

Step Forward Michigan Past Due Property Tax Assistance



Helping Michigan's Hardest-Hit Homeowners

Q: What is this program?

A: This loan program provides help for Michigan homeowners that have fallen behind on their property taxes. A one-time payment of up to \$30,000 may be granted to your county treasurer. As long as you live in your home for 5 years after receiving this loan it is 100% forgivable.

Q: How do I qualify for the Past Due Property Tax Assistance forgivable loan?

- 1) You must have a qualifying involuntary hardship. Examples include: losing a job, income reduction, a medical condition, death, divorce and disability, and one-time critical expense (including medical bills, repair costs for property damage, repair costs for vehicle damage).

Note: the examples of involuntary hardships are not all inclusive and should be used only as a general guide.

- 2) You must be able to keep current with your property tax payments now. This loan is for *past* property tax debt.
- 3) You cannot have any delinquent mortgage payments.
- 4) The property you are applying for must be one of the following:
 - A single-family home
 - 1-4 unit properties are eligible if one unit is occupied as primary residence of homeowner
- 5) You must have limited cash on hand (cash, checking, or savings) with no more than 1 ½ times your annual property tax amount.

Q: What would make me ineligible for Property Tax Assistance?

A: You would be ineligible if you have:

- A conviction within the last 10 years on a financial-related felony; including larceny, theft, fraud, forgery, money laundering and/or tax evasion.
- A completed Foreclosure Sale on the property you are applying for.

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Q: Is this loan forgivable?

A: Yes, as long as the homeowner remains in the home for 5 years the loan is 100% forgivable. For each year the owner resides in the home 20% of the loan is forgiven. This is an interest free loan with no monthly payments.

Q: What is the maximum amount of money granted through this loan? How is it received?

A: If you qualify, a onetime payment of up to \$30,000 can be sent to the county treasurer to pay your outstanding property tax.

A step forward

when you're a step behind

Apply Now 

Q: How do I apply for this forgivable loan?

A: You need to do three things to apply for this forgivable loan:

- 1) You must fill out an online application at stepforwardmichigan.org.
- 2) You must complete the "Property Tax Assistance" request form at stepforwardmichigan.org.
- 3) You must submit a copy of your recent summer and winter property tax bill.

If you have additional questions you can reach CLEARCorps at (313) 924-4000. We will be happy to mail you an application aid with useful tips.

If you have additional questions contact Step Forward Michigan by phone at (866) 946-7432 or by email at StepForward@michigan.gov. Enter "ESCALATION REVIEW" as the subject of the email.

Also, there are funds available through Step Forward Michigan for those with a delinquent mortgage. More information can be found at stepforwardmichigan.org.

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Step Forward Michigan's Property Tax Assistance

Important Things to Know When Filling out Your Application

Qualifying Hardship

1. The qualifying hardship must have occurred at the same time, or near the same time, as when you became delinquent on your property taxes. For example, if you are delinquent on your 2009 property taxes, a hardship from 2005 would not qualify.

How to Answer for Property Taxes

This application is primarily designed for mortgage assistance. When the application asks for mortgage information, remember to fill in your property tax information and you should be all right! Here are a few specifics:

Four Things Under 'Step 1: Homeowner Information':

1. If you are receiving social security or any other type of benefits, you will need to put the date you started receiving those benefits as the "Hire Date"
2. The application asks "Do you have more than six times your monthly mortgage payment available in your deposit accounts?" Answer this in regard to your taxes. Do you have more than six times the amount of your property tax debt in liquid assets (a checking or savings account)?
3. The application asks "Which Program are you interested in?" Select "Loan Rescue Funds" because the property tax assistance falls under this loan.
4. The application asks "For which of your mortgage liens are you seeking assistance?" Choose "Other mortgage" for this question.

Three Things Under 'Step 4: Lender Information':

1. Choose "PROPERTY TAX ASSISTANCE" for "Lender Name 1"
2. On 'Step 4: Lender Information' enter your property parcel or tax identification number as the "Account Number"
3. On 'Step 4: Lender Information,' enter the *total* amount of property taxes owed in *both* the "Unpaid Balance" and the "Monthly Payments" field
 - o Do NOT divide the property tax debt by 12 to calculate a monthly payment

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Additional information:

1. You need an email address for this application process.
2. Any person on the house deed should also be included as a co-applicant.
3. Once you download and print your application package there is tax form, 4506-T, which must be signed by the applicant. You do NOT need to fill out the rest of the form.
4. You **MUST** write the account number (your Parcel ID number) at the top of EVERY page/document you submit for review.

Required Documents:

You must submit all of these documents with your Step Forward application:

- Recent Mortgage Statement (if applicable)
- Recent Pay Stub from all employment and income sources showing 30 days of year-to-date earnings
- Recent Bank Statement (all pages) showing current deposit amounts and 30 days of history (Checking, Savings, Money Markets, and Certificates of Deposits)
- Property Legal Description with parcel ID number (located in your mortgage documents or tax bill)
- Copy of your recent summer and winter property tax bill due to your city, township, or village

Note: Recent means within the last 60 days

If receiving Social Security, Disability, or Unemployment Income, **also provide:**

- Benefit Statement reflecting amount and frequency of benefits; AND
- Documentation reflecting current receipt of benefits

If Self-Employed, **also provide:**

- Prior year individual federal income tax return and, as applicable the business tax return; AND
- Most recent signed and dated quarterly profit/loss statement; AND
- Most recent statement(s) evidencing continuation of business activity

If you receive additional income, **also provide:**

- Signed Lease/Rental Agreement
- Signed Letter of Explanation
- Promissory Note
- Evidence of Receipt of Funds

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