DEPARTMENT POLICY

State Emergency Relief (SER) helps to prevent loss of a home if no other resources are available and the home will be available to provide safe shelter for the SER group in the foreseeable future. SER also assists with home repairs to correct unsafe conditions and restore essential services.

Covered Services

The following services are covered by this item:

1. Home ownership services.
    - House payments (mortgage, land contract payment or mobile home sales contract), including principal and interest, legal fees and escrow accounts for taxes and insurance.
    - Property taxes and fees.
    - Mobile home lot rent for owners or purchasers of mobile homes.
    - House insurance premiums that are required pursuant to the terms of a mortgage or land contract.
2. Energy-related home repairs.
3. Non-energy-related home repairs.

Home Ownership Services

Home ownership services payments are only issued to save a home threatened with loss due to:

- Mortgage foreclosure.
- Land contract forfeiture.
- Tax foreclosure or sale.
- Court-ordered eviction of a mobile home from land or a mobile home park.

- Repossession for failure to meet an installment loan payment for a mobile home.

The lifetime home ownership services maximum is $2,000. The lifetime maximum is the combined cumulative total of all home ownership service payments. Individual services (house payments, property taxes, etc.) do not have separate lifetime maximums.

Payments are applied to the cap of the client. Client means the applicant for or recipient of SER and includes all group members. So every individual in the group who benefits from the payment, including minor children, will have payments applied to their individual cap. The payments made to cap follow the individual even if they move from one household to another.

Bridges maintains a record of the lifetime home ownership services payments since 12/01/1991. Check Bridges under *Benefit Issuance/SER Adjustments/View SER Cap* for the balance available for home ownership services before authorizing payment.

Mortgage payments, land contract payments and property tax payments authorized between 10/01/1994 and 09/30/1997 required placing a lien on the homestead. Liens filed during period are still valid and must be repaid. See ERM 403, Lien on Real Property, for discharge procedures.

An adjustment to the home ownership lifetime limit exists when a lien is paid in full and discharged. Central office will notify the specialist when a lien is discharged by the county register of deeds office. See ERM 403, Lien on Real Property, for procedures.

Energy-Related Home Repairs

The Low Income Home Energy Assistance Program (LIHEAP) is the funding source for energy-related repairs. Repair or replacement of a non-functioning furnace is currently the only allowable energy-related home repair. The lifetime maximum for energy-related home repairs is $4,000. All energy-related repairs approved since 1/1/1978 count toward this maximum, including previously authorized repairs covered as energy-related home repairs. View *Benefit Issuance/SER Adjustments/View SER Cap* to verify the cumulative total of energy related home repairs.

Non-Energy-Related Home Repairs

Non-energy-related repairs include all home repairs for client-owned housing except furnace repair or replacement. Examples include:

- Repairs to the basic structure.
- Hot water heater.
- Septic/waste disposal system.
- Doors/windows.
- Extermination services.
- Electrical.
- Plumbing.
- Roofs.
- Wells/water supply system.
- Wheelchair ramps.

Authorization for payment is only made if the repair(s) is essential to remove a direct threat to health or safety or is required by law or a mobile home park regulation. The repair(s) must restore the home to a safe, livable condition.

SER does not pay for improvements or nonessential repairs.

The lifetime maximum for non-energy-related home repairs is $1,500 per SER group. All non-energy-related repairs approved since 12/1/1991 count toward this maximum. Bridges has a record of all non-energy home repairs since 12/1/1991. View *Benefit Issuance/SER Adjustments/View SER Cap* to verify the cumulative total of energy related home repairs.

Non-energy home repairs authorized between 10/1/1995 and 09/30/1997 required placing a lien on the homestead. Liens filed during this period are still valid and must be repaid. See ERM 403, Lien on Real Property, for discharge procedures.

Do not merge or interchange the energy-related and non-energy-related home repair maximums. The lifetime maximum remains with each individual even if case numbers change.

Eligibility Requirements

Issue Home Ownership Services payments only to save a home threatened with loss due to mortgage foreclosure, land contract forfeiture, tax foreclosure, or court ordered eviction of a mobile home from land or a mobile home park. Issue home repair payments only if the repair(s) is essential to remove a direct threat to health or safety or is required by law or a mobile home park regulation. The repair(s) must restore the home to a safe, livable condition. **SER does not pay for improvements or nonessential repairs.**

In addition, **all** of the following conditions must be met (unless specified for a particular service):

- An SER group member is an owner or purchaser of the home, or holds a life estate on the home with the responsibility for home repairs. If the home is co-owned, the cost of the emergency is not split between the co-owners or co-purchasers.
- The home is the SER group's permanent, usual residence.
- The home is not listed for sale.
- The home is not in jeopardy of loss. (This only applies to home repairs.) Deny repairs if the home is in jeopardy of loss due to unpaid property taxes or foreclosure of a mortgage or land contract unless a workable plan exists for paying the arrearage.
- The ongoing cost of maintaining the home is affordable to the SER group; see ERM 207, Housing Affordability.
- The SER group did not cause the emergency. Do **not** authorize Home Ownership Services if the emergency was client-caused; see ERM 204, Client Caused Emergencies. (Property tax and home repair requests are exempt from the client-caused provision in Item 204.)
- The home is in livable condition and payment will guarantee safe, sanitary shelter both now and in the future. Do not approve any home ownership services payments for homes that are not in a livable condition or cannot be brought to a livable condition within the remaining SER home repair limit.

- The total amount of tax arrearage for **all** years does not exceed $2,000. (This only applies to home ownership for taxes.) Pay only the minimum amount required to resolve the tax emergency. Do not pay until loss of the home is imminent; see Verification below.

  Note: The total tax arrearage amount is the total for every year combined, not just for the tax years which assistance is being requested.

- The amount to be authorized does not exceed the home ownership services maximum of $2,000, the energy-related home repair maximum of $4,000 or the non-energy-related home repair maximum of $1,500, and the issuance amount will resolve the emergency.

Repair Estimates

Obtain at least one estimate of the repair cost. More may be requested, depending on case circumstances. Approve the most cost-effective repair. SER does not pay for estimates.

Licensed Contractors

Payment for the following services can only be issued if the contractor holds a valid license issued by the Bureau of Construction Codes through the Department of Licensing and Regulatory Affairs.

- Electrical.
- Plumbing.
- Furnace repair or replacement.
- Mobile home setup, installation or general repairs.

Note: Specific service on manufactured homes requires an appropriate Michigan license for that type of service (such as, electrical, mechanical and plumbing).

Verification that a contractor holds a valid license may be obtained from the following Web site: LARA (accela.com). Other building repairs costing over $600 also require a licensed contractor. Septic system and water well installation require only a local permit and inspection by the Department of Public Health. Verification that the

septic system or water well provider is registered can be found at the Directory of Michigan Registered Contractors .

Purchase of Materials

SER will pay for building materials for non-energy home repairs if all SER eligibility requirements are met and a non-profit agency or volunteer group is completing the home repair. The non-profit agency or volunteer group will be responsible for licensing, inspection and local building codes.

Energy Efficiency

All new furnaces authorized must meet the following energy efficiency requirements:

- **Non-boiler furnaces** must be non-condensing models with AFUE (annual fuel utilization efficiency) minimum rating of 78 percent. However, a higher rated condensing model may also be approved.
- Boiler furnaces and mobile home furnaces must be non-condensing models with AFUE minimum rating of 70 percent.
- Furnaces/boilers having higher ratings do **not** require an exception from the SER program office.

Verification

Foreclosure/Forfeiture/Eviction

Foreclosure/forfeiture, or eviction from land or a mobile home park:

- Court order or a written statement from the contract holder or mortgagee that there is a payment arrearage and failure to correct the deficiency may result in foreclosure or forfeiture proceedings.
- A court summons, order or judgment that will result in the SER group becoming homeless.

Property Tax Sale

Verify property tax sale using **both** a:

- Statement from taxing authority verifying total tax arrearage.

- Notice scheduling a judicial foreclosure hearing. This occurs one year after forfeiture -- generally in February.

  Note: First, taxes become delinquent. Then, a year later forfeiture occurs and interest and fees increase. One year later, a circuit court hearing is held and foreclosure occurs.

  Payment of taxes may be made once the client provides a notice scheduling the judicial foreclosure hearing. It is not necessary to wait until the judgment has been entered. Once a judgment has been entered, the client must make payment within 21 days of entry of the foreclosure judgment but no later than March 31.

  Once the March 31 date has passed, ownership is transferred to the county and there is no redemption possible. Process the application within the SOP or by the date necessary to prevent the loss of the property, whichever is sooner.

Home Repairs

Home repairs:

- Statement from the mobile home park manager indicating the repair is required.

- Copy of mobile home park regulations.

A quote from the provider stating the repair is needed. The specialist must review the documentation and determine whether the repair is necessary to remove a direct threat or safety concern to the home.Home Ownership Services

Home ownership:

- Deed.
- Purchase agreement.
- Land contract.
- Life estate document.
- Attorney or court records.
- County records.
- Statement of real estate agent or financial institution.
- Mortgage.
- Property tax statement.

- For eviction from a mobile home park, an eviction order or court summons regarding eviction. (A demand for possession non-payment of rent or a notice to quit is not sufficient.)

LEGAL BASE

Mich Admin Code, R 400.7001 et seq.