

House Joint Committee Meeting with Senate Joint Committee Meeting  
with  
Senate Banking and Financial Services, Rep. Dan Scripps, Chair  
and  
Banking and Financial Institutions, Sen. Randy Richardville, Chair

Jodi Mercer  
Program & Business Development Manager  
Michigan State Housing Development Authority

Talking Points:

MSHDA's role as it relates to Public Acts 29, 30, and 31 of 2009

- Was to make available a listing of MSHDA and HUD approved foreclosure counseling agencies pursuant to the legislation.

However as a result of the legislation, our role expanded to include:

- Providing support and foreclosure training to counselors across the state who are advocating on behalf of homeowners; and
- Supporting those agencies financially through the reimbursement of counseling services provided. MSHDA's financial support has exceeded \$2.7 million since the legislation took effect last July.
- Between 07/05/09 to 5/19/10, MSHDA counselors have assisted over 8,500 families to either avoid foreclosure or have a soft landing. MSHDA data only, does not include services provided by counselors, but funded through HUD or other.

Based upon feedback from MSHDA's foreclosure prevention counselors:

- Many counselors feel that the legislation has resulted in more loan modification options being offered to homeowners and that the legislation has allowed homeowners to stay in their homes longer.
- When mortgage servicers appoint attorneys as their "designated agent" it adds a middle man or another "hoop" that homeowners and counselors must navigate.
- Many counselors voice frustration that the attorneys acting as "designated agents" do not have the authority to make decisions at the actual meeting as required by the legislation, and they view that as its major flaw.
- Counselors are most successful when negotiating loan workout plans with Michigan-based banks and credit unions.
- Following the negotiation meeting, national mortgage servicers are frequently taking 90 days or more in order to make a decision; some modification requests take 6-18 months
- As a result, many counselors feel the legislation was well intended, but lacks accountability, enforceability and regulatory repercussions.