



STATE OF MICHIGAN

RICK SNYDER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

EARL J. POLESKI  
EXECUTIVE DIRECTOR

## Servicer Participation Agreement Instructions

PLEASE INCLUDE THE FOLLOWING DOCUMENTS WHEN SUBMITTING THE  
SERVICER PARTICIPATION AGREEMENT

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- \_\_\_ Servicer Participation Agreement
- \_\_\_ Servicer Contact/ACH Instructions Form
- \_\_\_ Servicer Information Form
- \_\_\_ Documentation of Regulating Agency (who you are regulated by)
- \_\_\_ Articles of Incorporation
- \_\_\_ Certificate of Authority to transact  
business in Michigan (if non-Michigan Corp.)
- \_\_\_ Certificate of Good Standing

Please return executed originals and required documents to:

MSHDA Homeownership Division  
735 E Michigan Avenue Lansing,  
Michigan 48912

If you have questions, please contact Homeownership at (517) 373-6840

735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909  
michigan.gov/**mshta** • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568

Michigan Homeowner Assistance Nonprofit Housing Corporation  
Help For Hardest Hit Program

Servicer Participation Agreement

This Servicer Participation Agreement (Agreement) made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA) and \_\_\_\_\_(Lender/Servicer), the undersigned, and hereby confirm their mutual agreement on the following principles relating to the MHA's Help for Hardest Hit Program (H4HH Program):

RECITALS:

WHEREAS, MHA has created four separate federally funded programs under its Help for Hardest Hit (H4HH) Program; and

WHEREAS, Lender/Servicer is a State, Federal or national bank regulated by the Federal Reserve, a national bank or a federally chartered bank regulated by the Office of the Comptroller of the Currency (OCC), a state bank regulated by the Federal Deposit Insurance Corporation (FDIC), a state or federal chartered credit union regulated by the National Credit Union Administration (NCUA), a state-chartered bank, credit union, or mortgage servicing organization regulated by the Michigan Department of Insurance and Financial Services (DIFS), or a governmental agency, that own the mortgage servicing rights of mortgage loans and services certain mortgage loans for borrowers who may be eligible to participate in the H4HH program.

WHEREAS, the above-defined Lender/Servicer is able to provide a certified copy of Articles of Incorporation and certificate of Good Standing from the State of Michigan, if requested. If Lender/Servicer is a non-Michigan Corporation, Lender/Servicer must provide a certified copy of Articles of Incorporation filed in the State of Incorporation, together with a Certificate of Authority to transact business in Michigan.

WHEREAS, Lender/Servicer desires to participate in one or more of the four H4HH Programs; and

WHEREAS, Lender/Servicer understands that participation in the H4HH Program is voluntary and is distinct from Lender/Servicer's participation in other foreclosure prevention programs, including, for example, the Home Affordable Modification Program (HAMP); and

WHEREAS, Lender/Servicer and MHA desire to enter into this Agreement to set forth certain premises and mutual covenants:

MHA and Lender/Servicer agree as follows:

1. **Application Process.** Borrowers will access the H4HH Program through the Michigan online application, or the Help for Hardest Hit statewide hotline. Lender/Servicer understands

that it will not be involved in determining eligibility for H4HH Programs; Lender/Servicer may refer borrowers to [www.stepforwardmichigan.org](http://www.stepforwardmichigan.org) or 1-866-946-7432.

2. **Selection/Qualification of Borrowers.** MHA shall be responsible for the selection/qualification of borrowers to receive H4HH Program funding. Lender/Servicer may refer potentially eligible borrowers to MHA, Lender/Servicer is encouraged but not required to market the H4HH Program. MHA shall make marketing materials available to Lender/Servicer including web graphics and brochures in pdf format.

3. **Point of Contact.** MHA shall provide a list of key contacts to Lender/Servicer. Lender/Servicer agrees to provide a primary and secondary point of contact for H4HH Program eligible borrowers.

4. **ACH Payments.** Lender/Servicer shall promptly provide ACH transmission information to MHA. Lender/Servicer agrees that payments will be made via ACH.

5. **Information Sharing/Written Authorization.** MHA shall be responsible for procuring written authorization from each borrower to share information with Lender/Servicer. A copy of the signed authorization will be provided to Lender/Servicer through secured e-mail or web portal. Lender/Servicer agrees to communicate information about the assisted borrower's workout status, including participation in HAMP or other workout options to MHA. Lender/Servicer agrees, if participating in the Making Home Affordable Program, to follow the most recent Supplemental Directive. MHA and Lender/Servicer agree to use a defined automated and secure process to submit borrowers to Lender/Servicer for workout consideration.

6. **Transmission of Non-Public Personal Information.** All communication that includes a borrower's **Nonpublic Personal Information** (as defined below) between MHA and Lender/Servicer shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MHA and Lender/Servicer agree that they will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, (b) protect against any anticipated threats or hazards to the security or integrity of such information, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act and generally recognized industry standards.

“Nonpublic Personal Information” means any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, financial data, medical or health records, personal, gender, political, profile, account, and password information.

7. **Workout.** MHA and Lender/Servicer agree that all H4HH Program workout options will be conducted in accordance with the H4HH program descriptions and requirements detailed in the respective program term sheets, which are attached as Exhibit A and incorporated herein.

Lender/Servicer agrees the program guidelines may be amended by MHA from time to time. Lender/Servicer has reviewed the current program term sheets and agrees to comply with all program guidelines as outline by MHA. MHA will notify the primary contact provided by Lender/Servicer of any program amendments and/or changes. Lender/Servicer is responsible to obtain any required investor and mortgage insurer approval.

8. **H4HH Program Approval.** Upon notification by MHA that a borrower has been conditionally approved for H4HH, Lender/Servicer agrees to promptly accept or deny each borrower's participation in the H4HH Program. Lender/Servicer agrees that denial shall be only for good cause such as pending litigation, potential fraud, poor payment history, bankruptcy restrictions, and foreclosure status or if denied by investor or mortgage insurer for good cause. Once a borrower is accepted to the H4HH Program, Lender/Servicer shall not initiate foreclosure nor, if the borrower is already in the foreclosure process, conduct a foreclosure sale during the term of assistance.

9. **Loan Rescue Program.** Lender/Servicer agrees to provide timely communication of homeowner's loan data to the MHA. In addition, Lender/Servicer agrees to apply Loan Rescue Program funds towards principal, interest, taxes and insurance (collectively PITI). MHA agrees Lender/Servicer may apply such funds towards attorney's fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked and other fees and expenses if they are deemed an advance on behalf of the borrower by Lender/Servicer. If MHA approves a borrower to apply Loan Rescue Program funds towards delinquent property taxes, Lender/Servicer agrees to require the borrower to establish an escrow account to prevent the homeowner from incurring future tax delinquencies. Lender/Servicer is required to provide evidence of timely application of funds. Furthermore, Lender/Servicer agrees to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Loan Rescue Program; active foreclosure action to be canceled upon receipt of funds. When accepting payment for the Loan Rescue Program, Lender/Servicer agrees to waive all accumulated late charges or Non-Sufficient Funds (NSF) fees.

10. **Unemployment Subsidy Program.** Lender/Servicer agrees to provide timely communication of homeowner's loan data to the MHA. For borrowers approved in the Unemployment Subsidy Program, MHA agrees to make the full mortgage payment to Lender/Servicer for the duration of the borrower's eligibility in the Unemployment Subsidy Program. Lender/Servicer agrees to apply such funds towards PITI; Lender/Servicer shall not apply Unemployment Subsidy Program funds to homeowner or condominium association payments (HOA) fees unless such payments have been escrowed and are included in the homeowner's monthly required payment. MHA and Lender/Servicer agree that non-escrowed loans will not be required to become escrowed for Unemployment Subsidy Program. Lender/Servicer is required to provide evidence of timely application of funds. Lender/Servicer agrees to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Unemployment Subsidy Program; active foreclosure action to be canceled upon receipt of funds. When accepting payment for Unemployment Subsidy, Lender/Servicer agrees to waive all accumulated late charges and non-sufficient funds (NSF) fees.

11. **Modification Plan.** Lender/Servicer agrees to provide timely communication of homeowner's loan data to the MHA. In addition, Lender/Servicer agrees to determine terms of modification according to their internal guidelines; the Lender/Servicer will transmit modification terms to the MHA. MHA will determine amount of assistance up to program maximum based on delinquency amount; awarded funds will be remitted to Lender/Servicer to be applied towards the capitalized balance. Lender/Servicer agrees to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Modification Plan Program; active foreclosure action to be canceled upon receipt of funds. Lender/Servicer is required to provide evidence of timely application of funds. When accepting payment for Modification Plan, Lender/Servicer is required to waive all accumulated late charges and non-sufficient funds (NSF) fees.
12. **Timing.** Lender/Servicer acknowledges that it is responsible for timely application of H4HH Program funds. Lender/Servicer shall hold the borrower harmless if payments are not applied timely. Lender/Servicer agrees that it will timely provide MHA with written reports documenting application of H4HH Program funds or alternatively to provide MHA an exception report for any funds that could not be applied.
13. **Repayment of Funds.** MHA agrees that Lender/Servicer will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible.
14. **Borrower Actions/Fraud.** Lender/Servicer agrees to promptly notify MHA in writing of any ongoing action against a borrower, including fraud-related activities.
15. **Changes in Monthly Payments.** Lender/Servicer agrees to promptly notify MHA of any changes in monthly payment amount. Lender/Servicer understands that if MHA does not get timely notice of such change, MHA may not be able to adjust the next month's mortgage payment for that homeowner.
16. **Cessation of Mortgage Payments.** MHA agrees it will promptly provide notice before it ceases payment of H4HH Program funds to allow Lender/Servicer time to evaluate the borrower for other loss mitigation options.
17. **H4HH Program Eligibility.** Lender/Servicer agrees that it is not authorized or empowered to determine and/or communicate to the borrower eligibility for H4HH Program funds. MHA agrees that it is not authorized or empowered to determine and/or communicate to the borrower eligibility for foreclosure prevention programs of Lender/Servicer. MHA retains sole authority for its H4HH Program eligibility determination and communication to the borrower and Lender/Servicer. Lender/Servicer will communicate with borrower and MHA regarding modification and other Lender/Servicer-driven approvals.
18. **Termination.** Either party may terminate the agreement without cause on 30 days written notice. Either party may terminate immediately upon material breach from the other party. Lender/Servicer shall continue to accept payments on behalf of a borrower already enrolled through the term of the agreed upon assistance unless good cause can be shown for borrower not to continue in the program.

Accepted and agreed to by:

Lender/Service: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Michigan Homeowner Assistance Nonprofit Housing Corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A  
(Intentionally left blank)

**SERVICE SCHEDULE B-1**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LOAN RESCUE PROGRAM (LR)**

**Summary Guidelines**

<b>1. Program Overview</b>	Whether it was a divorce, a serious illness, or a recent period unemployment, many Michigan families have encountered some significant obstacle in their lives that resulted in delinquent mortgage, property tax, or condominium association fees that could result in property foreclosure. This program will provide up to \$30,000 in assistance to households who had a qualifying, involuntary hardship and can sustain homeownership, but need assistance to catch up on delinquent payments, escrow shortage, delinquent property taxes, and/or delinquent condominium association fees to avoid foreclosure. (Condominium assessed fees as described in Act 59, MCL 559.101, <i>et seq.</i> , as amended).
<b>2. Program Goals</b>	This program will prevent avoidable foreclosures by helping homeowners get back on solid footing. In so doing, the program will stem the oversupply of foreclosed homes and short sales that dominate many markets and help stabilize the broader housing market in Michigan.
<b>3. Target Population/Areas</b>	Michigan homeowners currently delinquent on mortgage payments including property taxes and/or condominium association fees.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$216,569,054.73
<b>5. Borrower Eligibility Criteria</b>	MHA determines homeowner eligibility. Homeowners who had a qualifying, involuntary hardship (for example, job loss, decreased income or a catastrophic event). Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship. If providing assistance on a 2 <sup>nd</sup> lien, first lien must be documented as current. MHA considers a sustainable mortgage payment 45% or less (gross household income to validated mortgage payment). If the property is free and clear of mortgage liens, sustainable housing ratio will be calculated on monthly payment of annual tax and condominium association fees; must be 45% or less.



<p><b>6. Property/Loan Eligibility Criteria</b></p>	<p>The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.</p>
<p><b>7. Program Exclusions</b></p>	<p>Second homes or investment properties. Properties already foreclosed; after the sheriff sale date or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000.</p>
<p><b>8. Structure of Assistance</b></p>	<p>Homeowners receiving assistance must be able to execute a secured subordinate lien mortgage and note in favor of the Eligible Entity. Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction, the MHA may subordinate lien position in accordance with program guidelines. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan's Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit Funds will be available on a first come, first serve basis.</p> <p>If assistance is paid directly to tax authority or condominium association, homeowner will execute an additional, simultaneous Demand Note in the amount of delinquent taxes and/or delinquent condominium association fees.</p> <p>Lender/Servicer and/or eligible third party (property tax authority or condominium association) is required to provide timely communication of homeowner's loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Servicer and/or eligible third party (property tax authority or condominium association) is required to provide evidence of timely application of Hardest Hit Funds. Lender/Servicer is required</p>

	to waive all accumulated late charges and non-sufficient funds (NSF) fees.
<b>9. Per Household Assistance</b>	One time award up to \$30,000 per household.
<b>10. Duration of Assistance</b>	One-time assistance to homeowner, paid directly to Lender/Service and/or eligible third party, for application towards homeowner's total, accrued delinquent mortgage payments, escrow shortages, corporate advances, excluding late charges and NSF fees, delinquent property taxes and/or delinquent condominium association fees on homeowners' account.
<b>11. Estimated Number of Participating Households</b>	Based upon maximum program funding of \$30,000 per household, 7,218 households may be assisted.
<b>12. Program Inception / Duration</b>	Based on the overwhelming need, funds allocated to this Program will likely be exhausted prior to December 31, 2020.
<b>13. Program Interactions with Other HFA Programs</b>	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program. Homeowners are eligible for simultaneous disbursements to multiple, eligible entities/participating partners in this Program.
<b>14. Program Interactions with HAMP</b>	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service to follow current guidance issued by their investor and/or U.S. Treasury.
<b>15. Program Leverage with Other Financial Resources</b>	Lender/Service agrees to waive all accumulated late fees and NSF fees. No further matching is required.

**SERVICE SCHEDULE B-2**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
UNEMPLOYMENT MORTGAGE SUBSIDY PROGRAM (UMS)**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>Michigan, through its Unemployment Mortgage Subsidy Program, may directly provide funds to the Lender/Servicer to subsidize an eligible homeowner's current or modified monthly mortgage payment and/or reinstate an existing mortgage, property tax or condominium association fees delinquency.</p> <p>This Program assists the homeowner who has had a qualifying, unemployment or underemployment-related hardship in retaining homeownership by subsidizing up to 50% or \$1,000 (whichever is less) of the monthly mortgage payment. The monthly subsidy will not exceed a total of 12 consecutive months or \$12,000. Homeowners will be responsible for the unsubsidized portion of their first mortgage lien's monthly payment, which will be collected by MHA's special sub-servicer and sent to MHA; MHA will always remit the full mortgage payment directly to the Lender/Servicer.</p> <p>Homeowners will also be eligible for upfront assistance to contribute towards a mortgage delinquency; inclusive of current mortgage payment due, delinquent mortgage payments, escrow shortages, corporate advances, excluding accrued late charges and non-sufficient funds (NSF) fees, on homeowners' mortgage account. Unemployed or underemployed homeowners that do not have a first mortgage lien or the first mortgage lien is documented as current and is not with a participating lender/servicer may be eligible for one-time reinstatement of delinquent property taxes and/or condominium association dues only. Maximum reinstatement amount cannot exceed the maximum program reservation of \$30,000 less the total amount initially reserved for 12 monthly subsidy amounts.</p>
<b>2. Program Goals</b>	<p>Provide monthly mortgage payment assistance and delinquent mortgage, property tax, or condominium association fees reinstatement to unemployed or underemployed residents helping them remain successful in homeownership by preventing avoidable foreclosures. In so doing, the program will stem the oversupply of foreclosed homes that dominate many markets and help stabilize the broader housing market in Michigan.</p>

<b>3. Target Population / Areas</b>	Unemployed and underemployed Michigan homeowners who need help paying their monthly mortgage payment and/or are currently delinquent on mortgage payments, property taxes and /or condominium fees.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$81,861,559
<b>5. Borrower Eligibility Criteria</b>	MHA determines homeowner eligibility. Homeowners who have lost their job and have received Michigan unemployment benefits (UIA) within the last 12 months of application date (not registration date) or homeowners who are underemployed and are able to document a 20% reduction in gross income. Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship. Qualifying ratio of 45% or less (gross household income, including unemployment compensation, to borrower's required portion of the validated mortgage payment). If the property is free and clear of mortgage liens, sustainable housing ratio will be calculated on monthly payments of annual tax and/or condominium association fees; must be 45% or less.
<b>6. Property / Loan Eligibility Criteria</b>	The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.
<b>7. Program Exclusions</b>	Homeowners unable to document an eligible unemployment or underemployment hardship. Second homes or investment properties. Properties already foreclosed; after the sheriff sale or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000.  Assistance may not be provided on a loan in a 2 <sup>nd</sup> lien position.
<b>8. Structure of Assistance</b>	Homeowners receiving assistance must be able to execute a secured subordinate lien mortgage and note in favor of the MHA. Loan will be 0%, non-amortizing loan, forgivable over a

	<p>5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction, the MHA may subordinate lien position in accordance with in program guidelines. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan's Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit funds will be available on a first come, first serve basis.</p> <p>Lender/Service is required to provide timely communication of homeowner's loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Service is required to provide evidence of timely application of Hardest Hit Funds. Lender/Service is required to waive all accumulated late charges and NSF fees.</p>
<b>9. Per Household Assistance</b>	\$ 30,000 maximum per household.
<b>10. Duration of Assistance</b>	After one-time reinstatement assistance to mortgage lender/service, tax authority and/or condominium association, the monthly subsidy ceases after 12 months consecutive monthly payments OR if homeowner fails to pay their portion of the payment in accordance with terms of the Note.
<b>11. Estimated Number of Participating Households</b>	Based upon maximum program funding of \$30,000 per household, a minimum of 2,728 households may be assisted.
<b>12. Program Inception / Duration</b>	Based on the overwhelming need, funds allocated to this program will likely be exhausted prior to December 31, 2017.
<b>13. Program Interactions with Other HFA Programs</b>	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program.
<b>14. Program Interactions with HAMP</b>	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service to follow current guidance issued by their investor and/or U.S. Treasury.
<b>15. Program Leverage</b>	Lender/Service agrees to waive all accumulated late fees and

<b>with Other Financial Resources</b>	NSF fees. No further matching is required.
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**SERVICE SCHEDULE B-3**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
MODIFICATION PLAN PROGRAM (MP)  
Summary Guidelines**

<b>1. Program Overview</b>	Michigan's Modification Plan Program provides a permanent solution to many homeowners who have a qualifying, involuntary hardship and an unsustainable monthly mortgage payment and/or to borrowers with severe negative equity. Up to \$30,000 in assistance may be provided to the Lender/Serviceicer to pay the capitalized balance or negative equity in order to contribute towards reaching a lower monthly payment. Re-amortization only or Recast Modifications are eligible.
<b>2. Program Goals</b>	This program will prevent avoidable foreclosures by putting homeowners who may be at a higher risk of foreclosure into a permanent, affordable loan modification allowing them to maintain homeownership, curb vacancies and stabilize local communities.
<b>3. Target Population/Areas</b>	Homeowners with negative equity greater than 115% Loan to Value (LTV) and homeowners who do not have a sustainable mortgage payment.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$8,841,136.50
<b>5. Borrower Eligibility Criteria</b>	MHA determines homeowner eligibility. Homeowners who have a qualifying, involuntary hardship and a present housing payment greater than 45% and/or have severe negative equity greater than 115% LTV. MHA considers a sustainable mortgage payment as 45% or less (gross household income to validated mortgage payment.) Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship.
<b>6. Property/Loan Eligibility Criteria</b>	The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.
<b>7. Program Exclusions</b>	Homeowners whose Lender/Serviceicer is unable to permanently modify or recast their existing lien. Assistance may not be provided on a loan in a 2 <sup>nd</sup> lien position. Second homes or

	investment properties. Properties already foreclosed; after the sheriff sale date or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000.
<b>8. Structure of Assistance</b>	<p>Homeowners receiving assistance will execute a secured subordinate lien mortgage and note in favor of the MHA. Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction the MHA may be willing to subordinate lien position. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan's Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit Funds will be available on a first come, first serve basis.</p> <p>MHA will determine amount of assistance up to program maximum based on delinquency amount and/or if the loan is current, based on amount required to improve negative equity position. MHA equity calculation will not reduce principal loan balance below 100% LTV. Awarded funds will be remitted to Lender/Servicer to be applied towards the capitalized balance. The Lender/Servicer will determine term of the modification according to their internal guidelines and transmit modification terms to the MHA. MHA will confirm final LTV is not less than 100% and reduced modified mortgage payment is sustainable i.e. 45% or less (gross household income to validated mortgage payment).</p> <p>Lender/Servicer is required to provide timely communication of homeowner's loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Servicer is required to provide evidence of timely application of Hardest Hit Funds. Lender/Servicer is required to waive all accumulated late charges and non-sufficient funds (NSF) fees.</p>
<b>9. Per Household Assistance</b>	One-time award up to \$30,000 per household.
<b>10. Duration of Assistance</b>	One-time assistance to homeowner, paid directly to Lender/Servicer, for application towards capitalized balance and/or negative equity, excluding late fees and NSF fees, on



	homeowners' mortgage account.
<b>11. Estimated Number of Participating Households</b>	Based upon maximum program funding of \$30,000 per household, a minimum of 294 households may be assisted.
<b>12. Program Inception/ Duration</b>	Program rolled out July 2012. Based on the overwhelming need, funds allocated to this Program will likely be exhausted prior to December 31, 2017.
<b>13. Program Interactions with Other HFA Programs</b>	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program.
<b>14. Program Interactions with HAMP</b>	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service providers to follow current guidance issued by their investor and/or U.S. Treasury.
<b>15. Program Leverage with Other Financial Resources</b>	Lender/Service provider agrees to waive all accumulated late fees and NSF fees. No further matching is required.

**MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION**  
**Acting Through**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

735 E. Michigan Avenue  
Lansing, Michigan 48912

**Servicer Contact/ACH Instructions**

**ACH Instructions:**

Complete ACH instructions: Depository Financial Institution (DFI) Routing-Transit #, DFI Name, Account Name, etc.

DFI Routing-Transit No: \_\_\_\_\_

DFI Name: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account No: \_\_\_\_\_

Type of Account: (Check one)     Checking     Saving

**Servicer/Loss Mitigation Contact:**

MHA Servicer/Lender Code: \_\_\_\_\_  
(MSHDA use this line only)

Contact name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Email: \_\_\_\_\_

Complete and return with original executed Service Participation Agreement

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Servicer Information

Zixmail is used to exchange secure communication. The State of Michigan Data Exchange Gateway (DEG) is used to send records back and forth. When your Step Forward representative reaches out to the contacts below, they will be assigned a username and password to access the site.

### Servicer Name:

### Participating in:

- Unemployment
- Loan Rescue
- Modification Plan

### Additional Contact Information:

Please indicate who in your office will be our main contact person for the following specific functions:

Primary/Management: (Name and phone number)

Data Transfer/Communication: (The person will send customer records to for acceptance in the program) [Name and phone number]

Accounting/Funding: (Name and phone number)

Post Funding: (Name and phone number)

Reporting: (Name and phone number)

### Loan Level Contact Name:

1. Contact Name:

Title:

E-mail Address:

Fax Number:

Phone Number:

2. Contact Name:

Title:

E-mail Address:

Fax Number:

Phone Number:

3. Contact Name:

Title:

E-mail Address:

Fax Number:

Phone Number:

### Reporting Details

Reporting Method

- Lender hosted SFTP site
- E-mail