Helping Michigan's Hardest-Hit Homeowners

About The Michigan Hardest Hit Funds® Program

The U.S. Department of the Treasury established the Hardest Hit Fund® in 2010 to provide targeted aid to families in states hit hard by the economic and housing market downturn.

Michigan received a total of $498.6 million in Emergency Economic Stabilization Act (EESA) or Troubled Asset Relief Program (TARP) funds to operate its Hardest Hit Funds® program.

The Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA) was created by the Michigan State Housing Development Authority (MSHDA) to oversee the distribution of the Hardest Hit Funds® in Michigan.

The MHA's program, Step Forward Michigan, has four programs designed to assist homeowners who have endured a financial hardship. Michigan homeowners can apply online at www.stepforwardmichigan.org.

Approved homeowners will be asked to sign a forgivable loan note and mortgage lien for the amount of assistance granted. The loan is provided at a 0% interest rate, requires no monthly payments, and will be forgiven at 20% each year as long as the property remains the homeowner's primary residence. Hardest Hit Funds® are paid directly to the participating mortgage lender and/or county treasurer for application toward the amount owed.

Homeowner's may be eligible to receive assistance on their primary residence from one of Michigan's four programs;

Unemployment Mortgage Subsidy Program - helps unemployed homeowners stay in their homes by providing monthly mortgage payment assistance directly to their mortgage lender. The program may provide up to the lesser of $1,000 or 50 percent of a homeowner's monthly mortgage payment each month for a maximum of 12 months. The homeowner is responsible for the remaining portion of the monthly payment. To be eligible the homeowner or their spouse must actively be receiving State of Michigan unemployment benefits at the time of application and be able to sustain their portion of the monthly payment. Homeowners who are currently delinquent on their mortgage may also be awarded funds, that are not already reserved for the monthly payment assistance, toward the delinquent mortgage amount. The maximum program reservation is $30,000.

Loan Rescue Program - helps homeowners that have fallen behind on their mortgage and/or property taxes and need help catching up. Homeowners that have endured a qualifying involuntary hardship that has caused them to fall behind may be eligible if they can now sustain their mortgage and/or property tax payments. Funds can be used to assist with one of the following situations; 1) To fully reinstate a 1st lien mortgage delinquency, 2) To reinstate the 1st lien mortgage delinquency <u>and</u> make a contribution toward past due property taxes, 3) To reinstate a 2nd mortgage lien delinquency only <u>or</u> contribute toward past due property taxes only, <u>if</u> the first lien mortgage is current. The maximum program reservation is $30,000.

Modification Plan Program - helps homeowners that may have fallen behind on their mortgage and homeowners with negative equity, who are struggling to sustain their monthly payment. Funds can be used to pay the delinquent amount and/or make a contribution toward the unpaid principal balance to reduce the negative equity, if the lender agrees to modify the existing mortgage terms to provide the homeowner a more affordable, sustainable payment. The maximum program reservation is $30,000.

Principal Curtailment Program - helps homeowners who have negative equity. Maximum program reservation is $10,000 and requires a one-to-one match from the lender to equal a total amount of assistance of $20,000. These funds can be used to make a contribution toward the unpaid principal balance to reduce the negative equity, if the lender agrees to modify the existing mortgage terms to provide the homeowner a more affordable, sustainable payment. These funds can also be used toward a second mortgage lien if the first mortgage account is documented as current.

Investing in People. Investing in Places. MSHDA MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

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