



STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

GARY HEIDEL  
ACTING 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  
ATTN: Tammy Harney  
735 E Michigan Avenue  
Lansing, Michigan 48912

If you have questions, please contact Homeownership at (517) 335-9891

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909  
Michigan.gov/MSHDA • FAX 517-335-4797 • TOLL-FREE 855-MI-MSHDA (855-646-7432)

**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 a federally funded program 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 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 the H4HH Program;  
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/Service understands that it will not be involved in determining eligibility for H4HH Program; Lender/Service 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/Service may refer potentially eligible borrowers to MHA, Lender/Service is encouraged but not required to market the H4HH Program. MHA shall make marketing materials available to Lender/Service including web graphics and brochures in pdf format.
3. **Point of Contact.** MHA shall provide a list of key contacts to Lender/Service. Lender/Service agrees to provide a primary and secondary point of contact for H4HH Program eligible borrowers.
4. **ACH Payments.** Lender/Service shall promptly provide ACH transmission information to MHA. Lender/Service 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/Service. A copy of the signed authorization will be provided to Lender/Service through secured e-mail or web portal. Lender/Service agrees to communicate information about the assisted borrower's workout status, including participation in HAMP or other workout options to MHA. Lender/Service agrees, if participating in the Making Home Affordable Program, to follow the most recent Supplemental Directive. MHA and Lender/Service agree to use a defined automated and secure process to submit borrowers to Lender/Service 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/Service shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MHA and Lender/Service agree that they will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal information it received 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 the 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 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/Service 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/Service agrees the program guidelines may be amended by MHA from time to time. Lender/Service has reviewed the current program term sheet and agrees to comply with all Program guidelines as outlined by MHA. MHA will notify the primary contact provided by Lender/Service of any program amendments and/or changes. Lender/Service 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/Service agrees to promptly accept or deny each borrower's participation in the H4HH Program. Lender/Service 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/Service 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/Service agrees to provide timely communication of homeowner's loan data to the MHA. In addition, Lender/Service agrees to apply Loan Rescue Program funds towards principal, interest, taxes and insurance (collectively PITI). MHA agrees Lender/Service 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 Program funds towards delinquent property taxes. Lender/Service 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/Service agrees to waive all accumulated late charges or Non-Sufficient Funds (NSF) fees.

10. **Timing.** Lender/Service acknowledges that it is responsible for timely application of H4HH Program funds. Lender/Service shall hold the borrower harmless if payments are not applied timely. Lender/Service 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.

11. **Repayment of Funds.** MHA agrees that Lender/Service will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible.

12. **Borrower Actions/Fraud.** Lender/Service agrees to promptly notify MHA in writing of any ongoing action against a borrower, including fraud-related activities.

13. **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.

14. **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.

15. **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 accept payments as agreed on behalf of a borrower already approved prior to the immediate termination.

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**

<p><b>1. Program Overview</b></p>	<p>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).</p>
<p><b>2. Program Goals</b></p>	<p>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.</p>
<p><b>3. Target Population/Areas</b></p>	<p>Michigan homeowners currently delinquent on mortgage payments including property taxes and/or condominium association fees.</p>
<p><b>4. Program Allocation (Excluding Administrative Expenses)</b></p>	<p>\$216,569,054.73</p>
<p><b>5. Borrower Eligibility Criteria</b></p>	<p>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>

<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/Service 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/Service and/or eligible third party (property tax authority or condominium association) is required to provide evidence of timely application of Hardest Hit Funds. Lender/Service 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/Servicer 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/Servicers to follow current guidance issued by their investor and/or U.S. Treasury.
<b>15. Program Leverage with Other Financial Resources</b>	Lender/Servicer 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:**

Loan Rescue

**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