



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

WAYNE WORKMAN
ACTING-EXECUTIVE DIRECTOR

Michigan State Housing Development Authority Notice of Funding Availability for MSHDA's Fiscal Year 2015-2016 Housing Education Program

MSHDA's Housing Education Program (HEP) announces the availability of funding for grants to provide housing education services for the period of July 1, 2015 through June 30, 2016. In addition to the requirements set forth in this document, applicants must also comply with the requirements established for MSHDA's Housing Education Program. All grants to be awarded under this Notice of Funding ("NOFA") are contingent upon MSHDA Board approval, and subject to the availability of funds.

Through this funding, MSHDA-approved counseling agencies will be able to respond to the housing needs of their clients and deliver a variety of housing education services that will assist them towards achieving their housing goals and establishing financial capabilities. This funding will support proposals designed to:

- Provide comprehensive Homebuyer Education in either a group or individual setting.
- Provide comprehensive Individual and Financial Capability Services to individuals; identifying specific issues and challenges, encouraging behavior change and ultimately obtaining housing goals.
- Provide Homebuyer Education and Financial Capability Services to MSHDA's Rental Assistance and Housing Solutions Family Self Sufficiency (FSS) and Key to Own (KTO) participants.
- Provide comprehensive Foreclosure Services to Michigan homeowners in need of this service, based on Michigan's foreclosure laws and timeline, Home Affordable Modification Program (HAMP) guidelines and Michigan's Help for Hardest Hit Program.
- Focus on implementing best practices in the delivery of services as well as the quality of services provided.

About the Funding

Support funding for these services may include MSHDA's HEP, HUD grants, etc., or other sources that are made available to support MSHDA's HEP during the period covered by this NOFA. Should MSHDA acquire additional funding through the NFMC program, sub-grantees to provide those foreclosure services will be selected from agencies funded through this opportunity.

Detailed information on disbursement of funds and reporting requirements will be provided upon approved awarded HEP Contract Agreements.

735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909
michigan.gov/mshda • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568

About the Need

Michigan's economic recovery, coupled with low mortgage interest rates, low housing prices and MSHDA down payment assistance funds, make it an ideal time for Michigan residents to purchase a home. MSHDA strongly believes that homeowners are a stabilizing force in communities, because they typically live in communities over three times longer than those who rent. A financially capable consumer has the ability to sustain homeownership which ultimately has a positive impact on our communities.

New homeownership is on the rise; therefore a growing number of clients will seek pre-purchase services. Michigan homeowners will need housing education and reliable foreclosure services.

Over the past five years, non-profit agencies have seen a reduction, or elimination, of the funding that has historically been available to support portions of their housing education programs; these include Community Development Block Grant (CDBG) and HOME funds. MSHDA HEP funds will be utilized to retain highly skilled housing education staff to meet the continuing need of providing housing education to members of the communities they serve.

Applicant Eligibility and Requirements

This opportunity is open to MSHDA's statewide network of housing education agencies that have a current approved Partner Profile in MATT 2.0. Applicants funded through this NOFA will provide the housing education services described in the Funding Priorities section below. Requests should be based on the total cost to provide services outlined in the application and must be for a 12 month period running July 1, 2015 through June 30, 2016.

Applicants must:

- Have a current approved Partner Profile with MSHDA's Housing Education Program.
- Be compliant with MSHDA/HUD/NFMC requirements.
- Be an adopter and provide services in accordance with the National Industry Standards for Homeownership Education and Counseling.
- Have a demonstrated capacity to provide the services for which they are applying.
 - Applications will be evaluated on past sub-grantee performance as a MSHDA partner agency.
- If agency provides Pre-Purchase Services for which a fee is charged to the client, applicant must submit the agency's Fee Structure with their application.
- Have the ability to report activity and accomplishments using a HUD 9902, PAR's, Quarterly Report or similar document based on MSHDA's requirements.
- Deposit MSHDA Housing Education Program funds into a separate account at its financial institution, and utilize funds appropriately based on their HEP Application for funding. If the account is interest bearing, the Grantee may use the earned interest for administrative expenses.

Funding Priorities

The amount requested by an eligible applicant cannot exceed \$50,000. Five percent (5%) of the applicant's requested grant amount will be added to the grant to support administrative expenses. For example, an agency approved for \$50,000 will be awarded an additional \$2,500 for a total grant award of \$52,500.

Applicant must adhere to MSHDA's HEP Policies and Service Guidelines when providing each of the service outlined below.

Agencies are able to provide Pre-Purchase Inspections, Family Self-Sufficiency and Key to Own Services for reimbursement; however, these services are **not** to be included in your “Anticipated Services” information for the purpose of this grant application.

Applicants may elect to provide one or all of the following services funded under this NOFA:

Homebuyer Education

Applicants electing to provide Homebuyer Education must also coordinate Pre-Purchase Inspection funds.

Agencies applying for funds to provide this service will be reimbursed based on the scale below:

- Individual - \$50 per household
- Lender Referral - \$50 per household
- Group - \$50 per household - maximum compensation of \$1,000 per workshop, based on attendance

Homebuyer Education (HBE) may be provided in a Group or Individual setting and must be in compliance with MSHDA guidelines.

Pre-Purchase Individual Services

Agencies applying for funds to provide this service will receive \$75 per household on a per hour rate, not to exceed \$225.00 (up to 3 hours).

Pre-Purchase Individual Services are to be used to meet individually with a client and must be in compliance with MSHDA guidelines. These services are designed to determine if client: 1) appears to be mortgage ready within 12 months; 2) should be based on client’s individual needs; addressing credit or debt issues and 3) is interested in additional services such as Financial Capability. Agency must use the 80/20 model, having client return after completing identified goals.

Financial Capabilities

Agencies applying for funds to provide this service will receive \$50 per household, per each of the eight (8) components, up to a maximum of \$400.00.

The agency must use the 80/20 model and provide services based on the client achieving identified goals prior to continuing services.

Financial Capability Services may be provided in a group or individual setting and must be in compliance with MSHDA guidelines. Agencies are encouraged to facilitate group services.

Hardest Hit Application Intake

Applicants who provide this service to clients working with their agency to apply for Step Forward Michigan (SFM) assistance will receive \$150 for each completed application submitted to SFM for review.

A complete package means: 1) the status is a PASS; 2) all required documents have been signed and uploaded to the package; 3) and notes in the notepad have been updated reflecting why the package is ready for SFM review. A completed package must be delivered prior to the submission of the SFM.

Foreclosure Services

Applicants currently receiving National Mortgage Settlement (NMS) Grant funds **must** base their application for MSHDA HEP Foreclosure Services on activity occurring after NMS funds have been exhausted.

Applicants who elect to provide these services may provide them in a group or individual setting and must be in compliance with MSHDA guidelines. Agencies applying for funds to provide these services will be reimbursed based on the scale below:

- Intake – Agency will receive \$50 for each completed client packet of required documents to begin triage assessment (details of Intake requirements can be found in MSHDA’s Foreclosure Services Guidelines).
- Education Workshop – Agencies will receive \$25 per household for this service providing group workshops to clients outlining basic understanding of foreclosure. These may include a brief introduction of your agency’s services, your credentials (e.g. HUD, MSHDA, NISHEC, etc.) and explanations of Michigan’s Foreclosure Timeline and Foreclosure Options. All required Intake documentation must be obtained in order to receive funds for this service.
- Individual Counseling – The agency will receive \$200 per household. These services will be based on each individual needs and require the counselor to review the cause of the mortgage and/or property tax delinquency, identify the client’s need and/or hardship and provide the homeowner with an understanding of possible options. These services will focus on each homeowner’s particular situation. Relevant workout package submission documentation must be included in the client file to demonstrate what the agency is billing MSHDA for.

Application Deadline and Process

The application deadline is March 20, 2015 by 5:00 p.m. EST. All qualified applicants must complete the application found in MATT 2.0. Any required documents or supporting materials must be uploaded in MATT 2.0. Please note **CHARACTER COUNT LIMIT** shown at the end of each question.

Paper submissions or incomplete applications will not be reviewed.

Questions

Any questions regarding the NOFA must be submitted in writing and emailed to the attention of Tara Gilman at gilmant@michigan.gov.

Important Dates & Information

Submissions received after the closing date of this grant will not be considered for funding.

Grant submissions will be reviewed within 30 days of the close of this application. **Award announcements will be made no later than April 24, 2015.**