

**IMPLEMENTATION SUMMARY FORM**

**Executive Group Name: Homeownership**

**Workgroup Subcommittee Name: Financial Services-Centers**

**Date Developed: 1/16/07**

**Contact Name: Cathy Robinson (NAHB) and Mary Townley (MSHDA)**

<b>STRATEGIC ISSUE</b>	<b>H.1 Create a core group of financial opportunity centers in Michigan. Also create an office of financial education at the State level to manage, monitor and direct financial opportunity centers state wide.</b>					
<b>FINAL RECOMMENDATION</b>	<b>1. Create a core group of financial opportunity centers in Michigan. Also create an office of financial education at the State level to manage, monitor and direct financial opportunity centers state wide. Establish a core network of opportunity centers across the State of Michigan that provide a full range of financial services and education to low and moderate income households. Implement training for secondary level students for financial management. Create continuous and ongoing financial partners for resources of financial services. Expand training in both areas of counseling to expand foreclosure prevention and predatory lending.</b>					
<b>WHEN:</b> <i>Please "x" the box next to the projected timeframe</i>	<b>"Early Win"</b> <b>(Nov. 2006 – Dec. 2007)</b>	<input type="checkbox"/>	<b>Mid-Range</b> <b>(Jan. 2007-Dec. 2008)</b>	<input checked="" type="checkbox"/>	<b>Long-Term</b> <b>(Jan. 2009-Dec. 2011)</b>	<input checked="" type="checkbox"/>

<p><b>ACTION STEPS needed for follow up and implementation:</b></p> <ul style="list-style-type: none"> <li>■ Connect MSHDA loan servicers to direct individuals to counseling agencies.</li> <li>■ Create programs and resources to build capacity of a core group of financial opportunity centers in Michigan. Create reasonable indicators of success.</li> <li>■ Work to ensure personal financial education is included in legislation for new academic standards in Michigan.</li> <li>■ Explore the possibilities of governmental mandate of education for all sub-prime loans in Michigan.</li> <li>■ Define the concept of secondary level student financial education. (High School Students).</li> <li>■ Assess feasibility of increasing cash assistance for foreclosure prevention funding along with increased funding for financial centers.</li> </ul>	<p><b>DELIVERABLES with measures and timeframes:</b></p> <ul style="list-style-type: none"> <li>■ <b>9/30/07 Deadline</b></li> <li>■ <b>1/1/09 Deadline</b></li> <li>■ <b>12/01/2011 Deadline</b></li> <li>■ <b>12/1/2011 Deadline</b></li> <li>■ <b>9/1/2008 Deadline</b></li> <li>■ <b>Incorporate into #2 above with deadline of 1/1/09</b></li> </ul>
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## IMPLEMENTATION SUMMARY FORM

- Create enhanced training curriculum for counseling agencies to include mandatory continuing education classes and mandatory attendance requirements to enhanced training modules.
- Expand training and curriculum materials without our LINKS manuals.
- Update home maintenance curriculum and provide advanced maintenance training to network counselors.

- **6/1/2008 Deadline**
- **9/1/2007 Deadline (current in the works and waiting for review and implementation).**
- **9/1/2007 Deadline (currently under way with final drafts under review).**

### **WHO must be involved in follow-up and implementation:**

- **MSHDA Homeownership staff- Trevor Winterowd, Sharon Evans, Karen Lawson**
- **MSHDA Community Development staff- Steve Lathom**
- **MSHDA Legal Affairs – Will Moseng**
- **OFIS Staff**
- **Department of Education**
- **Sue Ortiz – ICCF of Grand Rapids**
- **American Association of Professors**
- **Mortgage Bankers Assoc.**
- **Council of Michigan Foundations**
- **OLHSA- Don Jones**

### **CHALLENGES associated with follow-up and implementation:**

- **Creation of a financial management curriculum and all of its components for school systems.**
- **Determining who should run the opportunity centers.**
- **Development of a comprehensive definition of housing counseling, home ownership education counseling and home maintenance training.**
- **Establishing and implementing mandatory requirements for Counseling agencies.**
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**IMPLEMENTATION SUMMARY FORM**

**Executive Group Name: Homeownership**

**Workgroup Subcommittee Name: Homeownership – Minority Emerging Markets**

**Date Developed: 1/16/07**

**Contact Name: Natan Espinosa (Bd. Of Realtors) & Mary Townley (MSHDA)**

<b>STRATEGIC ISSUE</b>	<b>H.2 Increase Homeownership in Michigan’s Emerging Markets, specifically targeting minorities.</b>				
<b>FINAL RECOMMENDATION</b>	<b>1. Create an Emerging Markets Advisory Board to provide trusted guidance. Focus on expansion of targeted outreach efforts.</b>				
<b>WHEN:</b> <i>Please “x” the box next to the projected timeframe</i>	<b>“Early Win”</b> <b>(Nov. 2006 – Dec. 2007)</b>	<input type="checkbox"/>	<b>Mid-Range</b> <b>(Jan. 2007-Dec. 2008)</b>	<input checked="" type="checkbox"/>	<b>Long-Term</b> <b>(Jan. 2009-Dec. 2011)</b>
<b>ACTION STEPS needed for follow up and implementation:</b>		<b>DELIVERABLES with measures and timeframes:</b>			
<ul style="list-style-type: none"> <li>■ Research and identify areas within the State of Michigan where underserved markets exist.</li> <li>■ Establish plan, partnerships and generate ideas for addressing emerging market issues.</li> <li>■ Build relationship to overcome obstacles.</li> <li>■ Create new partnerships and initiatives partnering minority faith based organizations, churches, lenders, MSHDA and committed minority real estate professions and community organizations.</li> <li>■ Create extensive marketing plan (publication of materials, radio, newspapers, etc..) for expansion to emerging markets.</li> <li>■ Create monitoring devices to ensure growth in areas.</li> <li>■ Obtain additional marketing funding for expansion.</li> <li>■</li> </ul>		<ul style="list-style-type: none"> <li>■ <b>7/01/07 Deadline - Market identification</b></li> <li>■ <b>1/01/2008 Deadline - Identification of target organizations for marketing emerging markets audience.</b></li> <li>■ <b>6/01/2008 Deadline - Meet with organizations and individuals for cooperation and commitment to join in with initiative.</b></li> <li>■ <b>12/01/2007 Deadline - Creation of marketing materials and delivery.</b></li> <li>■ <b>12/01/2007 Deadline – Report generated AOD/VAX.</b></li> <li>■ <b>06/01/2008 Deadline</b></li> </ul>			

**IMPLEMENTATION SUMMARY FORM**

**WHO must be involved in follow-up and implementation:**

- Board of Realtors
- Minority Faith Based Organizations and Churchs
- MSHDA Homeownership marketing staff – Nancy Baker, Carol Brito, Ben Robertson
- MBA
- Financial Institutions Affordable Housing Units.
- MSHDA Participating Lenders
- MSHDA Marketing Division
- Katie Donovan
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**CHALLENGES associated with follow-up and implementation:**

- Identification of minority market areas.
- Organizing minority partners to deliver message.
- Funding resources for additional and new marketing materials.
- General lack of understanding concerning the whole issue of the homeownership gap in Michigan.
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**IMPLEMENTATION SUMMARY FORM**

**Executive Group Name: Homeownership**

**Workgroup Subcommittee Name: Homeownership – Predatory Lending**

**Date Developed: 1/16/07**

**Contact Name: Jeri Fischer (CMF) & Mary Townley (MSHDA)**

<b>STRATEGIC ISSUE</b>	<b>H.3 Increase public awareness of predatory and sub-prime lending practices.</b>					
<b>FINAL RECOMMENDATION</b>	<b>1. Provide options for borrowers who may fall victim to predatory products. Provide necessary information to assist the general public to better understand predatory lending. Develop marketing strategy to combat predatory lending.</b>					
<b>WHEN:</b> <i>Please "x" the box next to the projected timeframe</i>	<b>“Early Win”</b> (Nov. 2006 – Dec. 2007)	<input type="checkbox"/>	<b>Mid-Range</b> (Jan. 2007-Dec. 2008)	<input checked="" type="checkbox"/>	<b>Long-Term</b> (Jan. 2009-Dec. 2011)	<input type="checkbox"/>
<b>ACTION STEPS needed for follow up and implementation:</b>			<b>DELIVERABLES with measures and timeframes:</b>			
<ul style="list-style-type: none"> <li>■ Create marketing materials for delivery of message on signs of predatory lending and overall general education. Public education campaign.</li> <li>■ Lobby to address legislative changes to combat predatory lenders.</li> <li>■ Expand curriculum for counseling agencies on predatory lending.</li> <li>■ Investigate and implement funding opportunities for new state program to pay off predatory lending loans that will detrimentally effect Michigan citizens.</li> <li>■ Provide legal assistance mechanism to select legal counsel for predatory lending claims and foreclosure claims associated with Predatory Lenders.</li> <li>■ Create MSHDA Web site information to assist Lenders/REALTORS/borrowers on signs and cautions of Predatory Lending.</li> <li>■</li> </ul>			<ul style="list-style-type: none"> <li>■ <b>6/01/2008 Deadline - Marketing Tools</b></li> <li>■ <b>12/01/2008 Deadline – State reform</b></li> <li>■ <b>6/01/2008 Deadline - Expansion of counseling curriculum</b></li> <li>■ <b>9/01/2007 Deadline –</b></li> <li>■ <b>1/01/2008 Deadline –</b></li> <li>■ <b>9/01/2007 Deadline – Content completed, Web Site being modified and updated.</b></li> </ul>			

**IMPLEMENTATION SUMMARY FORM**

**WHO must be involved in follow-up and implementation:**

- **MSHDA Web Staff – Trevor Winterowd**
- **MSHDA Links Staff- Karen Lawson, Sharon Evans**
- **MSHDA Legal – Will Moseng**
- **Bond Counsel**
- **Carol Brito, Nancy Baker, Ben Robertson**
- **Katie Donovan**
- **OFIS**
- **Attorney Generals office**
- **Cooley Law School, Detroit College of Law**
- **211 United Way**
- **MSHDA Finance – Jeff Sykes**
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**CHALLENGES associated with follow-up and implementation:**

- **Legislative changes to Predatory Lenders**
- **Getting the word out to citizens of Michigan**
- **Funding, creation and implementation of possible refinance program to pay off predatory lending loans and ARM's.**
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**IMPLEMENTATION SUMMARY FORM**

**Executive Group Name: Homeownership**

**Workgroup Subcommittee Name: Homeownership – Increasing Production**

**Date Developed: 1/16/07**

**Contact Name: Melissa Overton (MBA) & Mary Townley (MSHDA)**

<b>STRATEGIC ISSUE</b>	<b>H.4 Increase production of low and moderate income homeownership in Michigan.</b>					
<b>FINAL RECOMMENDATION</b>	<b>1. Increase affordability for low to moderate income borrowers by expansions to underwriting guidelines, assisting with payment of recapture tax, enhance training for Lenders and availability of MSHDA operating a private mortgage insurance company. Increasing visibility to Lenders and consumers.</b>					
<b>WHEN:</b> <i>Please "x" the box next to the projected timeframe</i>	<b>"Early Win"</b> (Nov. 2006 – Dec. 2007)	→ <b>X</b>	<b>Mid-Range</b> (Jan. 2007-Dec. 2008)	→ <b>X</b>	<b>Long-Term</b> (Jan. 2009-Dec. 2011)	→ <b>X</b>

<b>ACTION STEPS needed for follow up and implementation:</b>	<b>DELIVERABLES with measures and timeframes:</b>
<ul style="list-style-type: none"> <li>■ Research, write and implement ability for MSHDA to cover any borrower recapture tax. Legislature approval will be required for this</li> <li>■ Expansion of Home Choice Underwriting parameters to allow for additional opportunities.</li> <li>■ Evaluation of limited equity housing co-op's, additional affordable housing opportunities.</li> <li>■ Research, write and implement ability for MSHDA to offer Construction/permanent loans/rehab loans. This will enhance communities and allow for adequate affordable housing. (One note closings &amp; 1<sup>st</sup>/2<sup>nd</sup>'s)</li> <li>■ Create and implement Web Based Trainings (Webinars). This will increase training availability, assist with Lenders location issues and get our messages out faster. Predatory Lending, Foreclosure Preventative Counseling, New programs, etc...</li> <li>■ Increase in acreage requirements.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>1/01/2008 Deadline –</b></li> <li>■ <b>10/01/2007 Deadline -</b></li> <li>■ <b>6/01/2008 Deadline –</b></li> <li>■ <b>6/01/2008 Deadline –</b></li> <li>■ <b>6/01/2008 Deadline –</b></li> <li>■ <b>6/01/2007 Deadline – Currently underway with Legal.</b></li> </ul>

## IMPLEMENTATION SUMMARY FORM

- Review of collection payoff requirements.
- Investigate, review, and analyze feasibility for development of re-insurance plan with mortgage insurance companies. Share pricing risk.
- Create pre-approval process for Lenders via: LOL Web site or with actual underwriter reviews.
- Create marketing plan for Homeownership marketing staff to increase knowledge and increase production state wide.
- Research options of having REALTOR hyperlinks on our web site.
- Upgrade MSHDA Software for Homeownership Division. AOD/VAX
  
- Change of loan servicing set up from Lenders to MSHDA
  
- Investigate option of Brokers participating with Single Family loan programs by partnering with established Lenders.
- Establish quarterly conference calls with top 5 Lenders to input, recommendations, etc..
- Research and implement if necessary change to Underwriting flow, Compliance underwrite instead of full underwrite.
- Amend Lender agreements to include early payment default language.
- Amend Single Family manual to incorporate streamlined documentation requirements.

- **12/01/2007 Deadline –**
- **1/01/2009 Deadline –**
  
- **6/01/2008 Deadline –**
  
- **1/01/2007 – Completed.**
  
- **9/01/2007 Deadline – Currently being worked on.**
- **12/01/2007 Deadline – AOD/VAX test environment ready for testing. Testing to begin March 2007.**
- **9/01/2007 Deadline – Currently underway with one lender for testing.**
- **6/01/2008 Deadline –**
  
- **7/01/2007 Deadline –**
  
- **1/01/2008 Deadline –**
  
- **1/01/2008 Deadline –**
- **6/01/2007 Deadline – Currently underway with Legal.**

### **WHO must be involved in follow-up and implementation:**

- **Cheryl Tulloch**
- **Trevor Winterowd**
- **Chris Blank**
- **Jeff Sykes**
- **MSHDA Legal- Will Moseng**
- **Board of Realtors representative**
- **Bond Counsel**

**IMPLEMENTATION SUMMARY FORM**

**CHALLENGES associated with follow-up and implementation:**

- State systems staff not responding to upgrades needed on software system.
- Bond Counsel not receptive to requested changes.
- Tough market conditions for increase production goals.