



STATE OF MICHIGAN

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MSHDA's HOUSING EDUCATION PROGRAM

NOTICE OF FUNDS AVAILABILITY

NATIONAL MORTGAGE SETTLEMENT ROUND 6

November 1, 2014 through September 30, 2016

MSHDA's Housing Education Program (HEP) is announcing a funding opportunity for grants from the National Mortgage Settlement (NMS). The funding will support proposals designed to:

- Provide comprehensive Foreclosure Services to households in Michigan impacted by the foreclosure crisis.
- Provide comprehensive Financial Capability Services to households that endured a hardship which ultimately lead them to struggle with their mortgage, as well as clients that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships.
- Provide matching host site funds for Michigan Foreclosure Prevention Corps AmeriCorps Members.

About the NMS Funds

Portions of the National Mortgage Settlement (NMS) made to states to address foreclosure related issues were appropriated by the Legislature to the Michigan State Housing Development Authority (MSHDA). Funding in the amount of \$15 million was to be distributed by MSHDA via Notices of Funds Availability (NOFA).

To date Michigan State University, Legal Services of South Central Michigan, and 44 MSHDA approved agencies have received NMS funds to sustain and/or increase their foreclosure services capacity.

About the Need

According to SIGTARP data, about 28 percent of borrowers who qualified for the Home Affordable Modification Program (HAMP) re-defaulted and lost their homes. The homeowners that are current with their mortgages appear to be on solid ground, but 11 percent of the active modifications were at risk of defaulting in November 2013. Beginning this year homeowners that received a loan modification will see their interest rate increase by 1 percentage point annually until they reach the average interest rate for a 30-year, fixed-rate mortgage at the time their modification was approved. Most of these homeowners did not receive any Financial Capability Services to assist them with pending future increases.

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Nationally, Financial Capability Services are having a significant impact on community stabilization. These services address the needs of households that endured a hardship which ultimately lead them to struggle with their mortgage, as well as clients that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships.

Statistics show that households become more financially stable when they receive Financial Capability Services, resulting in a larger and more efficient market for financial products, greater participation in asset building and greater financial stability, which results in increased housing sales as families regain their credit worthiness.

Supporting Financial Capability Services as well as continuing to support Foreclosure Services with the remaining NMS funds will enable agencies to reach a broader market, and have a significant impact on community stabilization.

Applicant Eligibility and Requirements

Open to MSHDA's existing approved housing education agencies (excluding MSU Extension offices for the purposes of this NOFA). Funds will be awarded to support Foreclosure and Financial Capability Services. Applicants must:

- Be in good standing with all services offered through MSHDA's Housing Education Program.
- Be compliant with MSHDA/HUD/NFMC requirements.
- Have adopted and provide services in accordance to the National Industry Standards for Homeownership Education and Counseling (NISHEC).
- Demonstrate they have implemented Best Practices based on MSHDA, HUD and the National Industry Standards for Housing Education and Counseling, as well as funding changes.
- Demonstrate they have utilized past resources effectively and efficiently.
- Strictly adhere to MSHDA's HEP Policy Manual and Service Guidelines for Financial Capability and Foreclosure Services.
- Have documented certified counselors trained specifically in Financial Capability and Financial Coaching to provide Financial Capability comprehensive services.
- Have the ability to maintain Personnel Activity Reports (PARs) for all staff whose compensation is charged to this NMS grant.
- Have the ability to report all detailed client activity and accomplishments as required by MSHDA and the legislation (i.e., HUD 9902, MATT or similar format).
- Have a documented formal member agreement from Community Economic Development Association of Michigan (CEDAM) for a Michigan Foreclosure Prevention AmeriCorps Member.
- Exhaust their current NMS grant funds prior to receiving additional NMS Foreclosure Service funds. This will not affect their ability to receive Financial Capability and/or AmeriCorps Member Match Funds.
- Be able to follow detailed instructions for reporting requirements that will be provided upon approval of NMS application.
- Be able to provide services based on a per client fee for service basis.

Funds will be recaptured if an organization bills multiple funding sources for services provided to a client/household and/or receives multiple funds for the same AmeriCorps

Member Match.

Application Deadline and Process

Applications for NMS funding will be based on a minimum score. Not all applications will receive funding. Some applications may be funded for specific components. For example AmeriCorps Member Match. NMS funding to be awarded under this Notice of Funding Available (NOFA) is subject to the availability of funds. NMS funding will discontinue when funds have been exhausted and/or the program sunsets on September 30, 2016.

Interested applicants must complete the NMS application and submit required documentation in MATT 2.0 by Friday, September 5th @ 5:00 p.m. Please note the CHARACTER COUNT LIMIT on questions. Application submissions in MATT 2.0 not received by the above designated time will **NOT** be eligible for review.

Funding decisions will generally be made within 30 days of the application deadline.

Questions

Any questions regarding the NOFA must be submitted in writing and emailed to the attention of Tara Gilman at Gilman@michigan.gov by Friday, September 5, 2014.