



STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GRETCHEN WHITMER
GOVERNOR

EARL J. POLESKI
EXECUTIVE DIRECTOR

Condominium Homeowners Association Participation Agreement Instructions

PLEASE INCLUDE THE FOLLOWING DOCUMENTS WHEN SUBMITTING
CONDOMINIUM HOMEOWNERS ASSOCIATION PARTICIPATION AGREEMENT



- Incumbency Certificate (original signatures required)
- Resolution Adopted by the Board or Members (original signatures required)
- Certificate of Good Standing
- Articles of Incorporation
- By-laws
- Condominium Homeowners Association Participation Agreement (original signatures required)
- Completed Condominium Homeowners Association ACH Instructions/Treasurer Contact (original signatures required)

HOMEOWNER ASSOCIATIONS MUST BE AFFILIATED WITH A LEGAL DESIGNATED CONDOMINIUM CORPORATION; Condominium is a system of ownership and administration of property where a portion is divided into individually owned units, the balance of property is owned in common by all the individual owners and a vehicle for managing the property, known as the condominium corporation, is established.

Please return all required documents mentioned above to:

MSHDA Homeownership Division
ATTN: Tammy Harney
735 E. Michigan Avenue
Lansing, Michigan 48912

If you have questions, please contact 517-373-4937

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

This Condominium Homeowner Association Participation Agreement (Agreement) made this ____ day of _____, 20__ by and between the Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA) and _____ Condominium Homeowner Association (Association), 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 mortgage liens, real property taxes, and/or condominium association fees; and

WHEREAS, President of Condominium Homeowner Association, is the duly elected president of the _____ the Association and among other things administers the collection of real condominium association fees for the Association; and

WHEREAS, The Association desires to participate in the Program; and

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

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

MHA and The Association agree as follows:

1. **Application Process.** Borrowers will access the Program through the Michigan online application, or the Help for Hardest Hit statewide hotline. The Association understands that it will not be involved in determining eligibility for the Program; The Association 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. The Association may refer potentially eligible Borrowers to MHA, The Association is encouraged but not required to market the Program. MHA shall make marketing materials available to the Association including web graphics and brochures in pdf format.
3. **Point of Contact.** MHA shall provide a list of key contacts to the Association. The Association agrees to provide a primary and secondary point of contact for Program eligible Borrowers.
4. **ACH Payments.** The Association shall promptly provide ACH transmission information to MHA. The Association 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 the Association. A copy of the signed authorization will be provided to the Association through secured e-mail or web portal. The Association agrees to communicate information about the assisted Borrower's condominium homeowner association fees 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 the Association shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MHA and President 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 the Association 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. The Association agrees the Program guidelines may be amended by MHA from time to time. The Association 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 The Association of any Program amendments and/or changes.

8. **Program Approval.** Upon notification by MHA that a Borrower has been conditionally approved for H4HH, the Association agrees to promptly accept or deny each Borrower's participation in the Program. The Association 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, the Association 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 Association will terminate the foreclosure action.

9. **Program.** The Association agrees to apply Program funds towards delinquent association fees, interest, and late fees or penalties. In addition, MHA agrees the Association 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 the Association. The Association is required to provide evidence of timely application of funds. Furthermore, the

Association 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.** The Association acknowledges that it is responsible for timely application of Program funds. The Association shall hold the Borrower harmless if payments are not applied timely. The Association 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 the Association will not be required to repay amounts applied to a Borrower's delinquent homeowner association fees if that Borrower is later determined to be ineligible.

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

13. **Program Eligibility.** The Association 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 the Association.

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. The Association 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:

Condominium Homeowner Association: _____

Address: _____

By: _____

Print: _____

Its' President

Date: _____

By: _____

Print: _____

Its' Treasurer

Date: _____

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/Service 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/Service 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/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. If funds are to be paid through the Lender/Servicer 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/Servicers 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

Condominium Association Treasurer/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: (Circle one) Checking Saving

Condominium Treasurer Contact:

MHA Condo Association Code: _____
(MSHDA use this line only)

Treasurer Contact Name: _____

Address: _____

Phone Number: _____

Fax Number: _____

Email: _____

**Complete and return with executed
Condominium Homeowners Association Participation Agreement**

Date: _____

Signature: _____

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

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 E. Michigan Avenue
Lansing, Michigan 48912**

Condominium Association Additional Contact Information

Association: _____

Contact Information:

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: _____

**Complete and return with executed
Condominium Homeowners Association Participation Agreement**

**CERTIFIED COPY OF RESOLUTION ADOPTED BY THE
BOARD OF DIRECTORS OR MEMBERS* OF**

NONPROFIT CONDOMINIUM HOMEOWNER ASSOCIATION

I CERTIFY that I am the duly elected Secretary and keeper of the records of [insert name of condominium homeowner association] _____, a Michigan nonprofit corporation (the "Association"), that the following is a true and correct copy of a Resolution duly and unanimously adopted at a meeting of the [insert Board of Directors or Members] _____ (the "Board of Directors" or "Directors") of the Association on [insert date resolution adopted] , 20___, during which the following Directors were present [insert names of directors or members]: _____, and constituted a quorum for the transaction of business; further, that the meeting was called in compliance with all applicable laws and the by-law requirements of the Association; that the Resolution does not conflict with any by-law of the Association nor has the Resolution been in any way altered, amended or repealed and is in full force and effect, unrevoked and unrescinded as of this date, and has been entered upon the regular Minutes Book of the Association as of the date of adoption, and that the Board of Directors of the Association has, and at the time of adoption of the Resolution, had, full power and lawful authority to adopt the Resolution and to confer the powers granted by the Resolution to the Officer(s) named in the Resolution, who has/have full power and lawful authority to exercise those powers:

* If the Association is organized on a membership basis, all references to its Directors or Board of Directors shall be deemed to refer to its Members.

RESOLUTION

On this ___ day of _____, 20___, [insert date Resolution adopted] there has been presented to this meeting of the Board of Directors of [insert name of condominium homeowner association] _____ (the "Association") a proposal to enter into a Condominium Homeowner Association Participation Agreement (the "Agreement") from the MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION, a Michigan non-profit corporation ("MHA"), for a condominium development located in the City of _____, County of _____, Michigan, which development is known as [insert name of condominium development] _____.

There has been presented to this meeting of the Board of Directors of this Association the proposed Agreement.

IT IS RESOLVED by the Board of Directors of the Association, that the Association be and it is authorized to execute the Agreement; and

IT IS FURTHER RESOLVED, that the [insert titles of authorized officers] _____ and/or the _____ of the Association, or either of them acting individually [delete if inapplicable], be and they are authorized and directed on behalf of the Association to execute the Agreement and at any time and from time to time after adoption of this Resolution and without further

action by or authority or direction from the Board of Directors or Members of the Association, to execute and deliver or cause to be executed and delivered all such other and further agreements and applications, to do or cause to be done all such other and further acts and things as the officers may determine to be necessary or advisable under or in connection with the Agreement and that the execution by the Officers of any such agreement and application or the doing of any such act or thing, shall be conclusive evidence of their determination in that respect, including, but not limited to, the execution of any and all agreement and/or applications with MHA; and

IT IS FURTHER RESOLVED, that MHA be and it is authorized to rely on the continuing force and effect of this Resolution until receipt by the Director of MHA at its principal office of notice in writing from the Association of any amendments or alterations to this Resolution.

ATTEST:

(Secretary) _____

Dated: _____, 200

INCUMBENCY CERTIFICATE
(Condominium Association)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, Lansing, Michigan 48912

I, *[insert name of condominium homeowner association secretary]* _____, certify to the Michigan State Housing Development Authority that, as of the date of this Certificate:

1. I am the duly elected, qualified and acting Secretary of *[insert name of condominium homeowner association]* _____, a Michigan non-profit corporation (the "Association").

2. The Articles of Incorporation and the Bylaws (consisting of ____ pages) delivered with this Certificate are true and correct copies of the Articles of Incorporation and the Bylaws of the Association, including all amendments through the date hereof, and the Articles of Incorporation and the Bylaws remain in full force and effect.

3. The Certificate of Good Standing as to the Association delivered with this Certificate remains in full force and effect, and the Association is in good standing and is qualified and authorized to do business in the State of Michigan.

4. The following are the elected, qualified and acting officers of the Association as of the date of this Certificate, and the signature appearing next to each name is the true signature of each of the named officers of the Association:

OFFICER	NAME	SIGNATURE
President	_____	_____
Vice-President	_____	_____
Secretary	_____	_____
Treasurer	_____	_____

5. No litigation of any nature is now pending or threatened either in state or federal courts that (a) could prevent or materially and adversely affect (i) the validity or enforceability of the Condominium Homeowner Association Participation Agreement, or (ii) the ability of the Association to comply with its obligations thereunder, or (b) is contesting the existence of the Association nor the title of the above-listed officers of the Association to their respective offices is being contested.

I have executed this Certificate and affixed the corporate seal of the Association this ____ day of ____, 20__.

(Secretary)

STATE OF MICHIGAN)
)ss.
COUNTY OF)

The foregoing Incumbency Certificate was acknowledged before me this ____ day of ____, 20__, by _____, as the Secretary of _____, a Michigan non-profit corporation, on behalf of said association.

Notary Public, _____ County, MI
My Commission Expires:
Acting in _____ County, MI