

## Frequently Asked Questions

**1. How does an applicant apply for HARP grant funds?**

The borrower notifies the lender that he/she wishes to apply for National Mortgage Settlement grant monies. If the applicant meets the eligibility requirements, the lender will file an application on the applicant's behalf.

**2. Are the HARP grant funds available through any lender?**

Yes, any lender licensed to conduct mortgage-lending business in the State Of Michigan.

**3. What are the HARP grant amounts?**

\$500 toward closing costs.

**4. What are the eligibility requirements?**

- Property must be a single-family, owner occupied, principal residence located in the State of Michigan.
- Homeowners must be refinancing through the Home Affordable Refinance Program.
- Non-military, military and veteran Homeowners are eligible.

**5. Are there income, asset, or purchase price limits? No.**

**6. Are the HARP grant funds taxable?**

A review of applicable tax law indicates that it is likely that the grant money received should be reported as ordinary income on income tax returns. Please consult with a tax professional regarding appropriate tax treatment of the grant funds.

**7. Can the homeowner receive cash back at closing?**

Cash back from the grant funds is allowed up to \$250.00

**8. Do the grant funds have to be repaid? No.**

**9. Is the lender responsible for submitting post-closing documents to MSHDA?**

Yes. The lender is ultimately responsible for ensuring delivery of the post-closing documents to MSHDA. The lender can however, add closing instructions for the closing/title company that the closing/title company to MSHDA submits direct grant fund post-closing documents.

**10. At what stage in the loan process does the lender upload an application/affidavit requesting grant funds?**

- Application/affidavits must be faxed to 517.636.6163 once it has been approved by lender's underwriter
- MSHDA must receive the application at least six (6) business days prior to the closing date

**11. What is required for a lender to participate in the grant program?**

The lender must be licensed to provide mortgages in the State of Michigan.

**12. How will the lender and closing/title company know that grant funds have been approved for a particular homeowner?**

MSHDA will email the lender and the closing agency/title company that funds have been direct deposited/electronically transferred to the closing agent or title company.