLATION. (Attach statement on why employment is not available or has not been accepted; also state amount and frequency of all income, nature and amount of debts, number and amount of installment payments (including mortgage) in arrears, and any other information providing evidence of financial hardship.)</b>		<b>(a) Unemployed From (YYMMDD)</b>
		<b>(b) To (YYMMDD)</b>

**b. MILITARY**

<b>(1) TRANSFERRED TO (a) Name of Installation</b>	<b>(b) Date (YYMMDD)</b>
<b>(2) TRANSFERRED FOR UNACCOMPANIED OVERSEAS TOUR ON (YYMMDD)</b>	<b>(3) ORDERED INTO ON-POST QUARTERS ON (YYMMDD)</b>
<b>(4) RETIRED OR SEPARATED ON (YYMMDD)</b>	

**9. INFORMATION ON PROPERTY FOR WHICH ASSISTANCE IS SOUGHT**

<b>a. ADDRESS (Street, City, State and Zip Code)</b>	<b>b. PERIOD OF OWNERSHIP / OCCUPANCY</b>	<b>c. IF MORTGAGED, WAS IT (X one)</b>					
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">(1) From (YYMMDD)</td> <td style="width: 50%; text-align: center;">(2) To (YYMMDD)</td> </tr> </table>	(1) From (YYMMDD)	(2) To (YYMMDD)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 100%; text-align: center;">(1) FHA - Insured</td> </tr> <tr> <td style="text-align: center;">(2) VA - Guaranteed</td> </tr> <tr> <td style="text-align: center;">(3) Other</td> </tr> </table>	(1) FHA - Insured	(2) VA - Guaranteed	(3) Other
(1) From (YYMMDD)	(2) To (YYMMDD)						
(1) FHA - Insured							
(2) VA - Guaranteed							
(3) Other							
<b>d. PRESENT STATUS (X one)</b>							
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 100%; text-align: center;">(1) Owned by You</td> </tr> <tr> <td style="text-align: center;">(2) Sold</td> </tr> <tr> <td style="text-align: center;">(3) Foreclosed</td> </tr> </table>			(1) Owned by You	(2) Sold	(3) Foreclosed		
(1) Owned by You							
(2) Sold							
(3) Foreclosed							

(Attach description of property, including distance from installation named in Item 5, purchase date and price, original amount and outstanding balance of mortgage, description of MAJOR improvements made during your ownership, and any other information which would be useful in determining fair market value. If SOLD, provide evidence of sale, including sales price. If FORECLOSED or in process of foreclosure, provide a statement of obligations ensuing from foreclosure. Documents provided in evidence of purchase, sale and foreclosure must be notarized or certified true copies. THE DEPARTMENT OF DEFENSE WILL NOT BE RESPONSIBLE FOR SAFEKEEPING OR RETURN OF ORIGINAL DOCUMENTS.)

**PART II - DECLARATION (To be filled in by Applicant)**

**CRIMINAL PENALTY FOR PRESENTING FRAUDULENT CLAIM OR MAKING FALSE STATEMENTS**

Fine of not more than \$10,000 or imprisonment for not more than 5 years or both. (See 62 Stat. 698, 749; 18 USC 287,1001)

**CIVIL PENALTY FOR PRESENTING FRAUDULENT CLAIM**

The applicant shall forfeit and pay to the United States the sum of \$2,000 plus double the amount of damages sustained by the United States. (See R.S. §3490, 5438; 31 USC 231)

**10.a. I DECLARE UNDER THE PENALTIES OF PERJURY THAT THE INFORMATION PROVIDED BY ME HEREIN AND ATTACHED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF. I APPLY FOR HOMEOWNERS ASSISTANCE IN THE CATEGORY INDICATED:**

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | (1) FORECLOSURE RELIEF (For Applicants whose homes have been foreclosed)  |
| <input type="checkbox"/> | (2) REIMBURSEMENT FOR LOSS ON PRIVATE SALE (For Applicants whose homes have been sold)  |
| <input type="checkbox"/> | (3) REQUEST INFORMATION ON FOLLOWING ALTERNATIVES AVAILABLE (For Applicants who still own their homes) (This category is not available in foreign countries.) |
| <input type="checkbox"/> | (a) Sale of Home to the Government for the Amount of the Outstanding Mortgage   |
| <input type="checkbox"/> | (b) Sale of Home to the Government for 85% of the Fair Market Value Prior to the Announcement   |

b. SIGNATURE (To be used in all future correspondence)

c. DATE SIGNED (YYMMDD)

**PART III - VERIFICATION OF EMPLOYMENT OR SERVICE (To be filled in by Personnel Officer)**

**11. MARK (X) 11.a. OR 11.b. AND COMPLETE 11.c. THROUGH 11.g.**

a. THE EMPLOYMENT/SERVICE INFORMATION SHOWN ABOVE HAS BEEN VERIFIED IN THE APPLICANT'S OFFICIAL PERSONNEL FOLDER AND IS CORRECT AS STATED.

b. REVIEW OF THE APPLICANT'S OFFICIAL PERSONNEL FOLDER SHOWS THAT THE EMPLOYMENT/SERVICE SHOWN ABOVE IS NOT CORRECT. THE FOLDER SHOWS THE FOLLOWING:

c. TYPED NAME

d. ADDRESS (Street, City, State and Zip Code)

e. TITLE

f. SIGNATURE

g. DATE SIGNED (YYMMDD)

**PART IV - REMARKS (To be filled in if needed)**

**HOMEOWNERS ASSISTANCE PROGRAM**  
**DETAILED QUESTIONNAIRE TO ASSIST HOMEOWNERS IN ANSWERING 9d, DD FORM NO. 1607**

(If any of the questions do not apply to you just put None or NA in the space provided)

**d. PRESENT STATUS (of the property)**

1. You have included a copy of your warranty deed in the application assembly. The deed is recorded in Volume 32 and Page 500 of the County Deed Records.

2. The property is located in City of any town, County of any county, State of any state.

3. It is presently owned by John & Sue Doe.

4. Approximate distance from military base or installation where you worked as shown in Section 5 of your application 12.

5. Date when you purchased the property (Mo.) April (Day) 4 (Yr.) 1987

6. Total purchase price \$115,000

7. Original amounts of existing mortgage or mortgages \$113,000

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8. What is outstanding balance of present mortgage or mortgages?  
\$112,987

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9. What company or individual has the mortgage and to what address are the payments made? Fireman's Fund, 2345 Commerce, Dallas, Texas 76101-1000

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10. List major improvements made by you during your ownership, such as adding garage, finishing extra rooms, adding bathrooms, landscaping, and other improvements including the cost and approximate date each was completed

Swimming pool - \$18,000, Gazebo and Hot Tub - \$8,500, Landscaping and Sprinkler System - \$3,500, Security System - \$3,000

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11. If any of the major improvements were subject to a Home Improvement loan, which has not been paid off, list the name of the lien holder and the amount outstanding.  
Sunnyside National Bank, 700 Main Street, Fort Worth, Texas 89765-9000

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12. If the property has been sold by you, the following will be required:

- a. Name of purchaser \_\_\_\_\_
- b. Date of sale \_\_\_\_\_
- c. Deed recorded Volume \_\_\_\_\_ and Page \_\_\_\_\_, County Records.
- d. Sale price \_\_\_\_\_

13. If the mortgage holders have foreclosed the loans on your property, the following information will be required:

- a. Date of foreclosure sale \_\_\_\_\_
- b. By whom commenced? \_\_\_\_\_
- c. What court and where? \_\_\_\_\_
- d. Is foreclosure proceeding still pending? Yes \_\_\_\_\_ No \_\_\_\_\_

14. If the house is still owned and leased, what are the beginning and ending dates of the lease and the monthly rental? \_\_\_\_\_

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15. A point-of-contact for the appraiser's access into your house is \_\_\_\_\_  
Coldwell Bankers, Jim Davis \_\_\_\_\_ at phone number (234) 555-1212

16. Your current home and duty telephone numbers are (234) 555-3434 \_\_\_\_\_ and  
(234) 555-5656

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28 May 91  
Date

John E. Doe  
Signature of Applicant

## **TAX CONSIDERATIONS**

**ALL BENEFITS, INCLUDING THOSE PAID ON BEHALF OF THE APPLICANT TO THIRD PARTIES, ARE CONSIDERED TO BE INCOME AND ARE TAXABLE AT 20% FOR FEDERAL INCOME TAX (FIT). FICA TAX MAY ALSO APPLY DEPENDING ON WHETHER THE APPLICANT IS A MILITARY OR CIVILIAN EMPLOYEE AND WHEN THEY CAME TO WORK FOR THE GOVERNMENT**

## PRIVATE SALE BENEFITS

If you sell your house to someone other than the Government, you may be entitled to benefits under the Private Sale provision of HAP. You must bear the first five (5) percent of a loss on the sale. Reimbursement for any remaining loss is authorized for the difference between 95% of the fair market value on the date of the announcement and either the actual sale price or the fair market value on date of sale, whichever is higher.

### EXAMPLE 1:

Fair Market Value (FMV) of your house as of the date of the announcement	\$80,000 x 95 %
95% of Prior FMV	76,000
Your sales price to third party	45,000
FMV on date of sale	66,000
Payable to applicant	10,000 *

### EXAMPLE 2:

Fair Market Value (FMV) of your house as of the date of the announcement	\$80,000 x 95 %
95% of Prior FMV	76,000
Your sales price to a third party	68,000
FMV on date of sale	66,000
Payable to applicant	8,000 *

\* 20% FEDERAL INCOME TAX (& FICA AS APPLICABLE) WILL BE WITHHELD FROM THIS PAYMENT

## GOVERNMENT ACQUISITION OF DWELLING

In those cases where a private sale upon reasonable terms and conditions is not possible, the Government will purchase the house for 75% of its fair market value as of the date of the announcement or for the amount of the outstanding mortgage, whichever is higher. The 75% is a change effective 31 March 91 and is not reflected on the old application forms.

### EXAMPLE 1:

Fair Market Value (FMV) of your house as of the announcement date	\$80,000 x 75%
75% of prior FMV	60,000
Outstanding mortgage balance (Government assumes this balance)	55,000
Equity payment to Applicant	5,000 *

### EXAMPLE 2:

Fair Market Value (FMV) of your house as of the announcement date	\$80,000 x 75%
75% of prior FMV	60,000
Outstanding mortgage balance	70,000
Government assumes the \$70,000 mortgage with no equity payment to Applicant	
Possible taxable benefit	10,000**

\* 20% FEDERAL INCOME TAX (& FICA AS APPLICABLE) WILL BE WITHHELD FROM THIS PAYMENT (The withholding will be based on 20% of the difference between the \$60,000 and the current fair market value)

\*\* The taxable benefit is considered "wages" and is subject to Federal Income Tax (and FICA as applicable). The benefit will be based on the difference between the outstanding mortgage balance and the current fair market value.

## FORECLOSURE BENEFITS

If you are unable to maintain your mortgage payments until the Government can purchase your house and you default on your mortgage, we cannot assist you until your mortgage company or the Veterans Administration or the Federal Housing Administration advises you of the amount (enforceable liability) you owe to settle the foreclosure. Send a copy of your notice of the amount you owe to the Corps of Engineers, along with your application if you have not already applied, for consideration of foreclosure benefits. If you deed the property back to the mortgage company in lieu of foreclosure, the Corps will process your application as a private sale (See samples on Private Sale Benefits).

### EXAMPLE:

Fair market value of your house as of the announcement date	\$100,000 x 95 %
First compute as private sale	95,000
Fair market value on date of foreclosure OR sale price at auction, whichever is greater. (Information provided by VA, FHA or mortgage company.)	- 90,000
This would be your benefit if it were a private sale	\$ 5,000*
Using the above example, we would then compute your foreclosure benefits as follows:	
Enforceable Liabilities established by mortgage company, VA or FHA	\$ 6,000
Since \$6,000 is greater than the \$5,000 due, if this were a private sale, there would be no payment to applicant but we would pay the mortgage company	\$ 6,000*

\* Either payment would be considered a taxable benefit.

## CONDITIONS OF SALE TO THE GOVERNMENT

1. The sale to the Government is contingent upon your ability to execute and deliver a good and sufficient general warranty deed conveying the property in fee simple, free and clear from all liens and encumbrances, except the first mortgage, which the Government will assume. The expense of preparing and recording the deed and securing title evidence showing ownership of your property will be borne by the Government.
2. The Government will assume the outstanding balance on your first lien, or primary mortgage. You are responsible for making the payments on your home until you are notified that the Government is ready to prepare for closing. All personal property, fixtures and improvements that will remain in the home and be conveyed to the Government must be warranted to be in the same condition at closing as they were on the date of the appraisal, normal wear and tear excepted. You are responsible for the protection and maintenance of your property, until the Government's representative inspects your home and determines it to be in satisfactory condition, checks the title to your property and then records the deed. You are responsible for any damage or loss to your home, including loss by vandalism until transfer to the Government is completed. The purchase by the government is contingent upon a satisfactory home inspection.
3. Real estate taxes will be prorated to the date agreed upon as the date to be utilized for calculating benefits. That will be the date of your application or the date you vacated your home, whichever date is later. Should you rent your home pending processing of your application, any rent that you receive will be deducted from any reimbursement you would be entitled to receive.
4. Monies held in an escrow account will not be transferred to the Government. Hazard insurance will not be carried by the Government and upon being notified that the conveyance is complete, you should cancel your insurance policy.
5. The deed to the Government will be mailed to you for you and your spouse, if married, to sign. The house must be vacant when the Government acquires it. When you vacate the house, please take the keys to the Housing Office. Please use the tag, available in that office and write the address of the house and your name on the tag. Attach the tag to the keys and deposit in the locked box in the Housing office. If you forget to drop off the keys, mail them to the Corps of Engineers at this address: **Fort Worth District, Corps of Engineers, ATTN: CESWF-RE-MD, P. O. Box 17300, Fort Worth, TX 76102-0300.**
6. Specific amounts as to the current mortgage balance, your equity, if any, reimbursement of taxes, interest, and other items, if any, and any other payments or deductions, will be itemized in the Warranty Deed and closing papers which will be forwarded to you for signature. Any questions you have concerning these amounts should be directed to the closing attorney prior to signing the deed.

**QUESTIONS AND ANSWERS  
HOMEOWNERS ASSISTANCE PROGRAM (HAP)**

*Q: What is the official closure announcement date?*

**A:** \_\_\_\_\_, unless another date is established to be the announcement date.

*Q: Is a serviceman or Federal employee not attached to the installation eligible for HAP benefits?*

**A:** Any serviceman, federal employee assigned to or employed at or near the installation at the time of the public announcement of the closure action is eligible, provided they meet the other eligibility requirements. Also civilian employees serving overseas who are entitled to reemployment at the installation are eligible, if otherwise qualified. Non-appropriated funds (NAF) employees employed at or in connection with the base are also eligible.

*Q: Does the owner of a mobile home qualify for HAP benefits?*

**A:** Only if the mobile home is demounted and permanently attached to land owned by the applicant or land held under a long-term lease.

*Q: Will homeowners outside a 20 mile radius have the same benefits as those within a 20 mile radius?*

**A:** Yes, provided they meet all other eligibility requirements.

*Q: For VA loans, will Government assume payment or retire mortgage so eligibility can be restored?*

**A:** The Government will assume VA mortgages on residential properties purchased by the Government. Restoration of eligibility is up to the VA.

*Q: At what point should an applicant market his home? Should he wait for an assignment or try to sell immediately and seek a rental even if the job may not transfer or be terminated for 2-3 years?*

**A:** As soon as he knows he will be relocating. One of the eligibility requirements for the program is that the applicant must have relocated outside a reasonable commuting distance. In some instances applicants may be eligible without relocating providing they are involuntarily unemployed and demonstrate a financial hardship.

*Q: Will local appraisers have input to appraised values?*

**A:** The home appraisals are prepared by independent contract appraisers. Local appraisers may have input if they are awarded competitive appraisal contracts to do the HAP work for the Corps of Engineers.

*Q: Real Estate agents expect commissions. Will the Government pay commission when the house is purchased by the Government?*

**A:** No. Applicants should assure that the listing agreement for their property contains a clause stating that no commission is due if the property is purchased by the Federal Government. If any commission is due, it is the responsibility of the applicant.

- Q: Who pays the closing costs when the Government purchases a home under the HAP?*  
**A: The Government will at its own expense obtain title services and close the transaction.**
- Q: Do HAP benefits cover the seller's closing costs?*  
**A: No.**
- Q: An applicant retires after closure announcement. Does he qualify for HAP benefits?*  
**A: An applicant is eligible subsequent to the announcement or within six months prior thereto if he elects to retire, provided he is eligible under the other requirements of the Act.**
- Q: What date will be used to determine Prior Market Value?*  
**A: It is now thought to be \_\_\_\_\_, but this could change upon careful market analysis.**
- Q: How long from the time an applicant qualifies until benefits are received?*  
**A: It would be approximately 20 weeks, provided funds are appropriated by Congress and the applicant provides all required documentation with his application, and assuming he has marketable title. This also can vary with the number of applicants requesting benefits.**
- Q: Will the checklist handout be provided to inform persons of what documentation they will need to provide with their application?*  
**A: An application packet has been developed containing all the necessary forms and a checklist of documentation. Application packets will be available through your designated office once the HAP is approved for your installation.**
- Q: What constitutes a reasonable effort for sale of a home to qualify for HAP benefits?*  
**A: A visible, conscientious effort on behalf of the applicant, i.e. newspaper ads, listing with an agent, etc. However, an applicant who relocates promptly after the base closure announcement will not be encumbered by a requirement to hold the property on the market beyond a desirable time considering his relocation plans.**
- Q: If an applicant is not eligible under the HAP, is there another Federal agency program under which the applicant can get help?*  
**A: Army civilian employees may be eligible for relocation services under the Department of Army Relocation Services for Employees (DARSE). You should contact your personnel office for more information.**
- Q: If a civilian is RIF'd with no job offer does he/she qualify for HAP benefits?*  
**A: Servicemen and Federal employees who are subjected to involuntary termination of employment, either as a result of the closure or for reasons other than the closure are entitled to program benefits.**
- Q: If a person owns a farm (say 160 acres) and maintains a home on the farm, how much qualifies under the HAP?*  
**A: Only the dwelling and that portion of the land that would reasonably constitute a residential property within the area.**

*Q: The application form states that you must submit your application not later than three years after the announcement of the base closure. What if a person is retained at the installation longer than the amount of time?*

**A: Applications submitted after the three year time frame must be sent to HQ US Army Corps of Engineers, Washington, DC for approval to process.**

*Q: A serviceman living off base and a homeowner, is ordered on base as Key Essential. Would he/she still be eligible for HAP benefits?*

**A: A servicemen or Federal employee who vacates an owned dwelling as a result of having been ordered into on-post housing during a six month period prior to the closure announcement is eligible provided he meets the other prescribed eligibility requirements.**

*Q: Do civilians working overseas who have return rights back to the installation qualify for HAP benefits?*

**A: Yes, provided they have reemployment rights at the installation.**

*Q: Will individuals who are assigned to the installation since the announced closure be eligible for HAP benefits if they purchase a home?*

**A: No. An applicant must be or have been the owner of a one or two family dwelling at the time of the public announcement.**

*Q: What rights does an applicant have if he/she is not satisfied with the decision of the District Commander?*

**A: An applicant has the right to appeal a decision denying benefits or contesting the amount of benefits allowed. No particular form is required. Simply submit a written statement of your objections to the District Commander. The appeal will be reviewed at the District level and will be reviewed at the Division and HQ US Army Corps of Engineers level. If favorable action cannot be taken at any of these levels, your appeal will be forwarded to the Deputy Assistant Secretary of the Army (Installation and Housing) who will make the final decision. There is no appeal beyond that level.**

*Q: Although I meet the eligibility requirements, I am not employed at the base being closed or in the unit being deactivated. I am voluntarily retiring and moving away from this area. Can I receive benefits?*

**A: Unless you are retiring in lieu of being terminated or transferred you are not eligible.**

*Q: I am a uniformed member of the military, Am I eligible for Relocation Benefits?*

**A: No. Only Army civilian employees are eligible for the Relocation Services (DARSE).**

*Q: Can I use both HAP and the Relocation Services Program?*

**A: If you are eligible for both programs you may use both. If you use your agency's Relocation Services Program and through it, sell your home to the relocations services contractor, you may apply to the HAP to make up part of your losses under the Private Sale Benefits option. The offer which the Relocation Services Contractor makes to you will reflect current market value of your home at the time it is appraised for the Relocation Services Program and therefore will reflect the effect, if any, which the base closure/realignment has had on the current real estate market.**

*Q: How can I get detailed information about Relocation Services?*

**A: Since there are varying eligibility criteria among the Federal agencies with relocation services contracts, you should contact your servicing Human Resources Office. If you are a DA employee you may contact your cpo or you may call the *National Relocation Program Center* located in *Baltimore District Office of the U.S. Army Corps of Engineers*. The commercial phone number is *301-962-3166/5633; Autovon 283-3311, Ext 3166/5633; or FTS 922-3166/5633.***

HOMEOWNERS ASSISTANCE PROGRAM (HAP) ORGANIZATIONAL CHART  
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Marian Goethe  
Chief

\*Coordinate all actions through this Section

\*\*Action Officer (processes application and answers questions from applicants)