

GRANT NO. _____

APPLICATION DATE: _____

EFFECTIVE DATE: _____

GRANT AMOUNT: _____

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MICHIGAN HOMEOWNER ASSISTANCE FUND

GRANT AGREEMENT

This GRANT AGREEMENT (this "Agreement") is made and entered into as of the _____ (the "Effective Date"), by and between the MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, a public body corporate and politic, located at 735 E. Michigan Avenue, Lansing, Michigan 48912 (the "Authority" or "MSHDA"), and

_____ located at _____ (the "Homeowner" or the "Grantee") (collectively, the "Parties") to set forth the terms and conditions under which MSHDA will provide grant assistance to the Homeowner to carry out the State of Michigan's Homeowner Assistance Fund Program, subject to the availability of funds, terms, conditions, and limitations as set forth herein (the "Grant").

RECITALS

WHEREAS, the United States Department of the Treasury ("U.S. Treasury") established the Homeowner Assistance Fund ("HAF"), which was established under Section 3206 of the American Rescue Plan Act of 2021 (the "ARP"); and

WHEREAS, U.S. Treasury issued the HAF program funds to the Michigan State Budget Office on behalf of the State of Michigan to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship (individually and collectively, "Financial Hardship") after January 21, 2020, through qualified expenses related to mortgages and housing (the "HAF Program"); and

WHEREAS, the State of Michigan has delegated administration of the HAF Program to MSHDA; and

WHEREAS, MSHDA is the administrator of the Michigan HAF Program ("MIHAF", and henceforth the HAF Program and Michigan HAF Program will be collectively referred to herein as "MIHAF"); and

WHEREAS, Homeowner has suffered a Financial Hardship associated with the coronavirus pandemic after January 21, 2020, and the proceeds of this Grant will be paid directly to one or more of the providers in the bulleted list below (individually and collectively, the “Provider”) for the benefit of the Homeowner to cover one or more qualified expense(s) authorized by the MIHAF Program:

_____ mortgage payment assistance – to the mortgage servicer (the “Servicer”),

_____ delinquent property taxes – to the county treasurer (the “Treasurer”),

_____ delinquent land contract – to the land contract seller (the “Vendor”),

_____ delinquent condominium association dues – to the association (the “Association”),

_____ delinquent mobile home and/or lot rent payment assistance – to the mobile home provider (the “Mobile Home Provider ”), and

_____ delinquent utilities – to the utility provider (the “Utility Provider”).

WHEREAS, the Homeowner may be eligible for this Grant in the estimated amount of \$ _____ (the “Grant Amount”) related to the Homeowner’s primary residence located at:

(the “Property”). The actual grant award amount will be determined by the Servicer, Treasurer, Vendor, Association, Mobile Home Provider, and/or Utility Provider; and

WHEREAS, the Property is located within the State of Michigan; and

WHEREAS, MSHDA may award a grant to qualified homeowners whose incomes do not exceed one hundred fifty percent (150%) of the median income for Michigan as set forth by the United States Department of Housing and Urban Development (“HUD”); and

WHEREAS, the Homeowner is a qualified homeowner meeting the MIHAF Program requirements for the award of the Grant from MSHDA.

NOW, THEREFORE, in consideration of and as a condition to receiving the Grant, the Homeowner agrees that:

1. **Authority Act and Rules.** MSHDA has been created and authorized under Act 346 of the Michigan Public Acts of 1966, as amended (the "Act"). All actions of the Homeowner are subject to the terms of this Agreement, the provisions of the Act and the Rules of MSHDA, being R 125.101, et seq (the “Authority Rules”). The terms and conditions set forth herein are a reasonable and appropriate means to

- assure the use of Grant funds in accordance with the Act and the Authority Rules.
2. **Program Purpose.** The Grant and its proceeds thereto shall only be used for the specific purposes defined herein to remedy housing-related delinquencies, including imminent foreclosure prevention, property taxes, land contracts, mobile home fees and/or lot rent, condominium fees, and utility costs (the “Specific Purposes”). The Specific Purposes shall be limited to the period commencing on January 21, 2020 and ending on the Effective Date of this Agreement.
 3. **Effective Date and Date of Completion.** The effective date of this Agreement is as noted above. Unless otherwise modified, suspended, or terminated by MSHDA, as defined herein, this Agreement shall remain in effect until such time as the Grant funds have been: 1) fully expended, or (2) fully returned to MSHDA, whichever occurs first (“Date of Completion”).
 4. **The Provider.** The Homeowner understands and agrees that this Grant and its proceeds thereto shall be paid by MSHDA directly to the Provider as indicated above on the Homeowner’s behalf. The Homeowner should not, under any circumstances, directly receive grant funds, nor should the Homeowner receive any refund of Grant funds from a Provider. Any Grant funds or excess Grant funds paid to the Homeowner must be returned to MSHDA within thirty (30) days of receipt by Homeowner.
 5. **Return and Recapture of Surplus Grant Funds.** If the amount of Grant funds paid to the Provider exceeds the Homeowner’s financial hardship, surplus funds will either be applied to the Homeowner’s account for the Homeowner’s benefit or will be returned to MSHDA in accordance with MIHAF Program guidelines.
 6. **Material Reduction or Material Increase.** The Financial Hardship, as defined herein, resulted from a material reduction in income or material increase in living expenses. MSHDA makes the determination as to whether the reduction or increase is material, as set forth in its MIHAF Program Manual, as amended from time to time.
 7. **Primary Residence.** Homeowner represents and warrants to MSHDA that Homeowner currently occupies the Property as Homeowner’s primary residence and that Homeowner intends to continue to occupy the Property as Homeowner’s primary residence (the “Primary Residence”). Homeowner shall not obtain or use Grant funds for any property other than the Primary Residence.
 8. **Fraud.** Homeowner represents and warrants that the information Homeowner provided on the application associated with this Agreement (the “Application”) for purposes of obtaining MIHAF grant funds is true and correct, to the best of Homeowner’s knowledge, and that the information is not submitted for any fraudulent, improper, illegal purposes, or for any purpose other than for Homeowner’s acceptance in the MIHAF Program. If it is found that Homeowner knowingly submitted false or fraudulent information for the purpose of securing this Grant, the full proceeds of this Grant may be recaptured and/or reallocated, and any such obligation will become a personal obligation of Homeowner. Fraudulently obtaining or misusing MIHAF grant funds may be a crime. By signing this Agreement, Homeowner agrees that a representative from MSHDA and any contractor or agent working on its behalf, and/or U.S. Treasury may contact Homeowner regarding any questions or need for further information.
 9. **Termination.** MSHDA may terminate this Agreement, in whole or in part, at any time before the Date of Completion (as defined herein) whenever it is determined

that the Homeowner has failed to comply with the conditions of this Agreement or in the event that funds are no longer available to MSHDA. Payments made to recipients or recapture of funds by MSHDA shall be in accordance with the legal rights and liabilities of the Parties.

10. **Suspension from the Program.** If MSHDA discovers (a) evidence of fraud by the Homeowner, (b) evidence of Homeowner's failure to comply with this Agreement, or (c) MIHAF grant funds are no longer available to MSHDA, MSHDA may, at its discretion, suspend the Homeowner from the MIHAF Program and prevent further electronic funds transfer or prohibit the Homeowner from incurring additional obligations of grant funds, pending corrective action by the Homeowner, resumption of funding from MSHDA, or a decision to terminate in accordance with this Agreement.
11. **Record Keeping.** The Homeowner shall retain all financial records, supporting documents, and all other pertinent records for a period of five (5) years, or for a longer period of time if required by state or federal law, or if there is a legal dispute or an open audit, records need to be retained at least until that dispute or audit is resolved. The retention period shall commence from the Effective Date as defined herein. These records will be made available for audit purposes to MSHDA and the Auditor General of the State of Michigan, or any authorized representative.
12. **Severability of Provisions.** It is declared to be the intent of the Parties that if any provision of this Agreement executed by both Parties or its application to any persons or circumstances is adjudged by any court of competent jurisdiction to be invalid, the court's judgment shall not affect or invalidate the remainder of this Agreement nor its application to other persons or circumstances, unless so provided by the court or unless the severance of the invalid provision alters the basic intent or purpose of this Agreement, would cause an increase of MSHDA's financial obligation, or renders impossible the compliance with any applicable statute, regulation, limitation, guideline, and/or policy.
13. **Amendments.** This Agreement may only be amended by a written agreement signed by MSHDA and the Homeowner.
14. **Indemnification.** The Homeowner agrees to indemnify, defend, and hold harmless MSHDA, the State of Michigan, their officers, agents, and employees from any and all claims and losses occurring or resulting, to any and all Homeowner(s) from any and all claims and losses occurring or resulting to any person or Homeowner who may be injured or damaged by the performance of this Agreement; and against any liability, including costs and expenses, or rights of privacy.
15. **Governing Law.** This Grant and Grant Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to conflicts of law principles.
16. **Federal Guidelines Subject to Change.** Homeowner recognizes that the MIHAF Program is a federal program administered by the U.S. Treasury, which may be subject to program guideline changes issued after the date of this Agreement, and Homeowner agrees to abide by the terms of subsequent or superseding federal guidance. MSHDA makes no representation as to the tax implications of participation in the MIHAF Program.
17. **Acknowledgment and Independent Legal Counsel.** By signing this document, the Homeowner acknowledges having read and understood this document and the requirements of the MIHAF program and having had sufficient opportunity to

consult independent counsel to answer any questions Homeowner may have about this Agreement and any related documents thereto and the requirements of the MIHAF program.

18. **Counterparts.** This Agreement may be signed in several counterparts (including by means of electronic transmission in portable document format (“PDF”) or comparable electronic transmission), each of which shall be deemed an original, and all so executed shall constitute one and the same instrument, binding on all parties hereto.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
SIGNATURE(S) APPEAR ON THE FOLLOWING PAGE(S)

Signature Page
Michigan Homeowner Assistance Fund Grant Agreement

IN WITNESS WHEREOF, MSHDA and the Homeowner have executed this Agreement as of the date first above written.

HOMEOWNER

Date: _____

By: _____

Name (Printed)

HOMEOWNER

Date: _____

By: _____

Name (Printed)

Signature Page
Michigan Homeowner Assistance Fund Grant Agreement

**MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY**

Date: _____

By: _____

Mary Townley