



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
EXECUTIVE DIRECTOR

April 18, 2012

Chairman Knollenberg and Committee Members,

The Michigan State Housing Development Authority (MSHDA) provides training, funding and compliance oversight to over 70 non-profit housing counseling agencies with over 200 MSHDA-certified counselors across the state. **MSHDA strongly supports Attorney General Bill Schuette's recommendations for how to spend Michigan's \$97 million share of the National Mortgage Servicer Settlement, and in particular the \$20 million recommended to be allocated toward the foreclosure avoidance efforts of non-profit counseling agencies and legal service providers.**

As you know, MSHDA has responded to Michigan's foreclosure crisis; investing over \$10 million to stabilize Michigan households and neighborhoods since the crisis began. With no state monies appropriated toward this crisis, MSHDA has relied on federal funding and its own operating dollars. We have seen a significant decline in federal funds even though the crisis continues.

- **Counseling Services**

MSHDA has paid over \$8.5 million to non-profit counseling agencies and legal aid partners to provide foreclosure prevention, loss mitigation and legal assistance services to over 40,000 families.

- **Foreclosure Prevention Call Center · 866-946-7432**

MSHDA established a toll-free foreclosure avoidance call center; connecting Michigan residents with housing counselors, legal aid partners and valuable local resources. Since its inception call center staff assisted over 80,000 homeowners.

- **Statewide Foreclosure Prevention Public Awareness Campaigns**

MSHDA created four separate PSA campaigns – encompassing radio, TV and print media outlets.

Results have been positive, but more work is needed. **As one of the most cost effective methods in avoiding foreclosure, the funding received through the National Mortgage Servicer Settlement will allow the statewide network of housing counseling agencies and legal aid attorneys to continue to provide valuable services to Michigan residents; those harmed most by the foreclosure crisis.**

We regularly hear from satisfied homeowners who have received services in their most critical time of need:

*"Taking time to let you know I can now see a light at the end of the tunnel. Again, thank you."
- Sue A.*



"Thank you from the bottom of our hearts!"

- Wayne & Michele I.

"The words thank you don't feel like enough. I want to express my gratitude for the assistance you have provided me and my family. What you do makes a great difference in peoples lives. I appreciate what you do! Thank you!!"

- Angi

"Thank you to all of you that had a hand in saving my house! Best wishes in all that you do!"

- Deb

MSHDA has a long standing partnership with the Attorney General's Office and the Office of Financial and Insurance Regulation; working together help Michigan homeowners navigate the complexities of foreclosure prevention options and protecting homeowners from wrongful foreclosures and rescue scams

As MSHDA's role in moving our state forward, we believe this funding through MSHDA and HUD-approved non-profit counseling agencies and legal aid partners, will provide much needed support; strengthening Michigan's families, communities and economy. **We urge the committee members to support Attorney General Schuette's recommendations.**

Jodi L. Mercer
Departmental Manager
Michigan State Housing Development Authority