



Michigan State Housing
Development Authority

NEWS RELEASE

FOR IMMEDIATE RELEASE
Wednesday, April 14, 2010

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Michigan's HFA Hardest-Hit Fund Frequently Asked Questions

Who will this plan help?

Michigan homeowners who are currently receiving unemployment compensation, homeowners who have fallen behind in their mortgage payments or taxes due to a temporary layoff or medical emergency, and those homeowners who can no longer afford their mortgage payments due to lower income.

What are the different options available to homeowners under this proposal?

Michigan's plan includes three options: 1) Mortgage payment assistance for homeowners currently receiving unemployment compensation, 2) Rescue funds for homeowners who have fallen behind in their mortgage payments due to an involuntary inability to pay, such as a temporary layoff or medical emergency and have overcome this obstacle, and 3) Federal matching funds for principal reductions for homeowners who can no longer afford their mortgage payments as a result of reduced income.

When will the funds become available?

The U.S. Department of Treasury will review and approve each of the state plans by early June; funds should be available in mid summer 2010 for homeowners with participating mortgage loan servicers.

Is there a household income limit?

There are no specific household income limits, however the amount and type of assistance is limited to hardest-hit individuals meeting the eligibility requirements.

Am I eligible if I am unemployed and my spouse is working?

Eligibility is determined by household income and the affordability of your mortgage payments; so you may be eligible even with your spouse working.

What is the role of Michigan banks and credit unions in this plan?

Michigan banks and credit unions have an integral part in the success of these new programs. Their loss mitigation staffs are familiar with the programs and eligibility criteria. They will work with homeowners to find the best option available.

I'm interested. Now what?

Contact your mortgage loan servicer to see if you are eligible.

How will the applications be processed?

Applications completed by homeowners and their loan service provider will be submitted for approval to MSHDA. MSHDA is adding additional staff to review and process the applications on a first-come, first-served basis. MSHDA anticipates final approval of applications will occur within 48 hours of receipt of a complete application package.

Can homeowners qualify for more than one program?

No. Homeowners will only be eligible for assistance through one program. Homeowners should work with their loan service provider to determine which program best suits their needs based on a review of the customers' financial situation.

How many Michigan homeowners could be helped under this plan?

The total number of households in Michigan who could receive benefits by participating in one of the three programs exceeds 16,000, including 10,300 households who are currently drawing unemployment benefits and are struggling to make monthly mortgage payments.

When does MSHDA anticipate the \$154.5 million federal investment will be depleted?

There is no deadline for the expiration of funding. MSHDA will continue to work with loan servicers and homeowners until the \$154.5 million in federal funds are completely allocated.

Where can I find more information?

Visit the Michigan State Housing Development Authority Web site at www.michigan.gov/mshda or call toll-free 866-946-7432.

About MSHDA

The Michigan State Housing Development Authority is dedicated to building a thriving and vibrant future for Michigan. MSHDA provides tools and resources to improve people's lives through programs across the state. These programs assist with housing, build strong neighborhoods, and help create places where people want to live and work. MSHDA's programs work in four areas: affordable rental housing; supporting homeownership; ending homelessness; and creating vibrant cities and neighborhoods.*

*MSHDA's loan and operating expenses are financed through the sale of tax-exempt and taxable bonds as well as notes to private investors, not from state tax revenues. Proceeds are loaned at below-market interest rates to developers of rental housing, and help fund mortgages and home improvement loans. MSHDA also administers several federal housing programs. For further information go to www.michigan.gov/mshda.

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