



Live chat: Housing officials discuss efforts to prevent foreclosures in Michigan

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Tami Farnum, Program Operations Manager at Community Action Agency

Lisa Satayut: Readers statewide are encouraged to join the discussion.

Good afternoon! Thanks for joining the live chat. Katy Twining, the operations manager for MSHDA's Homeownership Division, is available to answer questions about the state's Step Forward program that can help homeowners prevent foreclosure. We also have Tami Farnum from the Community Action Agency.

1. Brian Wheeler: Once Katy and Tami get settled in, I wonder if either or both could offer some perspective on the state of mortgage foreclosures in Michigan and Jackson. It seemed "crisis" was the best word to describe the situation a couple of years ago: Is that still the case?

Tami Farnum: I can answer for Jackson County as we are still experiencing a crisis in Jackson. We are seeing an increase of homeowners that are in need of Tax Assistance in order to avoid tax foreclosure. I am with Community Action Agency in Jackson and we serve Jackson, Hillsdale and Lenawee Counties. There are other non-profit community housing counseling agencies all across Michigan that can help homeowners.

Katy Twining: In regards to the foreclosure "crisis" in Michigan, the Step Forward Michigan program has seen improvement and assisted almost 11,000 households avoid foreclosure with our Programs since July 2010.

2. Lisa Satayut: I know the deadline has passed for homeowners facing a tax foreclosure for non-payment of 2010 taxes. But, could the state's Step Forward program still help those facing a mortgage foreclosure or non-payment of 2011 taxes?

Tami Farnum: Yes, Step Forward Michigan is still accepting applications.

3. Lisa Satayut: Can applications only be filled out online?

Tami Farnum: Yes

4. Lisa Satayut: Tami- How do agencies like yours help? Is it free?

Tami Farnum: Yes, this is a free service. At our agency, we assist homeowners with the on line application that they need to fill out and assist them with sending in the supporting documents that need to be sent to the Step Forward of Michigan Program. IF they are denied for any reason for the Step Forward of Michigan, our agency can still assist the homeowners provide them with resources and other programs that might be available to help them through this crisis.

5. Lisa Satayut: We have heard about the Step Forward program, what is it and how can it help? What are the eligibility requirements? How long will funding for this program last?

Katy Twining: It is a federally funded loan program designed to help eligible homeowners who are struggling to make their mortgage payments. With this program we are able to disburse funds directly to your mortgage lender or county treasurer to pay delinquent mortgage payments or property tax delinquency in order to prevent foreclosure.

Homeowners must have had a qualifying involuntary hardship and meet all of the following requirements:

- Be a Michigan resident
- Be a legal U.S. citizen or a legal alien
- Occupy the property as their primary residence
- Have had a qualifying involuntary hardship
- Have limited cash reserves

We have over \$380,243,154.71 still available and expect to provide assistance to Michigan residents through year end 2017.

6. Brian Wheeler: Is there such a thing as a typical person facing foreclosure? Usually, people who have lost jobs? Who simply let personal or household debt get out of hand?

Tami Farnum: There are several different reasons that we see why homeowners are facing foreclosure. The two biggest reasons that we see are for medical reasons or loss of income.

7. Ableroone (MLIVE Reader): When will the AG start paying out on those that qualify for an erroneous foreclosure?

Tami Farnum: If you call your lender, they will be able to answer this question

Ableroone: I no longer communicate with those criminals. Can no one say when Bill Schuette is going to begin to release the monies the state received as part of the nationwide settlement to those that were ripped off by these lenders.

Tami Farnum: There are two different settlements. I was speaking of the National settlement, as far as the State settlement; you would have to contact the AG office. Homeowners will receive a letter from a third party company which will inform them when they can expect their monies. Please note that this original letter looks like an advertisement and we are worried some homeowners will just disregard it.

8. Brian Wheeler: Katy, earlier you wrote that you have seen improvement in terms of foreclosures, and the numbers seem to bear out that foreclosures are going down. How much of a need, then, is there for the Step Forward program

Katy Twining: Brian, many individuals contact us near the end of the foreclosure process. We encourage them to still work with their lender while there are being reviewed for the Step Forward program. When determined eligible we contact the lender and request a suspension of the foreclosure action. Our clients may be faced with a variety of difficult situations.

Michigan, unfortunately, is still ranked #10 nationally in the number of mortgage foreclosures. We continue to see an increase in new registrations on our on-line application portal from residents who still need assistance. Our Unemployment Mortgage Subsidy program is able to help with monthly mortgage payments hopefully prior to actually becoming delinquent.

Tami Farnum: There are homeowners who do not realize the time frame they are under when facing foreclosure. We try to do outreach in order to reach homeowners

when they first realize they are in trouble to let them know there are programs available to them.

9. Lisa Satayut: Tami, How many Jackson County residents have used the CAA for assistance this year for the program?

Tami Farnum: Last year CAA served over 500 clients in our housing counseling department.

10. Lisa Satayut: Katy, where are most of the requests for assistance coming from in the state? In Jackson County the number of tax foreclosures has increased 435 percent since 2008.

Katy Twining: Step Forward programs are available State-wide and we have provided assistance in every County. Of course, we have the largest number of applicants and approvals in Wayne County.

11. Lisa Satayut: Tami or Katy, I understand there are some scams where they guarantee that they can save a home...how can people avoid this?

Tami Farnum: Any company that says they can for sure save their home and they charge money, homeowners should be aware that this is probably a scam. Homeowners should contact a HUD or MSHDA approved housing counseling agency. These agencies don't charge. They should also report if they were a victim of a scam to the FTC.Gov

Katy Twining: You should never be asked to pay a fee to apply for assistance from any of our Step Forward Programs OR from any of our approved MSHDA Housing Counseling Agencies. If you are asked to pay a fee, please contact us so we can forward your claims to the next level for further investigation.

12. Lisa Satayut: Is this the first time MSHDA has formed a partnership with religious leaders across the state?

Katy Twining: MSHDA and Step Forward are very excited about our partnership with faith-based leaders and their help in getting our Program information out to their communities. They are the ones who have already developed their trust and know the need of their congregations first hand.

13. Lisa Satayut: Katy, how long is the application process for Step Forward?

Katy Twining: Step Forward Advisors will work with you to make sure you have submitted everything we need to make a decision. Once you have submitted a complete application, you will be informed that we are contacting your lender/servicer to confirm they can accept you to the program. Although some cases may take more or less time because of the unique factors surrounding the application, the process typically takes about 30 to 60 days to complete.

14. ZiggyFromSaginaw (MLIVE Reader): Michigan's Community Action Agencies help low income individuals and families achieve higher levels of economic self-sufficiency and stability. Free programs and services:

- Weatherization and Energy Efficiency
- Affordable Housing and Foreclosure Prevention
- Early Childhood and Senior Services

- Emergency Services
 - Financial Literacy and Tax Preparation Assistance
 - Advocacy on behalf of Low Income Families and Individuals
- <http://www.mcaaa.org/>

15. Lisa Satayut: Thank you everyone for joining the live chat. Katy and Tami, is there anything else you would like readers to know about Step Forward?

Tami Farnum: Community Action Agency is a nonprofit HUD approved housing counseling agency. If you are facing foreclosure and you need assistance, please contact us at 517-784-4800. We also offer credit counseling and financial management assistance. Our services are free, don't wait to call contact us now.

Katy Twining: Yes, if you are having trouble making your mortgage payments or facing foreclosure action, I would just encourage everyone to apply online at www.StepForwardMichigan.org. This site contains all the information to begin an application, with step-by-step instructions. If you do not have access to a computer, you may contact our toll free number at 866-946-7432.

More information about the Step Forward Michigan program, including answers to some frequently asked questions, can be found online at www.stepforwardmichigan.org