

Helping Hardest Hit Homeowners

On June 23rd, President Obama selected Michigan as one of 5 states chosen to participate in a new program designed to prevent foreclosures. The **Helping Hardest Hit Homeowners Program** consists of three options which will assist homeowners to avoid foreclosure. Read more about each of the programs below, and follow the links for more information:

Unemployment Mortgage Subsidy Program:

When unemployed, it can become especially difficult to keep up with monthly mortgage payments. The **Unemployment Mortgage Subsidy Program** is meant to provide homeowners *currently receiving unemployment benefits* funding to ensure that mortgage payments are made to avoid foreclosures. The program will help homeowners stay current with their mortgages by funding 50% (up to \$750) of their monthly mortgage payments. Homeowners will continue to be responsible for the remaining 50% of their payments. The subsidy is available for up to 12 consecutive months, or until the homeowner has returned to work, whichever is less.

Loan Rescue Program:

Many homeowners may experience a temporary financial hardship such as unemployment, divorce, or illness. When these situations cause a homeowner to miss mortgage payments, it is often difficult to get back on the right track. The new **Loan Rescue Program** was created to provide funding to homeowners who have recovered from a one time crisis, but remain on the brink of foreclosure. The program will provide up to \$5,000 to homeowners who can now afford to cover their current monthly payments, but need help to catch up on past due payments or delinquent taxes.

Principal Curtailment Program:

The **Principal Curtailment Program** provides up to \$10,000 to underemployed homeowners with severe negative equity in their homes. Under this program, the mortgage servicer must agree to match the funding given by the state to reduce the principal balance; thereby creating more affordable housing payments for the homeowner.

NOTE: These programs will be administered through your mortgage loan servicer beginning July 12th, 2010. To find out more about the Helping Hardest Hit Homeowners Program visit the Michigan State Housing Development Authorities Hardest Hit Fund Website (link: <http://www.michigan.gov/mshda/0,1607,7-141--235359--,00.html>)

Or view the Frequently Asked Questions (FAQs) (link: http://www.michigan.gov/documents/mshda/H4HH_FAQ_6-28-10_326094_7.pdf)