



MIHAF Public Comments
Monday June 28 to July 9, 2021

1. Question/Comment

My name is XXXXX, and I am a current employee for the City of Lansing. I am a mother of 2 and having to come back to work after being home for a year and a half has been challenging financially for my fiancé and I. as you know, day care facilities are booked, and some have shut down. We are having an issue providing and paying for daycare because of this shift. With this money you all are receiving, could we add financial assistance for daycares for families getting back into the workplace? MDHHS only helps low to moderate income families so people such as myself do not qualify because I've been working the entire pandemic. But there will be families coming back who do not have that luxury of an already steady income.

I don't know who this can go to, but this is a recommendation I'm seeing a lot. And because of that financial burden, many people will still be unemployed because of childcare.

1. MIHAF Answer

US Treasury has stipulated the qualified use of Program funds which excludes childcare expenses. The Homeowner Assistance Fund (HAF) Guidance received on April 14, 2021, from Treasury specifically stated the HAF was to provide funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

2. Question/Comment

I recommend including funding for major repairs that have become necessary in the last year and a half because owner occupants may not have been able to pay for these as a result of COVID impacts.

2. MIHAF Answer

The Homeowner Assistance Fund was created to help homeowners experiencing a financial hardship associated with the coronavirus pandemic and provide those funds to eligible partners for the purpose of preventing a homeowner's mortgage delinquency, foreclosure, and displacement. We did consider including major homeowner repairs, such as structural damage and roof replacements, in order to avoid a homeowner's displacement however, it was not functionally possible for MIHAF to develop state-wide relationships with home construction contractors and did not fit into our operation model of the homeowner applying on-line and staff determining eligibility. Additionally, MIHAF funds cannot be disbursed directly to the homeowner to reimburse their cost of repairs.

3. Question/Comment

We have one customer that was hit especially hard during COVID. The homeowners were already in a bankruptcy filing and paying the trustee each month that resulted in payments relayed to us for principal, interest, and escrow. One of the homeowners was a local pastor and with the church closed for most of 2020, the church was forced too permanently close. Fortunately, this person is eligible for social security, but it is not enough to pay all bills, food allowance and the mortgage. The other person in the mortgage suffered a fall at work and has yet to receive compensation. We have adjusted the loan to non-accrual and are awaiting word from the bankruptcy trustee, but this loan could be a candidate for assistance with no payments since December 2020. We have not had a situation such as this and patiently await some kind of movement, but fear foreclosure is inevitable when the loan is in default within the bankruptcy.

3. MIHAF Answer

Michigan's plan would be able to consider homeowners in an active bankruptcy in the MIHAF program. In the now closed Step Forward Michigan program, we were able to help many homeowners once we received permission from the Bankruptcy court and acceptance from their participating mortgage lender/servicer.

4. Question/Comment

What years of property taxes will be eligible? All back years up to 2020 or all years past as well as current (2021)? Thanks!

4. MIHAF Answer

Michigan will be requesting approval from US Treasury to allow us to pay multiple years of property tax delinquencies to prevent displacement if the homeowner meets all other eligibility requirements including a financial hardship associated with the coronavirus pandemic.

5. Question/Comment

Use some of that money for homeowners to make repairs on porch, roofs, electric and thing to get them up to code or to improve the homeowner's quality of life.

5. MIHAF Answer

Our program model does not allow funding for general home repairs or for rehabilitation to bring the home up to code. We will direct homeowners to other funding sources for this type of repair.

6. Question/Comment

Thanks for your email soliciting input on the MHAF, this is a very exciting program! I had a few questions I was hoping you could answer:

- Are the MHAF payments able to cover eligible expenses that an eligible homeowner paid during their hardship period, payments that they missed, or both?
- What will intake look like? Will MSHDA have a portal? Will applications be first come, first served?
- When is this program slated to be launched?
- What was the rationale for prohibiting use of these funds for home improvement? Is there any opportunity for supporting improvements related to increased utilization of the home, say, for at home student instruction, or at homework, or for critical home infrastructure such as HVAC?

I would be very interested in facilitating supplemental promotion and applicant recruitment for the City of Ferndale, to help our residents apply for funding. Please let me know the best way to go about that in alignment with how you envision running the program.

Thanks again for the opportunity to review this proposal and for taking the time to review my input.

6. MIHAF Answer

Michigan's program will provide funds directly to a homeowner's lender/servicer to pay delinquent payments, to reinstate a mortgage or pay other housing-related costs related to a period of forbearance, delinquency, or default, including principal reduction.

Homeowners will apply on-line through home computers or using their mobile phones where they will be able to upload the required documents for our staff to evaluate, determine eligibility and approve assistance. Homeowners can also call 211 for MIHAF information and assistance in the application process or work directly with counseling agencies or legal-aid offices to apply. We hope to provide a paper application option also.

The MIHAF program launch cannot occur until after we receive US Treasury's approval of our plan, and we obtain legislative appropriations of the funds. We expect to launch MIHAF by the end 2021.

Michigan's plan does not include assistance for home repairs.

7. Question/Comment

This is fantastic!! What is the median income for Calhoun County? I want to make we are referring the correct people to this program.

7. MIHAF Answer

The area median income of Calhoun County is currently \$55,500. We are using the State's area median income of \$75,300 to determine a homeowner's income eligibility and report to US Treasury. The

MIHAF program guidelines require homeowner's income be equal to or less than 150% of the area median income or \$112,950 and focus on homeowners with household income of 100% area medium income.

8. Question/Comment

Thank you for the update—I think this is a great idea and an equally great opportunity to help our Michigan homeowners. However, it has been sometime since I participated in the hardest hit program and as such have lost my login/password, and I am not sure who my contact is anymore.

Also, I am preparing an informational letter campaign for our Michigan homeowners and need all of the contact information for the program, i.e., toll free number and website address.

8. MIHAF Answer

Michigan has developed a website at www.michigan.gov/mihaf that we will continue to update with MIHAF information as it becomes available. We plan to have the on-line application portal linked on this website.

Prior to launch, our non-profit counseling agents will be trained on how to access the system and be given program details. We are not using the same Step Forward/Hardest Hit program site.

9. Question/Comment

I have a few questions regarding the new upcoming program with MSHDA. For the Lenders or Servicers that are currently participating the MSHDA Hardest Hit Program, will we need to sign up again to participate or be automatically enrolled in the upcoming MIHAF Program? Can previous Hardest Hit Applicants apply for the program for assistance? Is there a limit on how many times you can apply?

9. MIHAF Answer

Michigan will be sending new lender/servicer agreements to all our previous Hardest Hit Program partners for MIHAF, so no, you will not be automatically signed up or enrolled. We do however hope all previous partners continue to work with us and promote the MIHAF program to their clients.

Yes, all previous Hardest Hit/Step Forward homeowners are eligible to apply for the new MIHAF program. Homeowners must meet all MIHAF eligibility requirements, can apply multiple times but can only receive MIHAF Grant funds once.

10. Question/Comment

The term sheet lists the Assistance Type as a non-recourse grant. Will this be recorded as a subordinate lien, and if so, what is the term for forgiveness?

10. MIHAF Answer

Yes, this is a non-recourse Grant program. Approved homeowners and MSHDA will execute the Michigan Homeowner Assistance Fund Grant Agreement in an amount up to \$25,000. It will not be recorded as a lien on the homeowner's property.

11. Question/Comment

I am the County Treasurer in XXXX County and recently received an email regarding the MIHAF Program by MSHDA. I have a few questions regarding the program.

1. Will the County need to sign an agreement with MSHDA to be a partner similar to what we did with the Step Forward Program?

2. Will applicants have the same case worker throughout the process?

This was an issue with Step Forward as I heard from several applicants that they had to re-send the same information several times. They stated they would speak with someone different each time and many times the person did not have the info they originally sent. It slowed down the process and some applicants, after submitting the same documentation several times over several months, just walked away and never received any assistance.

3. Will there be a pre-approval process?

11. MIHAF Answer

Yes, all Counties will be asked to execute a new MIHAF Provider Participation Agreement similar as we did with the Step Forward/Hardest Hit program.

No, a homeowner will not have the same case worker throughout the application process. Instead, we have contracted with Michigan 211 to act as our customer service team which will allow operation staff to use the streamlined processes and procedures to determine eligibility. We believe this new model will decrease the multiple touches on each application, decrease the documentation requirements and be more efficient.

No, there will not be a pre-approval process.

12. Question/Comment

My name is _XXXX, attorney at the law firm of _XXXX. I write you with comments and recommendations for MSHDA's proposed implementation of the Michigan Homeowner Assistance Fund (MIHAF) established under section 3206 of the American Rescue Plan Act of 2021 (ARPA), that MSHDA's intends to roll out at the state level in Q-3 of 2021. After review of both section 3206 of the ARPA and MSHDA's MIHAF Fact Sheet, we noticed that Housing Cooperatives were omitted from "Eligible legal ownership structures." Our comments propose that MSHDA add Housing Cooperatives memberships as a form of eligible legal ownership structures and otherwise qualify for MIHAF assistance.

So, you are aware, our law firm specializes and represents many Housing Cooperatives throughout Michigan and the Midwest. ___ has been representing Housing Cooperatives for over 40 years. While Housing Cooperatives are a unique form of property ownership, we believe that this type of ownership fits within the stated purpose of the ARPA and MIHAF ("to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020 through qualified expenses related to mortgages and housing"). Housing Cooperative ownership/membership should be considered an eligible legal ownership structure for the MIHAF, and we do not believe the language of section 3206 of the ARPA precludes MSHDA from including certain Housing Cooperative members/owners from seeking program assistance.

First, Housing Cooperatives are not rental properties. Rather, they are more akin to Condominium Associations, or a blended type of residential ownership. A Housing Cooperative association is a common interest community, in which the real estate is owned by the Association/Corporation. Each of the Housing Cooperative association's members are entitled, by virtue of an ownership interest in the association, to the exclusive possession and enjoyment of a specified dwelling unit within the association. A person who owns an interest in a Housing Cooperative typically owns stock in a cooperative corporation and has a leasehold granted by the corporation to occupy a specific dwelling unit.

Dwelling units within Housing Cooperatives are typically owner-occupied by virtue of their members. Housing Cooperative Corporations provide housing to individuals and their family members who meet qualifications for membership in accordance with the bylaws and governing documents. Upon approval for membership, the individual purchases an interest in the cooperative and receives his/her membership certificate as well as copies of the Housing Cooperative's governing documents (i.e., Bylaws, Rules and Regulations, Policies, and purchase agreement) that are adopted by the corporation). Members of a Housing Cooperative entitle each member (and their approved family members) to occupy a specific dwelling unit and holds that member responsible for certain obligations with respect to maintenance and upkeep of his/her dwelling unit, contribution towards payment of any existing mortgage on the real estate, real estate taxes, and operational expenses. In most Housing Cooperatives, members are required to occupy the dwelling with their family as their primary residence.

The benefits of Housing Cooperatives are also akin to benefits typically received with traditional homeownership or condominiums. Each member/unit owner is provided with a Homestead Tax Exemption based upon their ownership interest and use of the dwelling unit as their primary residence. When a member/owner sells their unit or membership interest in the corporation, equity is transferred to the member for any increase in value of the unit during his/her occupancy. If no increase is realized, the member typically receives back what he/she originally invested when they purchased their membership interest/dwelling unit. The only real difference between Housing Cooperatives and Condominium Associations is that with respect to Condos, the Co-owner holds title to the property/Condo Unit, whereas with Housing Cooperatives, the member holds a membership interest in the form of a stock certificate with full voting rights on any issues affecting the cooperative community as a whole, while the Housing Cooperative corporation holds title to the real property. However, like a condominium owner may have obtained a mortgage to finance the purchase price, some Housing Cooperative memberships are also purchased/financed by lending institutions who issue share loans.

Of most significance with respect to Housing Cooperatives and section 3206 of the American Rescue Plan Act of 2021 eligibility requirements, is that members of Housing Cooperatives are allowed to mortgage or pledge their interest in the cooperative housing unit they occupy. Some Housing Cooperatives, such as market rate cooperatives, allow an incoming member to finance the initial cost of membership. This is similar to a traditional mortgage loan, whereby the incoming member obtains a Share Loan to cover the cost of membership (or the value of the unit at the time of purchase). The Share Loan lender holds a security interest in the borrower's membership with the Housing Cooperative, and typically holds the membership certificate in escrow until the share loan is paid in full. This is a form of a secured transaction similar to how mortgages on traditional real estate are backed by the real property itself. Much like a mortgage lender can foreclose in instances of defaults by a homeowner, a Share Loan lender may also initiate similar enforcement proceedings in instances where a cooperative member defaults in their share loan obligations. By adding this type of housing ownership to the eligibility of MSHDA's MIHAF, the program could prevent foreclosure or other action that may result in the displacement, further financial hardship and/or homelessness of a cooperative member and his or her family.

Looking to Section 3206 of the American Rescue Plan Act of 2021, specifically Section 3206(b)(4) defines the term "mortgage" as "any credit transaction . . . that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower that is (i) a 1- to 4-unit dwelling, or (ii) residential real property that includes a 1- to 4-unit dwelling." Likewise, section 3206(c) of the ARPA does not explicitly preclude Housing Cooperative ownership from eligibility. Instead, the statutory text of the ARPA simply does not rule out housing cooperative ownership as a type of eligible legal ownership. Rather, for those reasons noted above, Housing Cooperative ownership secured by a "security interest on a principal residence" should otherwise fit within the statutory definitions and thus be eligible for program assistance.

Looking to how the Internal Revenue Service Treats Housing Cooperative membership and tax benefits to individual members shows yet another reason why Housing Cooperative ownership is more akin to

Condominiums rather than traditional landlord-tenant relationships. With traditional landlord-tenant relationships, the tenant is only entitled to possession of his/her unit they occupy for the duration of a specified term of the lease agreement. Landlord-Tenant relationships do not provide the tenant with any benefit of homestead relief of other homeowner tax benefits, despite the apartment being their primary residence. With Housing Cooperatives, however, members are entitled to take various tax deductions that an owner of a house or condominium is entitled to take.

Member-shareholders of Housing Cooperative associations have the same potential tax benefits as other traditional homeowners and condominium co-owners, including taking their share of the mortgage interest and real estate taxes as a deduction on Schedule A of their 1040 Federal Income Tax return. The deduction can be substantial if a member itemizes the requisite deductions on his/her tax return. If the Housing Cooperative is able to pass through the deduction, each member-shareholder should receive notification from the Housing Cooperative of the amount by January 31st of each year. Section 216 of the Internal Revenue Code is the section that allows pass-through of mortgage interest and real property tax deductions from cooperative housing corporation to the member-shareholders.

Another reason why Housing Cooperative ownership should not be defined or viewed as traditional landlord-tenant relationships, at least in Michigan, is because Michigan's Landlord-Tenant Relations Act ("LTRA") does not apply to Housing Cooperative associations, and payments made by a shareholder toward a membership in a Housing Cooperative association cannot be considered a "refundable security deposit under the [LTRA]." See *Penokie v. Colonial Townhouses Co-op., Inc.*, 140 Mich. App. 740; 366 N.W.2d 31 (1985). The agreement between a Housing Cooperative corporation and its tenant-shareholders makes each tenant-shareholder responsible for paying a proportionate amount of expenses such as taxes, interest, amortization of the mortgage, and maintenance costs for labor, hearing, repairs, and other items. 15A Am. Jur. 2d, Condominiums and Cooperative Apartments § 81.

Lastly, our firm has represented numerous housing cooperative associations located in the City of Detroit. In 2016 and 2017, the City of Detroit was attempting to enforce its Landlord-Tenant ordinances against Housing Cooperatives. The City asserted that its Landlord-Tenant Rental property ordinances such as 9-1-36 and 9-1-81, were applicable to Housing Cooperatives. These ordinances require landlords to register their rental properties with the City and obtain Certificates of Compliance that their rental properties followed City code. However, after legal challenges by Housing Cooperative, the City changed course, and agreed that its landlord-tenant ordinances do not apply to Housing Cooperatives.

For the reasons stated above, the traits of Housing Cooperatives fit within the hallmarks of home ownership, not apartment rentals. Housing Cooperatives should be considered an "eligible form of ownership" pursuant to MSHDA's rollout of the MIHAF assistance program. There are over 100 Housing Cooperatives in the State of Michigan. Within those cooperatives are thousands of residents, individuals, families, and constituents. These individuals and families have been affected by the coronavirus pandemic no less than any person or family who resides in or owns other forms of traditional housing (single-family homes, condominiums, etc.). Members and families of Housing Cooperatives should not

be excluded from program-based assistance such as the MIHAF simply because of the unique form of property interest they own and the community-based living they have chosen to live in.

We hope that in taking these comments and suggestions into consideration, MSHDA will consider adding Housing Cooperatives to a form of “eligible legal ownership” structures that may be eligible for MIHAF assistance. Should MSHDA want to explore this in any further detail, we would be happy to continue this conversation and provide MSHDA with further insight or guidance that may be needed to achieve its purpose.

12. MIHAF Answer

Thank you for your comments and suggestions regarding Housing Cooperatives and Michigan’s MIHAF program. MSHDA’s COVID Emergency Rental Assistance (CERA) program is currently providing American Rescue Plan Funds to Cooperative households and MSHDA’s legal team has advised us that CERA is the correct program to provide that assistance.

13. Question/Comment

___XXXX__ appreciates the opportunity to comment on this exciting resource that is planned for MI homeowners and commends MSHDA for soliciting feedback.

The program appears to be well thought out and very comprehensive. We do have several comments and thoughts to share, based on our experience as a Housing Counseling organization and administrator of millions of HPRP, EDP, CERA and ESG funds over the years:

- With 211 operating the call center, what will the coordination and interface be between the parties and with community partners? Many times, tenants and homeowners in a crisis will call multiple times (to many entities) to request assistance or status updates on their case.
- The ‘Applicants may be assisted by a 3rd party counseling agency or legal aid office’ statement needs to be clarified. If agencies and legal aid are to be integral partners or have a role in this process, they will need to be compensated fairly for their staff time and coordination efforts, as well as brought in as partners and collaborators on the front end.
- The online portal for applications and documentation that is mentioned- How will applicants be assisted who have difficulties with technology, have no internet access or technology to effectively complete an application online? Will paper applications be an option? Will applications be in multiple languages?
- Volume could be a huge issue with the comprehensive nature of this funding and the number of MI households that are behind on their mortgages, taxes, insurance, and utilities. The demand may exceed MSHDA capacity based on our experience with the Hardest Hit fund. There may be 9,000 to 10,000 eligible applicants, plus those that apply that are ineligible; all those applications will need to be reviewed.
- What is planned for communication, coordination, and interface with lenders? With such a large program, it will be important to market to, communicate with and work closely with the lending community.

- Housing counseling agency partners should be part of the process.
- What areas/partners will be covered by this program- will amounts be allocated by county?
- It would be helpful as this moves along to delineate the roles of the various entities in the program and define who is specifically doing what.
- This has the potential to be an extremely impactful and popular program, and as such it must be planned well, pulling in the partners that will be needed and managed well with excellent communication along the way.

13. MIHAF Answers

- MIHAF will have one toll- free number those homeowners can call for program information or assistance in submitting their application. We have contracted with Michigan 211 to act as our customer service team and they have the capacity to answer this designated MIHAF number promptly, provide updated case status, take phone applications, or refer callers to non-profit counseling agencies for face-to-face appointments or other services.
- MIHAF Administrative funds are available to pay counseling agencies and/or non-profit legal agencies \$150 for their assistance to homeowners with the on-line application process; the current MATT system will have a billing code for MIHAF HO Assistance. If homeowners need other counseling services, they can continue to be billed through normal channels using MSHDA HEP funding or HUD grants.
- We have contracted with Michigan 211 to act as our customer service team which will allow operation staff to use the streamlined processes and procedures to determine eligibility. We believe this new model will decrease the multiple touches on each application, decrease the documentation requirements and be more efficient. Yes, a paper application will be available, and we hope to have it and program details translated in multiple languages.
- We are in discussion with MSHDA’s public relations firm to market the program through digital, social, and print advertising and creating a marketing tool kit that will be available for our program partner to utilize and share with their clients needing MIHAF assistance. We will also reach out to community partners and neighborhood associations to assist with local door to door marketing.
- MSHDA will facilitate training and MIHAF information sessions to our community and program partners once US Treasury reviews and approves the Michigan’s plan.

14. Question/Comment

I am writing to you as a homeowner who has been struggling to pay their mortgage since the pandemic.

My husband and I both have 2 jobs. He works at XXXX__ and XXXXwhile I work in _XXXX_ and work in the gig economy to help make ends meet. We bought our home in December of 2019, I worked 2 gig jobs and was able to pay my mortgage then everything stopped.

While the world is finally opening again, we both still are not able to pay our mortgage. I apply for gig jobs, but they only have a limited number of slots, and I am not able to pick up work. While my husband has been underemployed and is not able to get assistance as others can.

I saw that you were welcoming comments on the homeowner assistance program, and I would like to input a few. I had absolutely no CLUE this was an option. I just found out there was a program the day after the recent assistance program ended. When I emailed, I was told it actually ended in October.

Due to the lack of public knowledge, I find that this needs to be extended. Many families I know are feeling the effects of the pandemic NOW, not when it started, NOW. My parents lost their home in the 08 crisis, and I have been terrified to own home ever since. My husband has always wanted to own a home and I was reluctant to agree. This pandemic has been a mental whirlwind, the fact I had just found out about this assistance and that the program may or may not be extended has made it worse.

We love our home; I now love our home. The assistance would help us tremendously and extending the program it would help others who are now feeling the effects of the pandemic. I urge you to open the program back up and market this more wildly so other do not lose their home.

14. MIHAF Answer

We know of many households struggling now and are doing our best to get the MIHAF program up and running as soon as possible. Once a launch date is announced, we will begin to heavily advertise the program and direct homeowners on how to apply. Please visit our MIHAF website at www.michigan.gov/mihaf for continued updates.

15. Question/Comment

I had hoped you'd actually answer the questions however if you are not going to and/or unable then I would recommend for comments that: All back and current property taxes be eligible for MIHAF in property tax and/or mortgage foreclosure prevention cases that can be assisted.

15. MIHAF Answer

Michigan is proposing to US Treasury that any household that has experienced a coronavirus pandemic related financial hardship after January 21, 2020, be assisted with funds to remedy a property tax delinquency. Each case will be reviewed on its own merit and every household must conform to our income limitations for the program. Program details will be published as soon as our program plan is approved by US Treasury.

16. Question/Comment

I wanted to reach out to give my thoughts and recommendations on the fund that's soon to be available for homeowners.

I'm hoping that some cities are weighted differently in terms of the number of approved applications in a given city. There are some cities in Michigan that I'm sure you're aware of that need more funds for housing than others.

Detroit has been faced with a detrimental housing crisis for years now. We have struggled since facing a municipal bankruptcy and also the Recession. Also, we have a city that's majority faced with the need for home repairs that are unmet due to lack of funds from homeowners. I'm asking or wondering if this assistance could be made available to include home repairs as this has become a greater issue for some Detroiters due to the Pandemic.

Please consider cities in Michigan that are in greater need of funds compared to others. Otherwise, this is a slap in the face to those who need true assistance and have been for years now.

I think it's unfair to ask residents to prove a loss of income or increase in expenses. There are lots of people who have had low-income jobs consistently while also having their daily expenses remain the same. These people are in as great of need as those who may meet the requirements already given for "Qualified Financial Hardship".

These are my thoughts and recommendations and I hope they are taken into consideration! Thanks for reading my email.

16. MIHAF Answer

US Treasury guidelines issued do not give us the latitude to assist with general repairs or give geographical preference to one city over another. We do recognize the challenges Detroit residents have and intend to do significant outreach with your community partners and in your neighborhoods however, applications will be reviewed in first come, first serve order.

17. Question/Comments

- It's not clear from the term sheet that MIHAF will include reverse mortgages.
- The MIHAF states that "eligible legal ownership structures" include only the following:
 - Those where the home is under a Purchaser's Interest in a Land Contract valid under Michigan Law.
 - There is concern that this definition will not cover most homeowners under a land contract. Please expand the definition.

Other questions:

1. What about home purchased after 1/21/20, then homeowner had a COVID hardship?
2. What about borrowers in an active Bankruptcy?
3. What about eligible ownership to a successor?
4. What about reduction of income – can this be broader or more flexible with homeowner who had an initial financial setback earlier and then were not able to regain employment or other income due to the pandemic?

5. What about MIHAF not having enough to fully reinstate the mortgage or hardship happened before 1/21/20?
6. There are still many who are delinquent but do not have a forbearance, including many with non-federally backed loans?
7. Are housing counselors limited only to application assistance?
8. Will there be proper application of funds to the homeowners account?
9. Please consider home repairs as a qualified expense.

17. MIHAF Answers

Thank you for your multiple questions and know that Michigan's intent is to adhere to the US Treasury's guidance of the purpose of these funds which is to mitigate financial hardships associated with the coronavirus pandemic and prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services and displacements of homeowners. So yes, we will include Reverse Mortgages and be able to reinstate the delinquent corporate advances the lender/servicer may have paid towards the homeowner's property taxes or insurance costs.

And we will include those homeowners in an active bankruptcy by obtaining permission from the bankruptcy court and forwarding it to the lender/servicer for their review and ability to accept program funds.

We also plan to address eligible ownership as individuals in title to the home and those that obtained ownership through an estate; because we are aiding in the form of a non-recourse Grant and not a secured subordinate lien, we have flexibility in considering an individual's ownership interest as long as it is not a LLP, LP, S-Corp, or LLC.

Our MIHAF eligibility guidelines, document requirements and process steps are still being determined and not yet finalized. Once Michigan's plan is approved by US Treasury, we will update our website located at www.michigan.gov/mihaf with additional program details and frequently asked questions.

18. Question/Comments

Being an Oakland County resident does not allow me to take advantage of programs that assist those in need regarding back taxes for citizens in need of financial support due to their unequal economic base. I humbly ask for programs that aid those underemployed, returning citizens, covid related and ordinary unemployed citizens.

Thanks for the voice

18. MIHAF Answers

The MIHAF program will be available state-wide and open to all homeowners that are struggling with delinquent property taxes and meet the program's eligibility requirements. Your home must be owner occupied and have household income less than 150% of the State's area median income of \$112,950 and have a coronavirus pandemic related hardship that occurred after January 21, 2020.

19. Questions/Comments

Thank you for the opportunity to comment on the proposed program terms for the Homeowner Assistance Fund. As a community foundation serving a rural economically distressed community (_XXXX_ County), we believe that this type of assistance is needed now more than ever, and we are grateful for the investment in this new program.

Please find my comments and questions below.

1. Question - I didn't see any description of how funds would be allocated across the state? Will they be available on a first come, first served basis, allocated regionally or otherwise? Past experience has led us to believe that having the opportunity for individuals to apply to a pool that is available statewide provides greater access for our rural community members.

2. Leverage - A network of community foundations (and other foundations) exists across Michigan. There may be an opportunity to leverage philanthropic dollars to have an even greater impact. We would be interested in looking at what this might look like for _____ County residents.

Again, we appreciate the opportunity to weigh in on this promising new program. Feel free to contact me directly with any questions.

19. MIHAF Answers

Yes, MSHDA has been designated by the State of Michigan to oversee the MIHAF program and disburse the funds first come, first serve to eligible homeowners state-wide. When we launch our program, applicants will be able to apply on-line at our website www.michigan.gov/mihaf or through their mobile phone, or even by contacting one of our counseling agencies across the state for a face-to-face appointment or calling 211 who has been contracted to partner with MIHAF as our Customer Service team.

20. Question/Comments

____XXX____ and I have assisted hundreds of applicants with the Step Forward process since its start in 2013. We have comments and suggestions for MIHAF based on this experience:

Application process

- We had many difficulties with the SF portal security. Email confirmations were very delayed or didn't work at all
- Some of our applicants didn't have an email address. We recommend a phone number/text as an additional login method. Or the ability for a third-party counseling agency to register and apply on their behalf
- Most people have a smartphone, but many have no computer. An application portal that has a mobile app or mobile optimized website would be very useful. Applicants could take pictures of

documents with their phone and easily upload to the website/app. The ability for applicants to sign the application electronically would also be helpful

- Our most vulnerable population (especially seniors) do not have access to computers/smartphones/internet/transportation. A paper application option would be very helpful; we found this much easier to use in the later stages of SF Payment disbursement
- We recommend MIHAF pay all property taxes owed for the applicant at the time of approval, regardless of tax year. Many customers who were delinquent prior to the pandemic were thrown even further behind due to job loss and increased expenses
- If paying all years isn't an option, we recommend including delinquent 2019 taxes along with succeeding years. As of January 21, 2020, winter 2019 property taxes were still due to be paid by February 14, 2020. Many seniors receive a senior deferment, which effectively extended their 2019 property tax due date to April 30, 2020. In addition, many customers use their income tax return to pay their property taxes. The pandemic limited the amount of income tax prep assistance available, so a portion of the population did not have an opportunity to file and receive refunds
- The guidelines state household income to be equal or less than 150% AMI. Does this refer to the applicant's income just prior to the pandemic hardship or their current income? It would be helpful to have this clarified
- We've noticed long delays in receiving copies of Social Security award letters from SSA. Please keep in mind there may be delays in getting proof of income documents due to pandemic related business operations

Please let us know if you need clarification on any of the above comments/suggestions.

Thank you,

20. MIHAF Answers

Thank you for your comments. We are taking all the lessons learned from Step Forward and contracting with a new system of record vendor which we hope will greatly improve the interface with homeowners and third parties authorized to help them with the application process. When we launch our program, applicants will be able to apply on-line at our website www.michigan.gov/mihaf or through their mobile phone, or even by contacting one of our counseling agencies across the state for a face-to-face appointment or calling 211 who has been contracted to partner with MIHAF as our Customer Service team.

Michigan is submitting a request to US Treasury to allow payment of multiple years of delinquent taxes. We anxiously await their approval; however, we will have to comply with their guidance.

The State's area median income requirement will be based on the homeowner's current household income.

21. Questions/Comments

I am a board member of an agency whose mission is aligned with providing services and programs to the same at/below poverty individuals indicated in the proposal. My concern is with outreach, awareness, and understanding of the targeted populations who need and are eligible for this assistance. In the proposal access to the services will be through 211, organizations..., has an agency been designated to assist prospective beneficiaries of this program to navigate through the process? And will those navigators receive training to assure they understand the intended population and uses of the funds. I raise this concern, as I have attempted to help community members navigate access to these opportunities and have found they are not up to date or under-informed on service details, agency referrals are unreliable, contributing to a very confusing and frustrating process for those looking for assistance. Also, what is DHHS's role in this initiative? Being aware individuals are capped at \$1,000 for utility assistance through the SER application, will individuals be required to apply for DHS SER assistance first, and if so, would the DHHS cap prevent access to this program?

Thank You for allowing me to share and hopefully my response aligns with what I understand the proposal is stating! Have a Great and Safe Day!

PS, if at all possible, would you please acknowledge receipt through response?

21. MIHAF Answer

Outreach and advertising for MIHAF will come from social, digital and a print campaign. We will ask our community partners to actively promote the program along with sharing a tool kit and a suggested script for program partners to add to their websites or delinquent statements.

Homeowners will be able to apply through an on-line application process, by phone through 211 or in person with one of our many counseling agencies. The entire process will be fairly streamlined with minimal homeowner documentation requirements, and we will train agencies so that they are ready and prepared when we launch the program.

Homeowners who apply for utility assistance with DHHS and can document they still have a need for additional utility help, will be able to apply for this MIHAF funding. DHHS does not have an active role in MIHAF other than helping us promote the program and refer homeowners still in need to us.

22. Questions/Comments

Friday, July 9th:

Hope everyone is well. Thank you for taking on this task of planning how to distribute the funds.

Following are my thoughts after reading through the MIHAF Term Sheet.

It is great to see all forms of homeownership situations, not just mortgage assistance, as part of the eligible properties.

Will applicants have to show they have income to cover future payments?

It is confusing when income eligibility requirements state homeowners must have incomes equal to or less than 150% of AMI, but then there is a prioritization.

If 60% of the funding has to go to those under 100% AMI, do those that apply with income over this sit idle until the 60% is used up?

When you prioritize funding based on "Socially Disadvantaged Individuals" which then lists specific self-identified races, this is discriminating against the other races not listed. Who is the deciding authority on a person being socially disadvantaged? To make the presumption that all members of a certain race are or are not such is not accurate.

The negative financial consequences from this pandemic did not discriminate based on race, color, national origin, religion, sex, familial status, disability, etc.... Why does this funding assistance get to?

Increase in living expenses should not be hard for anyone to show for a qualified financial hardship. There was the increase in utilities, water, internet costs, cost of preparing to work and school from home, the increase in the price of fuel, etc...

Some people actually ended up making more income with UIA benefits. Which thankfully got them through some very tough times. But will these be considered in documenting the decrease in income hardship?

Why would 1-to-4-unit properties be ineligible if they received Emergency Rental Assistance Funds? You would think that would be counted as funds for the renter which was income for the landlord. The landlord may have had another COVID related hardship or fallen behind on all other bills due to rent income delay for months.

I believe lot rent for mobile homes can be paid through CERA, does that disqualify them for MIHAF if they had assistance through CERA?

This funding could go fast if it can pay current forbearances with many being on forbearance for up to 18 months.

For property taxes, will it only cover delinquent taxes for 2020 and 2021? What will happen if the homeowner also has delinquent taxes from earlier years?

Again, it is an arduous task you are taking on, grateful it is being done.

22. MIHAF Answers

Thank you for submitting this list of questions and know that Michigan's intent is to adhere to the US Treasury's guidance of the purpose of these funds and focus on households that may have been most impacted by the coronavirus pandemic and at risk of mortgage default. Treasury guidelines specifically require income qualification at maximum of 150% of area median income (\$112,950) and encouraged all states to do direct marketing to homeowners with incomes of or less than 100% of area median income (\$75,300) along with those who have government loans. Based on our Step Forward/Hardest Hit end-of-

program data, we believe we will naturally meet these thresholds and will determine homeowner's eligibility on a first come, first serve basis. The applicant will be asked to self-attest to being socially disadvantaged on the application and it will be used to report to Treasury.

In response to your other comments, MIHAF will not require a sustainability test for the homeowner's monthly housing payment.

The occupying owner of one unit in a 1–4-unit structure may be eligible for MIHAF if they had not previously received rent assistance for the other three units from Michigan's COVID Emergency Rental Assistance (CERA) program.

Michigan is submitting a request to US Treasury to allow payment of multiple years of delinquent taxes. We anxiously await their approval; however, we will have to comply with their guidance.

23. Question/Comments

Attached are public comments regarding MIHAF from _XXXX_ County Treasurer. In his comments, Treasurer _XXXX_ outlines the importance of including property taxes as an eligible expense within MIHAF.

On behalf of Treasurer _XXXX_ and the _XXXX_ County Treasurer's Office, we appreciate the opportunity to provide input regarding MIHAF. Furthermore, Treasurer XXXX_ looks forward to working with MSHDA as we fight to keep families in their homes. Thank you!

23. MIHAF Answers

Yes, Michigan is submitting a request to US Treasury to allow payment of multiple years of delinquent taxes. We anxiously await their approval; however, we will have to comply with their guidance.

24. Question/Comments

First, we urge MSHDA to take steps to ensure that older adults receive information about the new provisions and how to avail themselves of the available funding, including persons who may not have access to broadband or the ability to learn about or apply for funds over the internet.

Second, upon our review of the guidance for this program as issued by the U.S. Department of Treasury, there are two additional categories of eligible use that do not appear to have been included in the initial program outline MSHDA provided to stakeholders, but which we urge MSHDA to consider including:

- Measures to prevent homeowner displacement, such as home repairs to maintain the habitability of home or assistance to enable households to receive clear title to their properties
- Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses.

24. MIHAF Answers

Michigan's plan does not include assistance for home repairs or rehabilitation as we felt that a greater use of these funds is to assist homeowners with delinquencies to stop foreclosure and home loss.

Community engagement will take place through many different sources; digital and/or social marketing, print, interviews, and public engagements. We will ask mortgage lender/servicers to promote the program on their websites and delinquent statements. We will also engage with community partners to complete a more grass roots campaign such as going door-to-door in high concentration areas of mortgage delinquency.

25. Question/Comments

I work in HOA and COA management! This could help those association members who have fallen behind on their fees.

25. MIHAF Answers

The MIHAF program will assist homeowners with payments for delinquent condominium homeowner association fees to stop a potential or future foreclosure.

26. Questions/Comments

I'm writing to request your consideration to include _____ ARPA proposals as eligible activities in the plan you are developing. I understand the plan might not yet prioritize all of our proposals, but we have been advised that now is the time to request eligible activities of the plan to avoid the need to revise at a later date. Aside from the specific proposals, I request the following activities be included as eligible:

- 1) Home Repair, minor, critical, and home replacement
- 2) Emergency Home Repair
- 3) Acquisition Development Resale
- 4) Homebuyer Purchase Rehabilitation
- 5) Homebuyer
- 6) Down Payment Assistance
- 7) Revolving Loan Funding to support increase in supply of affordable housing for renting and owning.

Thank you for your service and for your consideration of this request to include in the plan!

26. MIHAF Answers

The Homeowner Assistance Fund (HAF) Guidance received on April 14, 2021, from Treasury specifically stated the HAF was to provide funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

We did consider including major homeowner repairs, such as structural damage and roof replacements, to avoid a homeowner's displacement however, it was not functionally possible for MIHAF to develop state-wide relationships with home construction contractors and did not fit into our operation model of the homeowner applying on-line and staff determining eligibility. Additionally, MIHAF funds cannot be

disbursed directly to the homeowner to reimburse their cost of repairs. The MIHAF focus on assisting struggling homeowners with financial assistance to stop a foreclosure best fits Treasury's guidance and Michigan's goal.