



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GARY HEIDEL  
ACTING EXECUTIVE DIRECTOR

## Annual MIHAF Report 2022

On April 14th, 2021, U.S. Treasury announced the availability of funding under the American Rescue Plan Act of 2021 under section 3206 which directs 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.<sup>1</sup> 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 is \$242,812,277.**

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

- **Michigan Homeowner Assistance Fund (MIHAF)**

MSHDA projected to assist more than 8,335 homeowners at time of initially launching the program, however Michigan has aided through 9/30/22 to 6,554 homeowners and in so doing we helped avoid the devastating personal effects of foreclosure on these households 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:**



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Michigan's MIHAF launched on 2/14/22 with one program containing all areas of homeowner assistance.

- Payment of existing delinquent payments through partial or 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 effort approach to leverage the utility assistance that might be available for homeowners through other federal programs that have been created expressly for that purpose before using MIHAF funds for utility assistance.

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

### **Community Engagement & Outreach**

Michigan conducted extensive outreach for the Michigan Homeowner Assistance Fund (MIHAF). We have spent \$359,435.17 for this outreach. Community based organizations were immediately organized with our team to 1) Assist homeowners with on-line applications and 2) conduct foreclosure prevention counseling when needed. We also conducted monthly calls with this same network for program details and a forum to compare notes and problem solve. We have over 40 organizations that are partnering with us.

We also promoted our program through digital, online and print advertising to provide a direct link to homeowners in need.

### **Performance Goals**

Michigan established three goals.

- 60% of assisted homeowners with incomes at 100% AMI or less.
- Ability to expend all funds by Treasury deadline of 9/30/26
- at a minimum of 45% of funded transactions are on government loans.

Analysis to determine that goals are met were system generated reports analyzed monthly and then if required we would adjust marketing.



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As of 9/30/22 our goal of 60% with incomes at 100% AMI or less was met. Statistics show 93% of household assisted met this goal.

Expend all funds by deadline of 9/30/26. Based on funding trend we expect to be fully drawn and funded by 9/4/2024.

45% funded transactions on government loans. Currently 53% of funded loans have been government loans

### **Methods of Targeting**

Michigan targeted to delinquent homeowners through multiple outlets:

1. Paid marketing; dashboard impressions through social media; programmatic digital; diversity newspapers; and direct channel.
2. Outreach through our vast network of non-profit housing agents and our non-profit legal aid services. Housing agent meetings were held 10/27/21, 1/25/22, 2/7/22, 2/22/22, 3/17/22, 8/9/22. Numerous topics discussed and each agency had the opportunity to ask questions and MIHAF staff provided feedback.
3. Michigan created a marketing tool kit and posted it on our MIHAF website for use by lending institutions, Treasurer's, Utility Providers, and any other organization promoting our program. Most organizations placed program details on their websites and most lenders offered the program details in discussions with homeowners.
4. Michigan partnered with 211 to act as our customer service arm of the program. All 800# calls went directly to them, and they provided file updates and assisted with phone applications for those household that were either uncomfortable doing the application on their own or for those that did not have a computer. At the same time of this assistance 211 would gather details on other state sources that the household needed and directed them to this aide.
5. Michigan provided direct marketing material to all Treasurer's. Calls and e-mails were sent offering this material. The postcards were then sent out by their offices to all property tax delinquent clients. To date 13,760 postcards sent from our office and direct mailing from printer of 20,000.

### **Best Practices and Coordination**

Michigan coordinated with lenders and servicers providing marketing material that could be used for distribution to delinquent homeowners owning a home in Michigan. Weekly calls are set for servicers to discuss existing pipelines of homeowners that have applied and guidance on our custom data file to expedite the funding process.



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Michigan also partnered with Michigan 211 to act as our customer service team. Their office connection will also provide a plethora of information for struggling homeowners.

Michigan has only had the program live since 2/14/22 and we have more work to do to assist struggling homeowners that have fallen behind on their housing expenses.