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County Treasurers Urge Homeowners Facing Foreclosure To Seek Relief through Step Forward Michigan Program

Interest-free loans can help homeowners catch up on payments

GRAND RAPIDS, Mich. — Homeowners in Kalamazoo, Kent and Ottawa counties in danger of losing their homes to foreclosure because they can't pay their property taxes may be able to get financial assistance from the Step Forward Michigan program, treasurers for those three counties said today.

Speaking during a news conference at the Kent County Administration Building, the three treasurers said the federally funded Step Forward Michigan program can provide no-interest loans to homeowners who are behind on their property taxes, mortgage payments or condominium fees.

Since the state began offering the program in 2010, a total of 2,770 homeowners in the three counties have been helped, according to the Michigan Homeowner Assistance Nonprofit Housing Corporation, which oversees the Step Forward Program in collaboration with the Michigan State Housing Development Authority.

Statewide, 34,597 Michigan homeowners have qualified for \$307.3 million in loans since the program began. About \$40 million is still available for new loans to assist around 6,000 eligible households — those affected by a large medical bill, home repair, layoff, divorce, death in the family or other qualifying hardship — through 2020.

"If you've been hit with a hardship, you could get an interest-free loan of up to \$30,000 to get caught up on property taxes, mortgage or condo payments," MSHDA Executive Director Earl Poleski said. "Even better, if you stay in your home for the next five years, the loan is forgiven and you don't have to pay it back."

Kalamazoo County Treasurer Mary Balkema, Kent County Treasurer Ken Parrish and Ottawa County Treasurer Brad Slagh urged homeowners facing foreclosure to investigate the program. Interested residents can see if they're eligible by answering a short series of questions at stepforwardmichigan.org or by calling (866) 946-7432 toll-free.

Parrish noted that, over the past seven years, the Step Forward Michigan program has helped 1,699 homeowners in Kent County get over \$15 million in loans to help them hold on to their homes, making Kent County the fourth-largest user of the program. That includes \$13.9 million to pay mortgage payments, \$1.2 million to pay unpaid property taxes and \$14,816 to cover condominium fees.

“We take no pleasure in foreclosing on homes here in Kent County,” Parrish said. “The Step Forward Michigan program has helped more than a thousand Kent County homeowners, and I urge any homeowner facing financial hardship to see if you qualify for assistance.”

Kalamazoo County has had 593 homeowners qualify for the program since 2010. A total of \$5.5 million has been loaned, with nearly \$5 million covering mortgage payments and \$558,271 covering property taxes.

“If residents aren’t able to get caught up on their property tax, mortgage or condominium fee payments, then the likelihood of foreclosure becomes all too real, which in turn affects property values in the county,” said Kalamazoo County Treasurer Balkema. “We have a vested interest in preventing every foreclosure. That’s why I’m such a big supporter of the Step Forward Michigan program.”

Ottawa County has had 478 homeowners use the program since 2010. Of the \$4.5 million loaned, \$4.3 million covered mortgage payments, \$210,261 went to property taxes and \$19,380 covered condominium fees.

“For those homeowners that have experienced a financial hardship that got them behind, a no-interest loan from Step Forward Michigan to catch up on their mortgage and taxes can help them reset their financial lives,” said Ottawa County Treasurer Slagh. “The Step Forward Michigan program has provided hope for some of our residents who did not know where to look for hope.”

To qualify for assistance, a homeowner must be a Michigan resident, have an ownership interest in the property and be able to sign new mortgage lien on property, occupy the property as his or her primary residence, have enough income to cover the mortgage, condo association fees, and/or property tax payments going forward, and have cash reserves no greater than \$10,000.

Any homeowner convicted in the past 10 years on a financial-related felony, including larceny, theft, fraud, forgery, money laundering and/or tax evasion, is not eligible for the program.

A homeowner can receive a loan only once from the program. Over the past six months, the average loan amount has been \$7,383. Loan payments go directly to the county treasurer’s office, mortgage lender or condominium association, not to the homeowner.

For assistance on applying for the program, area homeowners can turn to a number of local agencies, including Kalamazoo Neighborhood Housing Services; Community Action House in Holland; Neighborhood Housing Services in Grand Haven; and Inner City Christian Federation and Home Repair Services in Grand Rapids.

More information — including an in-depth Frequently Asked Questions document — is available at stepforwardmichigan.org.

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