

Helping Hardest-Hit Homeowners Frequently Asked Questions

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

Michigan's plan to distribute \$498.6 million in federal Hardest-Hit Funds includes three options:

- 1) Mortgage payment assistance of up to \$9,000 per household for homeowners currently receiving unemployment compensation and up to \$3,000 additional to correct a mortgage delinquency.
- 2) Rescue funds up to \$5,000 per household 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 who have since overcome this obstacle.
- 3) Federal matching funds up to \$10,000 per household for principal reductions for homeowners who can no longer afford their mortgage payments as a result of reduced income.

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 their financial situation.

Do mortgage loan servicers have to participate in all three programs?

No. Each servicer can select which programs they will offer to their customers. Some servicers opt out of the Principal Curtailment program and only offer the Unemployment Mortgage Subsidy or Loan Rescue Programs.

How do I apply for the Hardest Hit programs?

Homeowners must apply through their mortgage loan servicer; *MSHDA can not accept applications directly from the homeowner at this time.*

How can I find out if my servicer is participating?

A list of participating servicers is posted on our Web site at www.michigan.gov/HardestHit. If your servicer is participating, contact your servicer directly to see if you are eligible for the Hardest Hit assistance.

What if my mortgage loan servicer is not on the list?

Please visit our Web site regularly as the list is updated frequently as new servicers are added. Or, contact your mortgage servicer directly to see if they will be offering the programs in the future.

If my servicer doesn't participate, then I'm not eligible for the programs?

That's correct. However, if your servicer chooses not to participate, they may still have other options available to help you. Contact your mortgage servicer directly, or if you would like assistance from a foreclosure prevention counselor with that process, visit our Web site at www.michigan.gov/HardestHit to find a MSHDA approved counseling agency in your area.

I've been working with a homeownership counselor. Can they continue to help me?

Yes. These programs do not exclude the important role that counselors play in the loan modification or foreclosure prevention process.

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.

When does MSHDA anticipate the state's \$498.6 million federal Hardest-Hit Fund will be depleted?

MSHDA anticipates funds will be available for the next 36-48 months. MSHDA will continue to work with mortgage loan servicers and homeowners until all federal funds are allocated.

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 49,000.

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 staff are familiar with the programs and eligibility criteria. They will work with homeowners to find the best option available.

Where can I find more information?

More information can be found by visiting the Michigan State Housing Development Authority Web site at www.michigan.gov/HardestHit.

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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