



About The Michigan Hardest Hit Funds® Program

December 01, 2012

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.

Michigan's Hardest Hit Funds® program operates under the name Step Forward Michigan, accepting homeowner applications on-line at www.stepforwardmichigan.org.

Homeowners who have endured a qualifying involuntary hardship 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. Homeowners who are currently delinquent on their mortgage may also be awarded funds, not already reserved for the monthly payments, towards the delinquent mortgage amount. The maximum program reservation is \$30,000.

Loan Rescue Program - helps homeowners that have fallen behind on their mortgage, but can sustain the mortgage payments in the future. Assistance is paid directly to the mortgage lender to fully reinstate the delinquent amount. These funds can also be used toward a second mortgage lien delinquency if the first mortgage account is documented as current. The maximum program reservation is \$30,000.

Modification Plan Program - helps homeowners that have fallen behind on their mortgage or homeowners that have a loan balance higher than the value of their home and who are struggling to make their monthly payment. Funds are used as a contribution toward the past due amount or buy down the negative equity so the lender can modify or recast the existing mortgage to provide the homeowner a more affordable or sustainable payment. The maximum program reservation is \$30,000.

Principal Curtailment Program - helps homeowners who have a combined loan balance higher than the value of their home. 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 are applied to the buy down the negative equity to reduce the principal balance so the lender can modify the reduced principal balance and provide a more affordable or sustainable payment. These funds can also be used toward a second mortgage lien if the first mortgage account is documented as current.