



Eric Garcetti, Mayor
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Regulatory Compliance & Code Bureau

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RELEASE OF RENT ESCROW ACCOUNT PROGRAM (REAP) ESCROW FUNDS TO PAY FOR DELINQUENT MORTGAGE PAYMENTS - AMENDED

August 12, 2020

To All REAP Landlords/Property Owners,

As we continue to navigate these challenging times, it is more important than ever that we do everything we can to assist REAP property owners economically impacted by the Coronavirus (COVID-19), and to prevent potential foreclosure of these properties due to inability of the property owners to make their mortgage payment(s). HCIDLA has amended the implemented temporary policy to assist REAP property owners with financial assistance by allowing the escrow funds to be withdrawn for direct payment of mortgage to the lenders. The amended policy extends the assistance period to begin in March 2020 and remain in effect until the COVID-19 emergency order has been lifted and subject to certain conditions.

Eligibility and Requirements

If your property is in REAP, you can apply for the release of funds from the REAP escrow account to make the mortgage payments for maximum of two months, if the following conditions are all met:

- 1) The mortgage payments must be delinquent during the period of March 2020 until the COVID-19 emergency order has been lifted and missed payments do not exceed two months.
- 2) The REAP escrow account has sufficient funds to pay for the entire delinquent amount, or the landlord/property owner agrees to pay all the balance due beyond the available escrow account funds.
- 3) Delinquent mortgage payments do not exceed \$10,000 per month, or 70% of the escrow account balance for the property, whichever is less.

If you have any questions or want to learn more about this program, please contact REAP at hcidla.reap@lacity.org or via phone at (844) 864-REAP.



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RELEASE OF ESCROW APPLICATION AND DECLARATION FORM

Applicant Name: _____ **Telephone No.** _____

Email: _____

Applicant Mailing Address: _____

Type of Applicant: (Select One) **Owner/Landlord** **Management Company** **Tenant** **Creditor**

REAP Property Address: _____ **REAP Case No.** _____

Type of Request (Check all which apply)

Amount Requested

Future Repairs **Completed Repairs**

\$ _____
(Repairs)

Essential Services (e.g. Utilities, Trash Services)

\$ _____
(Essential Services)

Tenant Relocation Costs

\$ _____
(Tenant Relocation Cost)

Court Order / Satisfaction of Judgment

\$ _____
(Court Order/Judgment)

Other (Describe) _____

\$ _____
(Other Costs)

Total Amount Requested

\$ _____

I hereby declare that I am the applicant as indicated above for this property and that I am applying in good faith for the release of escrowed funds in accordance with L.A.M.C. 162.07 and REAP Regulations 1200.13.

Print Name

Signature

Date

Attach supporting documents with the application; see reverse side for list of required and recommended documents.

The Los Angeles Housing and Community Investment Department does not guarantee the release of funds from Rent Escrow Account Program escrow accounts. These instructions are provided for information purposes only. HCID assumes no liability or responsibility for the completeness or usefulness of this information.

**Please contact the REAP Hotline with any questions you may have
REAP Hotline: (844) 864-REAP**

Step-by-Step Guide
**How to apply and complete the Release of Escrow Application for the
Emergency release of escrow funds to pay delinquent mortgage payments**

To apply for the release of escrow account funds, please follow the steps below.

Step 1. Determine Your Eligibility

- You may apply for the release of escrow account funds if you meet all of the following conditions:
 1. Your property is in REAP
 2. Your mortgage payments are delinquent during the period of March 2020 until the COVID-19 emergency order is lifted and missed payments do not exceed two months.
 3. Your REAP escrow account has sufficient funds to pay for the entire delinquent amount, or you agree to pay the remaining balance due beyond the available escrow account funds.
 4. Your delinquent mortgage payments do not exceed \$10,000 per month, or 70% of the escrow account balance for the property, whichever is less.

Step 2. Complete the Release of Escrow Application and Declaration Form

- Complete the application in full. Under “**Type of Request**” select “**Other**” and write in “**Mortgage**”.

Step 3. Gather and Provide Documents

- The Applications must include the following documentation:
 1. Delinquent mortgage payment statements and/ or delinquent letters from the lender for a maximum of two months; during the period of March 2020 until the COVID-19 emergency order is lifted.

Step 4. Submit Your Completed Application and Supporting Documents

- Via email in Portable Document Format (PDF) to hcidla.reap@lacity.org; or
- Via US Mail to:

HCIDLA Attn: REAP Section
PO Box 17460
Los Angeles, CA 90017

Incomplete Release of Escrow Applications and/or insufficient documentation may result in processing delays or denial of your request.