



## Helping Michigan's Hardest-Hit Homeowners

### ***Frequently Asked Questions***

#### **1. What is Michigan's Hardest-Hit Fund?**

It is a federally funded program designed to help eligible homeowners who are struggling to make their mortgage payments.

#### **2. What programs are available and who will it help?**

Michigan's Hardest-Hit Fund has programs available that address the challenges facing homeowners:

- ***Unemployment Mortgage Subsidy Program***

This program helps jobless homeowners stay in their homes by providing monthly mortgage payment assistance and making up missed payments while they are drawing unemployment compensation.

The program may provide up to the lesser of \$750 or 50 percent of payments to be applied towards your payment for a maximum of 12 months. You would be responsible for the remaining portion of your monthly payment and must send it to our office or as directed during your participation in the program. You may also be eligible for up to \$3,000 in assistance to correct a mortgage delinquency.

- ***Mortgage Loan Rescue Program***

This program helps homeowners that have fallen behind on their mortgage and need help catching up. Eligible homeowners can get help with funds of up to \$10,000, which can be applied toward delinquent first mortgage payments, delinquent property taxes and any accrued escrow shortages. These funds can also be used toward second mortgage loan payments with documentation that the first mortgage payment is current and that you can continue to keep it current.

- ***Principal Curtailment Program***

This program provides help for homeowners who are in mortgages they are struggling to pay because they have recently re-entered the job market at a reduced income level. The Principal Curtailment Program provides a one-time matching fund of up to \$10,000 to homeowners seeking to modify their mortgage loans. The lender/servicer must agree to provide a matching forgiveness of principal reduction and modify the reduced loan balance. These funds can also be used toward the principal reduction of a second mortgage loan with documentation that the first mortgage is current and that you can continue to keep it current.

#### **3. Can homeowners qualify for more than one program?**

No. Homeowners will only be able to seek help from one program. Our staff will work with you to determine if you qualify for Michigan's Hardest-Hit programs.

#### 4. What are the eligibility requirements for Michigan's Hardest-Hit programs?

Michigan's Hardest-Hit programs help homeowners with the greatest need who meets all requirements in each of the following categories:

##### Homeowner Requirements

Homeowners must:

- Be a Michigan resident.
- Be a legal U.S. citizen or a legal alien.
- Occupy property as primary residence.
- Have experienced a hardship based on an involuntary loss of income, such as unemployment, reduction in wages or hours, divorce, disability, death, or illness.
- Not have cash available for use equal to or more than six months of mortgage payments.

##### Exclusions

Homeowners cannot have:

- A conviction within the last 10 years on a financial-related felony; including larceny, theft, fraud, forgery, money laundering and/or tax evasion.
- A Foreclosure Sale completed.

##### Property Requirements

Homeowners' primary residence must be located in Michigan and can be any of the following structures:

- A single-family home.
- A single-family condominium (attached or detached).
- A manufactured or mobile home (single or doublewide) on a foundation, permanently affixed and taxed as real estate.

##### Exclusions

The property cannot be:

- A vacation or second home.
- An investment property.
- Abandoned, vacant or condemned.
- A mobile home located in a mobile/manufactured home park.
- Currently listed for sale.

##### Mortgage Requirements

- Mortgage is currently being serviced by a participating lender/servicer.
- Mortgage loan must have an unpaid principal balance equal to or less than \$729,750.
- First mortgage is no more than 120 days past due, at time of application for Hardest Hit Program.

##### Exclusions

- Cannot be a land contract or privately held mortgage.
- A Foreclosure Sale must not be completed.

Homeowners who meet all eligibility criteria are **not guaranteed approval** for Hardest-Hit assistance; homeowners could still be denied eligibility by their mortgage lender/servicer.

#### 5. Are Michigan's Hardest-Hit programs limited to people who are delinquent on their mortgage?

No, the programs are available to homeowners who are either current or delinquent on their mortgage, but who are struggling to make their payment due to an involuntary reduction in income. Homeowners must meet other eligibility criteria including income, mortgage amount and limited cash on hand or deposit.

#### 6. How do I apply?

You can apply online today at [www.StepForwardMichigan.org](http://www.StepForwardMichigan.org). This site contains all the information to begin an application, with step-by-step instructions.

You will need to follow the instructions provided for each step of the process and fill in the required information to the best of your knowledge. You do not have to do this all at once; you may save your work and log on as many times as you need to complete the intake information before clicking the "submit" button. Since you are completing information related to your financial situation, it will be necessary for you to have the following documents readily available:

- Recent pay stubs or documentation of income from other sources, such as unemployment compensation.
- Monthly mortgage statement.
- Second mortgage or home equity line of credit statement, if applicable.
- Most recent income tax return.
- Checking and savings account statements.

### **7. What happens once the application is complete?**

Once you have completed the application on the Web site, you will be contacted by an advisor or counselor to review the information. Please keep in mind that interest in these programs is high, so you may not be contacted immediately. You may always return to this Web site to check the status of your application.

### **8. What are the terms of the assistance?**

For all programs, homeowners must sign a secured subordinate lien mortgage and note. The loan is a zero percent interest, non-amortizing loan, which is forgivable over a five-year period at 20 percent per year.

The loan is due on the sale or transfer of the property, or when the property ceases to be your principal residence, or if the mortgage loan on the property is paid off. (Providing there is enough from the sale of the house to pay off all mortgage loans.)

### **9. Do mortgage loan servicers have to participate in all three programs?**

No. Each servicer can select which programs they will offer to their customers. Some servicers will only offer the Unemployment Mortgage Subsidy or Mortgage Loan Rescue Programs.

### **10. How can I find out if my servicer is participating?**

A list of participating servicers is available by [clicking here](#).

### **11. What assistance is available to homeowners who don't qualify for Michigan's Hardest-Hit programs?**

You can call your loan servicer directly for assistance with other loan modification options, or call the Michigan State Housing Development Authority's Foreclosure Prevention hotline at 1-866-946-7432 to be referred to a non-profit counseling agency in your area. Their services are provided free of charge.

You should never be asked to pay a fee in exchange for a counseling service or modification of a delinquent loan. Foreclosure "rescue" scammers promise to save homeowners from foreclosure, but instead convince homeowners to do things that are not in their best interest. Go to <http://www.preventloanscams.org/states?id=0022> for more information on avoiding rescue scams.

### **12. Where can I find more information on Michigan's Hardest-Hit programs?**

More information can be found by visiting the Michigan State Housing Development Authority Web site at [www.michigan.gov/HardestHit](http://www.michigan.gov/HardestHit) or by calling toll-free 1-866-946-7432.