

MICHIGAN HOMEOWNER ASSISTANCE FUND (MIHAF)

COLLABORATION AGREEMENT

September 1, 2021

COLLABORATION AGREEMENT made this _____ (“Agreement Date”) between _____ (“Servicer”) and the State of Michigan acting by and through the Michigan State Housing Development Authority (the Authority) the “Program Administrator”.

BACKGROUND

1. Pursuant to Section 3206 of the American Rescue Plan Act of 2021, Congress established in the Department of the Treasury and funded a Homeowner Assistance Fund (“HAF”) to mitigate financial hardships associated with the coronavirus pandemic by providing appropriated funds to eligible entities for, among other purposes preventing homeowner mortgage delinquencies, defaults, and foreclosures through “qualified expenses” related to mortgages and housing, which include financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default.
2. Program Administrator is a participating agency for the distribution of certain of the HAF funds and has adopted a Mortgage Assistance Program to guide such distribution of funds.
3. Servicer services residential mortgage loans of borrowers who are delinquent or in default, forbearance or deferral and who may be eligible for the receipt of HAF funds from the Program Administrator.
4. Program Administrator and Servicer desire to cooperate to facilitate the timely distribution of HAF funds to Servicer for the account of eligible borrowers to enable the borrower to cure outstanding arrearages and cause the reinstatement of the mortgage loan or to pay other housing-related costs related to a period of forbearance, delinquency, or default assistance, in accordance with the principles and processes outlined in this Agreement.

UNDERSTANDINGS

Program Administrator and Servicer acknowledge and agree that:

1. As between Servicer and Program Administrator, Program Administrator has sole responsibility to determine whether a borrower is eligible for HAF funds and, if so, for how much and for what purpose(s).
2. As between Servicer and Program Administrator, Servicer has sole responsibility to administer and service the mortgage loan as to which a borrower may be

eligible for HAF funds, including to determine the amounts of either any outstanding arrearages that the borrower may owe on a mortgage loan in order to reinstate the mortgage loan or to enable the borrower to pay other housing related costs related to a period of forbearance, delinquency, or default.

3. Servicer administers and services any such mortgage loan in accordance with applicable law, a third-party servicing agreement, applicable insurance policies, and potentially other contractual requirements. Nothing in this Agreement is intended to require, or will require, Servicer to violate or breach these requirements.
4. Program Administrator may contact Servicer, or Servicer, with proper authorization from the borrower, may contact Program Administrator, about the potential availability of HAF funds to cure a particular borrower's arrearages or to pay other housing-related costs related to a period of forbearance, delinquency, or default.
5. Subject to the receipt of an executed "Borrower Consent Form" in the form attached to this Agreement as Exhibit A ("Borrower Consent Form") authorizing Servicer to share with Program Administrator information about the status of borrower's mortgage loan, Servicer will share such information with Program Administrator through a mutually agreeable form of common data file, or other mutually-agreed upon format. Program Administrator in turn will evaluate such information, determine if the borrower is eligible for HAF funds and, if so, for how much and for what purposes(s) and share such determinations with the borrower and Servicer.
6. If the amount of approved HAF funds is insufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, Program Administrator may consult with the borrower to discuss borrower's willingness and ability, either directly or through other third parties, to supplement the available HAF funds to cure such arrearage or pay other outstanding amounts due under the mortgage loan and Program Administrator will notify Servicer accordingly.
7. If the amount of approved HAF funds is sufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, either alone or in combination with any other funds payable by or on behalf of borrower, Program Administrator and Servicer will cooperate to facilitate the timely distribution of HAF funds by Program Administrator to Servicer for the account of the borrower and the timely application by Servicer of such funds (and any other funds paid by or on behalf of borrower) to the account of the borrower, in accordance with applicable law and servicer's standard policies and procedures for handling mortgage payments.
8. Both Servicer and Administrator agree that time is of the essence in Program Administrator's determination of a borrower's eligibility for HAF and the subsequent distribution and application of HAF funds. Timely application by

Servicer of sufficient HAF funds and other supplementary funds for the account of the borrower is governed by applicable law.

9. All communication that includes borrower's "Nonpublic Personal Information" between Program Administrator and Servicer will be through encrypted email, secure loan port or other similar secure electronic delivery system. In accordance with HUD, privacy, telemarketing, and information security laws, regulations, and guidelines, Program Administrator and Servicer will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, including, without limitation, appointing a manager or group to coordinate compliance with the confidentiality obligations herein, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (d) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards. For the purposes of this Agreement, the term "Nonpublic Personal Information" is any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, or financial data, medical or health records, personal, gender, political, profile, account, and password information.
10. Execution of this Agreement is voluntary and either party may terminate this Agreement without cause with 30 days written notice. A Servicer may choose to participate in one or more HAF programs.
11. Program Administrator or its third-party partners assisting in the intake function must secure written authorization from each borrower to share information. Servicer must receive a copy of the signed Borrower Consent Form.
12. Program Administrator, Michigan State Housing Development Authority, (the Authority) has one reinstatement program, Michigan Homeowner Assistance Fund (MIHAF). The Authority has entered into contract with Michigan 2-1-1, a Michigan non-profit organization, to serve as the call center to support this statewide foreclosure prevention program. MSHDA will set up an in-house operation center to determine applicant eligibility, share such information with

Servicer through a mutually agreeable form of common data file, or other mutually-agreed upon format, determine if the applicant is eligible for HAF funds and, if so, for how much and for what purposes(s) and share such determinations with the applicant and distribute funds directly to the Servicer. See attached MIHAF Term Sheets for “Eligible Qualified Expenses MIHAF Program Proceeds,” “Maximum Per Household MIHAF Assistance”, “Payout of MIHAF Assistance,” and other program details.

13. Servicer and Program Administrator may agree for the provision of reports and other information in mutually agreeable form and content relating to the subject of this Agreement.
14. Program Administrator is responsible for continuing eligibility of the borrower for its HAF program and any related fraud detection. Servicer will not be required to repay amounts applied to a borrower’s loan if that borrower is later determined to be ineligible.
15. Servicer will conduct any transfer of servicing rights pertaining to mortgage loans covered under this Agreement in accordance with Regulation X implementing the Real Estate Settlement Procedures Act.
16. Where applicable, Program Administrator will provide at least 30 days’ notice to Servicer before it will cease, reduce or otherwise vary borrower payments from that previously disclosed to Servicer in order to allow Servicer time to evaluate the borrower for other loss mitigation options.
17. Should Servicer receive more funds than needed from Program Administrator on the account of any particular borrower, Servicer will remit the surplus funds back to Program Administrator within thirty (30) days of receiving the funds. If the surplus funds are equal to or less than (\$100.00), Servicer does not need to remit the funds back to the Program Administrator, but instead, will apply those funds to reduce that borrower’s outstanding loan principal.
18. Servicer and Program Administrator each will establish a specific point of contact for HAF cases and HAF program matters (“Servicer Point of Contact” and “Program Administrator Point of Contact”, respectively), whom they may change from time to time at their discretion.
19. Initially, the Servicer Point of Contact is:

Name:

Phone:

Email:
20. Initially, the Program Administrator Point of Contact is:

Name:

Phone:

Email:

- 21. Servicer is not authorized or empowered to determine and/or communicate to the homeowner eligibility for MIHAF foreclosure prevention programs. Program Administrator is not authorized or empowered to determine and/or communicate to the homeowner eligibility for foreclosure prevention programs of Servicer. Program Administrator retains sole authority for its program eligibility determination and communication to the homeowner and Servicer. Servicer will communicate with borrowers and Program Administrator regarding loan modification and other Servicer-driven approvals.

PROGRAM ADMINISTRATOR:

SERVICER:

Program Administrator Name

Servicer Name

By: _____

By: _____

Program Administrator Official

Servicer Official

Title

Title

EXHIBIT A

Borrower Consent Form