



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

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LT. GOVERNOR

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Governor Granholm Signs Legislation to Help Citizens Threatened With Mortgage Foreclosure

*State housing authority and lenders join forces
to offer new tools to help families save homes*

LANSING – Governor Jennifer M. Granholm today signed legislation aimed at preserving the American dream of homeownership for Michigan families in jeopardy of losing their homes to foreclosure. The governor was joined today by lenders from the Michigan Credit Union League, the Michigan Bankers Association, and sponsoring legislators from across the state for bill signings in Grand Rapids, Jackson, and Detroit.

“These new tools will help protect families from losing their homes and work to stabilize Michigan’s housing market,” Granholm said. “I applaud the leadership of our legislators and our many partners in the lending community, including bankers, credit union lenders, and mortgage lenders, for making these tools a reality.”

The bills signed today create two new refinancing options to protect home ownership – an adjustable rate mortgage (ARM) refinancing option that will help citizens get into fixed-rate mortgages and a “rescue” program that helps those who have been behind in their payments in the past. The new tools are part of the “Save the Dream” initiative that makes housing counselors available to homeowners and raises awareness about avoiding foreclosure. The Save the Dream products and programs are operated and funded entirely by the Michigan State Housing Development Authority (MSHDA).

“We believe our Save the Dream program will help curtail the foreclosures happening throughout our Michigan communities,” MSHDA Director of Homeownership Mary Townley said. “This new legislation gives us an important tool to add to our existing homeownership counseling and foreclosure prevention activity. Putting the counseling together with the ability to refinance home loans for safer, more secure long-term, fixed-rate mortgages offers a sense of real hope to some very desperate homeowners.”

The new Save the Dream tools are:

- **The Adjustable Rate Mortgage (ARM) Refinance Program** that will assist homeowners who have an ARM in refinancing to a 30-year, lower-interest, fixed-rate conventional loan;

(more)

- **The Rescue Refinance Program** that will assist individuals who have a delinquency on their mortgage and who are at risk of losing their home will have a chance to get into a more affordable 30-year, fixed rate, conventional loan.

Both initiatives are targeted at existing homeowners. To qualify for one of the new loan programs, homeowners must meet the same income and sales price limits that other MSHDA loan products require. Household income must be under \$108,000, and the purchase price of the home cannot exceed \$224,500. The initiatives will be funded by taxable bonds, and homeowners will be responsible for the full value of their refinanced mortgages. The original mortgage does not have to be a MSHDA loan; however, the homeowner must meet MSHDA requirements for the refinance product. This qualifying information is available from approved lenders and directly from MSHDA.

For more details on the Save the Dream refinance programs and other services, a visit to www.michigan.gov/mshda will take seekers to MSHDA's home page and the Save the Dream icon where up-to-date information about the loans, services, and MSHDA-approved lenders and certified counselors is available. There is also a consumer hotline that helps callers find a counselor locally. That toll-free number is 1-866-946-7432.

MSHDA is a quasi-state agency that provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, and address homeless issues. MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. For more information on MSHDA programs and initiatives, visit the Web site at www.michigan.gov/mshda.

The bills signed today are: HB 5443 sponsored by State Representative Steve Tobocman (D-Detroit), HB 5446 sponsored by State Representative Bettie Cook Scott (D-Detroit), SB 948 sponsored by Senator Tupac Hunter (D-Detroit), SB 950 sponsored by Senator Hansen Clarke (D-Detroit), SB 951 sponsored by Senator Buzz Thomas (D-Detroit), and SB 1133 sponsored by Senator Randy Richardville (R-Monroe). The bills were given immediate effect.

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