



STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
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Michigan Homeowner Assistance Fund Annual Report 10-1-2022 through 09-30-2023

On April 14th, 2021, U.S. Treasury announced the American Rescue Plan Act of 2021 under section 3206 which directed states to create the necessary programs to provide financial assistance to homeowners and eliminate financial hardships associate with the coronavirus pandemic.

Treasury used the seasonally adjusted data from the U.S. Bureau of Labor Statistics Local Area Unemployed Statistics (LAUS) for the purpose of determining the number of unemployed individuals in the state of Michigan.

Treasury also used the number of mortgagors with delinquent mortgage payments (more than 30 days past due). The number of mortgagors with delinquent mortgage payments better captures the homeowner need in the state because the rate of delinquent mortgage payment has an increased substantially since the beginning of the pandemic, while the rate of foreclosures has remained relatively constant over the same period.

Treasury used the number of delinquencies (in thousands) by each state from the Mortgage Bankers Association and Haver Analytics.¹ As of the date of enactment, the most data recent available were from the fourth quarter 2020.

Treasury then used a weighted average of Michigan's share of the total average number of unemployed individuals over the four-month period from September 2020 to December 2020 and Michigan's share of the total number of mortgagors who are delinquent on their payments. These calculations used were 0.25 for unemployment and 0.75 for delinquencies.

Michigan's state allocation was \$242,812,277.

The Michigan State Housing Development Authority (MSHDA) set up one program, the Michigan Homeowner Assistance Fund (MIHAF), allowing assistance for mortgage delinquency, property tax assistance, condominium fee delinquency, and any other homeowner mortgage delinquency. Utility assistance was also provided as the last item in a waterfall applied to each homeowner's request.

At program launch, MSHDA projected being able to assist more than 8,335 homeowners. Through September 30, 2023, Michigan has assisted 25,265 homeowners who were impacted by the coronavirus pandemic. MIHAF was instrumental in helping homeowners avoid the devastating personal effects of foreclosure while simultaneously reducing the secondary, but also pernicious, impacts of these foreclosures on neighborhoods, local government budgets, and the social services network.

Michigan Homeowner Assistance Fund

The MIHAF program launched on 2/14/22 with one program featuring these areas of homeowner assistance:

- Payment of existing delinquent payments through full reinstatement.
- Remittance for deferred payments.
- Lump sum assistance for loans previously modified to cure a delinquency allowing lender to re-cast payments.
- Payment of delinquent property taxes.
- Delinquent Condominium payments.
- Payment of Escrow shortages (taxes, flood, or hazard insurance).
- De minimis lender-assessed fees.
- Past due utilities to include gas, water, electric and internet or broadband.

Michigan is using a best practice approach to leverage utility assistance available to homeowners through other federal programs that have been created expressly for that purpose before using MIHAF funds for utility assistance.

Annual Report Detail

U.S. Treasury mandates that all states create and post an annual report detailing the following information:

Community Engagement & Outreach

At the beginning of the MIHAF program we engaged with all potential partners to help ensure program success. This included housing educators, nonprofit legal offices, community agents, city and county treasurers, and media sources across the state. Through the end of September 2023, Michigan has spent \$992,926.25 for all marketing efforts. This covered programmatic digital, pre-roll video, diversity print articles, Facebook, SMS text messaging and social outlets such as LinkedIn, Facebook and Nextdoor. Our office also focused on the targeted 296 zip codes that were deemed most in need throughout the state.

Additional outreach was completed by working with our counseling agents across the state through monthly open meetings. With the information shared, counseling agents took to the neighborhoods and communities using letter campaigns, placing door hangers in areas hardest hit, and participated in community events with some agencies sharing program details in multiple counties.

Performance Goals

Michigan established three program goals.

- 60% of assisted homeowners with incomes at 100% Area Median Income (AMI) or less.
- Expend all funds by Treasury deadline of 9/30/2026.
- At least 45% of funded transactions are on government loans.

As of 9/30/2023 calculated on cumulative numbers, 96% of approved and funded applications documented and self-attested that they had income less than 100% of the AMI. This program goal was successfully met.

The second goal was to expend all allocated funds by end of Treasury deadline of 9/30/2026. This goal will also be met as Michigan's program is nearing its end in early 2024, two years earlier than the deadline.

The third goal was to obtain a 45% funding rate on government loans. We funded 8,840 lender, and 5,335 homeowners funded had government loans. This represents 60.3% assistance on government loans, exceeding the set goal of 45%.

Methods of Targeting

Michigan targeted delinquent homeowners through multiple outlets:

1. Paid marketing; pre-roll video; programmatic digital; diversity newspapers and direct channels, Facebook, SMS text messaging and other social media outlets.
2. Outreach through our vast network of nonprofit housing agents and our nonprofit legal aid network. Housing agent meetings were held on the following dates:
 - 10/18/22
 - 11/15/22
 - 12/20/22
 - 1/17/23
 - 2/2/23
 - 3/21/23
 - 4/18/23
 - 5/16/23
 - 6/20/23
 - 7/18/23
 - 8/15/23
 - 9/19/23

During these sessions there was a sharing of ideas, discussion on volume and program eligibility criteria. MIHAF staff participated on calls when requested; otherwise, our counseling education staff hosted.

3. Michigan created a marketing tool kit and posted it on our MIHAF website for use by lending institutions, county treasurers, utility providers, and any other organizations promoting our program. Most organizations placed program details on their websites and offered program details in discussions with homeowners. One large servicer partnered with us on webinars. The servicer invited all delinquent clients and our MIHAF staff conducted the education session. This was completed three times over the last year.
4. Michigan partnered with 211 to act as our customer service arm of the program. All 1-800 number calls went directly to them, and they provided file updates and

assisted with phone applications for those households that were either uncomfortable completing applications on their own or for those that did not have a computer. At the same time of this assistance, 211 gathered details on other state resources that the household needed and directed them to this other aide.

When file volume was at an all-time high in the last year, 211 stepped in to assist with determining eligibility on files. Fifteen case managers were provided and received training on how to process case files. Their assistance was welcome and needed to get assistance to vulnerable households.

5. Michigan provided direct mailing materials to all county treasurers, including postcards that were then delivered to their delinquent tax clients.

Best Practices and Coordination

Over the past year we have seen many successes with our program and quickly adjusted in areas that were not as successful. Our most notable best practice has been our close relationship with our partner lenders. We coordinated marketing materials they could use and set up weekly lender calls to cover funding questions, concerns or systematic problems not allowing them to receive our funding. These relationships have been instrumental in allowing us to draw down funding in an efficient manner.

Another best practice has been our past and current relationship with Michigan 211 offices. 211 is a free, confidential information and referral service that connects people to essential health and human services online or over the phone. Partnering with these highly trained service professionals has been a win-win for the program and the households we serve. They stepped in and ran our customer service process and provided additional support for eligibility review.