



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

SCOTT WOOSLEY, CFA
EXECUTIVE DIRECTOR

County Treasurer Participation Agreement Instructions

Please return completed, fully executed County Treasurer Participation Agreement and completed, fully executed ACH Instructions to:

Kathy Quigley
MSHDA Homeownership Division
735 E Michigan Avenue
Lansing, Michigan 48912

If you have questions, please contact Kathy Quigley at 517.335.6023.

Thank you. We look forward to working with you on the Hardest Hit program.

Michigan Homeowner Assistance Nonprofit Housing Corporation
Help For Hardest Hit Program
Treasurer Participation Agreement

This Treasurer Participation Agreement (Agreement) made this ____ day of _____, 20__ by and between the Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA) and _____ (Treasurer), 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 (the Program) under its H4HH Program to assist persons (Borrowers) who are delinquent in paying their real property taxes; and

WHEREAS, Treasurer is the duly elected treasurer of _____ County (the County) and among other things administers the collection of real property taxes for the County; and

WHEREAS, Treasurer desires to participate in the Program; and

WHEREAS, Treasurer understands that participation in the Program is voluntary; and

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

MHA and Treasurer agree as follows:

1. **Application Process.** Borrowers will access the Program through the Michigan online application, or the Help for Hardest Hit statewide hotline. Treasurer understands that it will not be involved in determining eligibility for the Program; Treasurer may refer Borrowers to 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 Program funding. Treasurer may refer potentially eligible Borrowers to MHA, Treasurer is encouraged but not required to market the Program. MHA shall make marketing materials available to Treasurer including web graphics and brochures in pdf format.
3. **Point of Contact.** MHA shall provide a list of key contacts to Treasurer. Treasurer agrees to provide a primary and secondary point of contact for Program eligible Borrowers.
4. **ACH Payments.** Treasurer shall promptly provide ACH transmission information to MHA. Treasurer 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 Treasurer. A copy of the signed authorization will be provided to Treasurer through secured e-mail or web portal. Treasurer agrees to communicate information about the assisted Borrower's tax information and delinquency status.

6. **Transmission of Non-Public Personal Information.** All communication that includes a Borrower's **Nonpublic Personal Information** (as defined below) between MHA and Treasurer shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MHA and Treasurer 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 Treasurer agree that the Program will be conducted in accordance with the Program description and requirements detailed in the Program term sheet attached as Exhibit A and incorporated herein. Treasurer agrees the Program guidelines may be amended by MHA from time to time. Treasurer has reviewed the current Program term sheet and agrees to comply with all Program guidelines as outline by MHA. MHA will notify the primary contact provided by Treasurer of any Program amendments and/or changes. .

8. **Program Approval.** Upon notification by MHA that a Borrower has been conditionally approved for H4HH, Treasurer agrees to promptly accept or deny each Borrower's participation in the Program. Treasurer agrees that denial shall be only for good cause such as pending litigation, potential fraud, bankruptcy restrictions, and foreclosure status. Once a Borrower is accepted to the Program, Treasurer shall not initiate foreclosure nor, if the Borrower is already in the foreclosure process, conduct a foreclosure sale during the term of assistance. If a participating Borrower is brought current through the Program, the Treasurer will terminate the foreclosure action.

9. **Program.** Treasurer agrees to apply Program funds towards delinquent taxes, interest, and late fees or penalties. In addition, MHA agrees Treasurer may apply such funds towards attorney's fees, property inspection fees, and other fees and expenses if they are deemed an advance on behalf of the Borrower by Treasurer. Treasurer is required to provide evidence of timely application of funds. Furthermore, Treasurer agrees to place collection and foreclosure activity on hold upon their acceptance of the Borrower into the Program; active foreclosure action to be canceled upon receipt of funds.

10. **Timing.** Treasurer acknowledges that it is responsible for timely application of Program funds. Treasurer shall hold the Borrower harmless if payments are not applied timely. Treasurer agrees that it will timely provide MHA with written reports documenting application of 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 Treasurer will not be required to repay amounts applied to a Borrower's delinquent taxes if that Borrower is later determined to be ineligible.

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

13. **Program Eligibility.** Treasurer agrees that it is not authorized or empowered to determine and/or communicate to the Borrower eligibility for Program funds. MHA retains sole authority for its Program eligibility determination and communication to the Borrower and Treasurer.

14. **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. Treasurer 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:

Treasurer: _____

By: _____

Print: _____

Its: _____

Date: _____

Address: _____

Michigan Homeowner Assistance Nonprofit Housing Corporation

By: _____

Its: _____

Date: _____

EXHIBIT A

SERVICE SCHEDULE B-2

**Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA)
acting through
Michigan State Housing Development Authority (MSHDA)**

LOAN RESCUE PROGRAM (LR)

Summary Guidelines

1. Program Overview	Whether it was a divorce, a serious illness, or a recent period of unemployment, many Michigan families have encountered some significant obstacle in their lives that resulted in mortgage delinquency. 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.
2. Program Goals	This program will prevent avoidable foreclosures by putting homeowners, who otherwise are on the brink of foreclosure, back on solid footing without increasing their mortgage debt payments. 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.
3. Target Population/Areas	MHA does not anticipate targeting this assistance on a geographic basis, nor have we anticipated targeting specific income limits.
4. Program Allocation (Excluding Administrative Expenses)	\$204,079,464

<p>5. Borrower Eligibility Criteria</p>	<p>MHA determines homeowner eligibility. Homeowners who have had a qualifying, involuntary hardship (for example, 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 second 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, hazard insurance expenses and condominium association fees, if applicable; must be 45% or less.</p>
<p>6. Property/Loan Eligibility Criteria</p>	<p>The homeowner must currently occupy the property as his/her 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; one- to four-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>7. Program Exclusions</p>	<p>Second homes or investment properties. Homeowners with liquid cash reserves exceeding six (6) months validated mortgage payments. Lender/Servicer is not required to accept homeowner to the program if a notice of trustee/sheriff sale has been recorded or the trustee/sheriff sale is scheduled less than seven (7) days from date the Lender/Servicer is notified of borrower eligibility.</p>

<p>8. Structure of Assistance</p>	<p>Homeowners receiving assistance will execute a secured subordinate lien mortgage and note in favor of the Eligible Entity. Loan will be 0%, non-amortizing loan, forgivable over a five-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 no cash out, limited-term, refinance, the MHA may subordinate lien position in accordance with program guidelines. Mortgage will be recorded through public records and ongoing monitoring, repayments, discharges, and subordinations will be conducted by MHA. Any repayment of program funds will be re-invested back into program allocation. All funds remaining in the program will be returned to Treasury after December 31, 2017. 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 initial Demand Note in the amount of delinquent taxes and/or delinquent condominium association fees. Such Demand Note will be immediately replaced by a secured lien mortgage and note with the same payment terms described in the preceding paragraph.</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 to waive all accumulated late charges and non-sufficient funds (NSF) fees.</p>
<p>9. Per Household Assistance</p>	<p>One-time award up to \$30,000 per household.</p>

10. Duration of Assistance	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. If funds are to be paid through the Lender/Service to be applied towards delinquent property taxes, the Lender/Service should set up an escrow account to pay homeowners' future property taxes for future sustainability. If Lender/Service is not able to set up an escrow account, assistance to pay delinquent property taxes will be disbursed directly to the tax authority.
11. Estimated Number of Participating Households	Based upon maximum program funding of \$30,000 per household, 6,802 households may be assisted.
12. Program Inception / Duration	Based on the overwhelming need, funds allocated to this Program will likely be exhausted third quarter of 2014.
13. Program Interactions with Other HFA Programs	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 in this Program.
14. Program Interactions with HAMP	Homeowners can receive HAMP assistance (including UP program 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.
15. Program Leverage with Other Financial Resources	Lender/Service agrees to waive all accumulated late fees and NSF fees. No further matching is required.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION
Acting Through

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

735 E. Michigan Avenue
Lansing, Michigan 48912

Treasurer 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

Treasurer Contact:

MHA County Code: _____
(MSHDA use this line only)

Contact name: _____

Address: _____

Phone number: _____

Fax number: _____

Email: _____

Complete and return with original executed Treasurer Participation Agreement

Date: _____

Signature: _____

County 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.

County 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 delinquent tax information for acceptance in the program)
[Name and phone number]

Accounting/Funding: (Name and phone number)

Post Funding/Paid Receipts: (Name and phone number)

Reporting: (Name and phone number)

Loan/Parcel 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

- Secure e-mail