

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HOUSING INITIATIVES DIVISION (HID)

Subject: HOUSEHOLD ELIGIBILITY

Effective Date: April 12, 2016

This policy identifies the requirements and considerations for eligible household beneficiaries of HID's HOME funded Homeowner Programs.

HOMEOWNER ASSISTANCE: Potential homeowner assistance applicants must be evaluated on the following eligibility criteria in addition to any other requirements grantees have outlined in their MSHDA approved Program Guidelines:

- Owners must meet HID's Homeowner Rehabilitation Underwriting policy.
- Household income and assets are calculated and verified following HID's Income and Asset Guidebook for Homeowner and Rental Rehabilitation Programs.
- Households must have gross annual incomes at or below 80% AMI.
- The property must be their principal, permanent year-round residence.
- Household must have an ownership interest in any one of the following types of ownership in the property to be improved:
 - A. Individual fee ownership with recorded deed (no corporate, trust, legal partnership, etc.); or
 - B. Individual fee ownership subject to a mortgage or other lien securing debt; or
 - C. An ownership interest in a properly recorded land contract; or
 - D. Individual member-shareholder in a nonprofit cooperative housing corporation in which the member-shareholder has a proprietary interest in the structure to be rehabilitated; or
 - E. Person(s) occupying a dwelling with a Life Estate are eligible for homeowner rehabilitation assistance under the following conditions:
 1. The Life Tenant(s) occupying the dwelling to receive rehabilitation must be income eligible.
 2. The Life Estate terms must be written, signed, recorded and a copy provided to grantee.
 3. The holders of the remainder interest in the dwelling (Remaindermen) must agree, in writing, prior to the initiation of the rehabilitation to repay the loan when the dwelling ceases to be the principal residence of the current Life Tenant(s) and must sign a Life Estate Responsibility form.
 4. Both the Life Tenant(s) and the Remaindermen must sign MSHDA's mortgage and mortgage note.
 5. Life Tenant(s) and Remaindermen must sign a Homeowner Certification Form.
- The applicant must be current with mortgage payments, taxes, and property insurance. In exceptional cases (with MSHDA pre-approval), the grantee may allow up to one year of taxes to be delinquent.
- The household must repay some or all of the assistance if the property changes owners during the time the lien is in effect.
- The applicant must execute the Homeowner Certification Form.

If you have questions, contact the Housing Initiatives Division office at 517-335-2524.