



STATE OF MICHIGAN

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MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

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MSHDA's HOUSING EDUCATION PROGRAM

**NOTICE OF FUNDS AVAILABILITY for NATIONAL MORTGAGE SETTLEMENT  
ROUND 7**

**August 1, 2015 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 individuals in Michigan impacted by foreclosure.
- Provide comprehensive Financial Capability Services to households that endured a hardship which ultimately lead them to struggles with their mortgage, as well as persons that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships.
- Provide matching host site funds for AmeriCorps Members through programs such as CEDAM and/or United Way for the 2015-2016 Program Year. Salary costs incurred for Foreclosure Intake Student Intern paid position
- Provide training costs associated with increasing and sustaining qualified housing education staff to attend training(s) for rental counseling, financial capability, credit repair, default counseling and transition services from entities such as: NCRC, La Raza, and/or NeighborWorks.
- Provide targeted grass roots marketing campaigns that create awareness of the agencies Foreclosure and Financial Capability Services; targeting homeowners early in the foreclosure process and households that endured a hardship which ultimately lead them to struggle with their mortgage, as well as persons that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships that may benefit from Financial Capability Services. Invoices of costs must be documented.
- Obtain Michigan foreclosure data for the grantee's use and staff time for the grant period. (staff time is for the grant period of August 1, 2015 through September 30, 2016)

**About the NMS Funds**

The NMS is the result of a 2012 court settlement entered into by Michigan's Attorney General and other state Attorney Generals with five bank mortgage servicers to address foreclosure related issues. Portions of NMS funds awarded to Michigan were appropriated by the Legislature to the Michigan State Housing Development Authority (MSHDA) via Public Acts No. 295 and 296 of 2012. The Acts provide that funding in the amount of \$15 million is to be distributed by MSHDA via Notices of Funds Availability (NOFA).

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

### **About the Need**

According to Office of the Special Inspector General for the Troubled Asset Relief Program (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 in 2014 homeowners that received a loan modification saw their interest rate increase by 1 percentage point annually, which will continue 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.

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 payments, as well as persons 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 non-profit and local governmental entities (excluding MSU Extension offices for the purposes of this NOFA). Funds will be awarded to support Foreclosure, and Financial Capability Services; as well as training costs associated with increasing and sustaining qualified housing education program staff. Applicants must:

- Have a current approved Partner Profile with MSHDA's Housing Education Program.
- Be compliant with MSHDA/HUD/National Foreclosure Mitigation Counseling (NFMC) requirements.
- Be an adopter of and provide services in accordance to the National Industry Standards for Homeownership Education and Counseling (NISHEC).
- Have a demonstrated capacity to provide the services for which they are applying.
  - Applications will be evaluated on past sub-grantee performance as a MSHDA partner agency.
- 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.
- If requesting funding for Financial Capability Services the agency must have documented certified counselors trained specifically in Financial Capability and Financial Coaching on staff.

- Have the ability to report activity and accomplishments to MSHDA and the Legislation using a HUD 9902, PAR's, Quarterly Reports or similar documents based on MSHDA's requirements.
- Have a documented formal member agreement from Community Economic Development Association of Michigan (CEDAM) and/or United Way for an 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.
- Deposit MSHDA Housing Education Program funds into a separate account at its financial institution, and utilize funds appropriately based on their NMS Application for funding. If the account is interest bearing, the Grantee may use the earned interest for administrative expenses.

**Funds will be recaptured if an organization bills multiple funding sources for services provided to a client/household, receives multiple funds for the same AmeriCorps Member Match and/or receives multiple funding to support staff trainings.**

### **Funding Priorities**

Applicant must adhere to MSHDA's HEP Policies and Service Guidelines when providing each of the service outlined below.

Applicants receiving NMS Round 7 funds will be required to follow the three steps below when determining which order Education Program Funds are used:

- First** – National Foreclosure Mitigation Counseling (NFMC) sub-grantees must bill eligible services towards their NFMC activity.
- Next** – If Grantee is not an NFMC sub-grantee or NFMC activity has been completed; Grantee would utilize NMS funds for eligible Foreclosure Services.
- Finally** – If NFMC and NMS funding has been exhausted, then Grantee should utilize Housing Education Program (HEP) award.
- If Grantee has not exhausted NMS Foreclosure Funds from Rounds 1-5, Grantee must exhaust those funds prior to utilizing Round 6 Foreclosure Service Funds.

Applicants may elect to provide one or all of the following services funded under this NOFA:

### ***Financial Capabilities***

These Financial Capacity Services will be provided to households that endured a hardship which ultimately lead to mortgage delinquencies, as well as persons that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships. The agency must use the 80/20 model and provide services based on the client achieving identified goals prior to continuing services.

Agencies applying for funds to provide this service will receive \$50 per household, per each of the eight (8) components, up to a maximum of \$400.00.

Financial Capability Services may be provided in a group or individual setting and must be in compliance with MSHDA guidelines. Agencies are encouraged to facilitate group services.

### ***Hardest Hit Application Intake***

Applicants who provide this service to clients working with their agency to apply for Step Forward Michigan (SFM) assistance will receive \$150 for each completed application submitted

to SFM for review.

A complete package means: 1) the status is a PASS; 2) all required documents have been signed and uploaded to the package; 3) and notes in the notepad have been updated reflecting why the package is ready for SFM review. A completed package must be delivered prior to the submission to SFM.

### ***Foreclosure Services***

Applicants who apply for Foreclosure Service funds under NMS Round 7 NOFA **must** exhaust their current NMS grant funds prior to receiving additional NMS Foreclosure Service funds.

Applicants who elect to provide these services may provide them in a group or individual setting and must be in compliance with MSHDA guidelines. Agencies applying for funds to provide these services will be reimbursed based on the scale below:

- Intake – Agency will receive \$50 for each completed client packet of required documents to begin triage assessment (details of Intake requirements can be found in MSHDA's Foreclosure Services Guidelines). Agencies may use Foreclosure Intake as a means to determine if the client is interested in Financial Capability Services.
- Education Workshop – Agencies will receive \$25 per household for this service providing group workshops to clients outlining basic understanding of foreclosure. These should include a brief introduction of your agency's services, your credentials (e.g. HUD, MSHDA, NISHEC, etc.) and explanations of Michigan's Foreclosure Timeline and Foreclosure Options. All required Intake documentation must be obtained in order to receive funds for this service.
- Individual Counseling – The agency will receive \$200 per household. These services will be based on each individual needs and require the counselor to review the cause of the mortgage and/or property tax delinquency, identify the client's need and/or hardship and provide the homeowner with an understanding of possible options. These services will focus on each homeowner's particular situation. Relevant workout package submission documentation must be included in the client file to demonstrate what the agency is billing MSHDA for.

### ***AmeriCorps Member Match***

Agencies applying for matching host site funds for AmeriCorps Members through programs such as CEDAM and/or United Way for the 2015-2016 Program Year will receive reimbursement based on submission of CEDAM and/or United Way AmeriCorps Member invoices.

Salary cost incurred for Foreclosure Intake Student Intern paid position not to exceed \$10,000 per fiscal year. Student must be enrolled in a post-secondary degreed program. Copy of current enrollment transcript must be uploaded as proof of enrollment prior to reimbursement.

### ***Trainings***

Training costs associated with increasing and sustaining qualified housing education staff to attend training(s) for rental counseling, financial capability, credit repair, default counseling and transition services from entities such as: NCRC, La Raza, and/or NeighborWorks. In order to receive reimbursement and/or Annual Counselor Training credit agencies must follow MSHDA's Counselor Certification and Training Requirement Policy.

Agencies applying for approved training funds will receive reimbursement costs based on the

State of Michigan Standardized Travel Regulations as follows (mileage and cab fares will not be reimbursed):

- Actual amount for registration and course fees
- Actual cost of airfare (not first class) to and from event
- Actual cost of hotel expenses for the appropriate number of overnights based on the events designated hotel costs
- Meal reimbursement of \$51.25 per diem cost per day

### ***Marketing***

Marketing cost for grass root campaigns providing awareness of the agencies Foreclosure and Financial Capability Services; targeting homeowners early in the foreclosure process and households that endured a hardship which ultimately lead them to struggle with their mortgage, as well as persons that may have transitioned out of their home due to foreclosure, bankruptcy or other hardships that may benefit from Financial Capability Services may receive up to \$25,000 in reimbursement. Costs may be utilized for Website and social media updates, Billboards, Public Service Announcements (PSAs), local newspaper articles and radio advertisements. Costs must be specific to this NOFA and cannot be combined with other services the agency might provide. Invoices of costs must be documented.

### ***Foreclosure Data***

Agencies applying to obtain Michigan foreclosure data for the grantee's use will be reimbursed based on a documented contract and documented staff salary and benefits. Agencies may enter into a multi-year prepaid contract with the data provider but costs for staff salary and benefit expenses related to such contracts will only be covered for costs incurred for the period of August 1, 2015 through September 30, 2016.

### **Application Deadline and Process**

**The application deadline is July 15, 2015 by 4:00 p.m. EST.** All qualified applicants must complete the application found in MATT 2.0. Any required documents or supporting materials must be uploaded in MATT 2.0. Please note **CHARACTER COUNT LIMIT** shown at the end of each question.

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 of this NOFA.** 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 when the program sunsets on September 30, 2016.

**Paper submissions or incomplete applications will not be reviewed.**

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

### **Important Dates & Information**

Submissions received after the closing date of this grant will not be considered for funding.

Grant submissions will be reviewed within 30 days of the close of this application. **Award announcements will be made no later than July 31, 2015.**

### **Questions**

Any questions regarding the NOFA must be submitted in writing and emailed to the attention of Tara Gilman at [Gilmant@michigan.gov](mailto:Gilmant@michigan.gov).

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