

2011 NCSHA Awards

HFA: Michigan State Housing Development Authority (MSHDA)

Category: Communications - Creative Media

Entry Name: Helping Michigan's Hardest Hit Homeowners

Collaboration to Address the Mortgage Crisis

Michigan's MSHDA-led response to the mortgage crisis is recognized as a national model for public-private partnerships. Michigan was the first of the nation's five initially selected state Housing Finance Agencies (HFAs) to submit and implement its plan. The five states were selected based on unemployment and foreclosure data. The U.S. departments of Housing and Urban Development (HUD) and Treasury challenged MSHDA to devise a program that could help thousands of Michigan families keep making their payments and stay in their homes until they could find work. The result was Michigan's Hardest Hit Fund plan, which has helped homeowners who are unemployed, have fallen behind in their mortgage payments or taxes due to a temporary layoff or medical emergency, and those who can no longer afford their mortgage payments due to lower income. MSHDA developed the plan together with the Michigan Bankers Association, the Michigan Credit Union League, the Michigan Association of Community Bankers, the Michigan Association of Realtors, the Michigan Foreclosure Task Force, and a statewide network of homeownership counseling nonprofit agencies. Fifth Third Bank lent its eBus to bring online application connectivity and counselors to neighborhoods, providing assistance to customers of all lending institutions. Lenders, Realtors and counselors joined together to quickly and efficiently assist Michigan's hardest-hit homeowners. To date, MSHDA has brought \$498 million in competitive federal dollars to Michigan's Hardest Hit Fund. MSHDA estimates it will take approximately 3 years to completely distribute the state's allocation from the Hardest Hit Fund.

MSHDA worked with its communications team and an outside contractor, to develop a comprehensive marketing and media (both paid and earned) campaign that would attract the attention of Michigan homeowners who were having difficulty making their mortgage payments. The message is simple: "Take a step forward when you're a step behind." MSHDA's audience is as broad as the problem is pervasive in Michigan. While key audiences were defined, they were diverse, targeting Michigan statewide, all races, age-ranges and most income levels since the state has seen devastation across all demographic categories. The campaign shaped tactical and strategic decisions made in relation to the areas of advertising, events, Web site and public relations.

Creating Statewide Awareness

MSHDA aimed to create statewide awareness of the three new programs that are available to Michigan homeowners who have fallen behind on their mortgage payments:

- **Unemployment Mortgage Subsidy Program** – Assistance of up to half of the required monthly mortgage payment (up to \$750) for a maximum of 12 months, or \$9,000 total, while borrowers are drawing unemployment compensation.
- **Loan Rescue Program** – Assistance of up to \$5,000 to apply toward households that have fallen behind on their mortgages while overcoming employment problems, divorce or serious illness.
- **Principal Curtailment Program** – A one-time matching funding between Hardest-Hit funds and current mortgage lender of up to \$10,000 to homeowners are in unsustainable mortgages and have recently re-entered the job market at a reduced income level.

MSHDA implemented an expansive paid media and social marketing plan at the launch of the program as well as 10 months following the program launch to promote that funds are still

available and that nearly all mortgage servicers are now participating since many large banks declined to participate at the launch of the Hardest Hit program. The marketing campaign included the following mediums:

- **Print Collateral** including door hangers, cards and posters were produced and provided to unemployment agencies, social security offices and lenders around the state. Door hangers were distributed by local neighborhood associations to households across Michigan. All pieces drive people to Michigan's online portal (stepforwardmichigan.org) or toll-free phone number, where applications can be submitted.
- A new **Web Portal** was developed to take the place of the Michigan.gov/HardestHit page in order to allow people to apply for the program online. MSHDA secured numerous URLs to provide protection against scammers and to combat antifraud copycatting Web sites close to the name of Michigan's state program. The new portal contains not only the latest program information but also "how-to" videos explaining what Michigan's programs are and how, specifically, to apply to the program through brief, detailed, verbal and visual instruction.
- **Web ads** were developed both for paid and earned media placements. Animated ads were developed and placed on news, entertainment and information-based Web sites that geo-targeted Michigan and behavioral targeted homeowners. In addition, static ads were created for use by statewide partners including: members of the Michigan Banker's Association and all participating lenders statewide, members of the Michigan Credit Union League, neighborhood associations, local non-profits, faith-based organizations, other state agencies, etc.
- **Public Service Announcements (PSA's)** were produced and appeared in newspapers and on radio and television stations across Michigan. The television spots aired on Comcast, Charter and Millenium (Broad Stripe) cable systems. The ads not only urged at-risk homeowners to contact their mortgage servicer to determine whether they were eligible for the program, but informed people who may have applied and been denied that nearly all mortgage servicers were now participating. The radio spots aired on commercial stations statewide. The spots featured three different testimonials of MSHDA Hardest-Hit phone technicians relaying real instances in which they helped a homeowner with a unique situation.
- **Cinema advertisements** were produced and advertised for placement in select theaters across Michigan during the months of July, November, and December, 2011 (movie blockbuster release months).

Working Together to Take a Step Forward

MSHDA's plan was developed in partnership with representatives from the Michigan Bankers Association, the Michigan Credit Union League, the Michigan Association of Community Bankers, the Michigan Association of Realtors, the Michigan Foreclosure Task Force, and MSHDA's statewide homeownership counseling network. This partnership was unprecedented in Michigan and required constant communication between MSHDA and the various organizations while details of the plan were finalized.

Programs were crafted with the main focus centered on unemployed and underemployed Michigan residents. More than 50 percent of Michigan's current mortgage delinquencies are attributable to declining income. And, unlike the other Hardest Hit Fund plans that have focused on helping at-risk homeowners in certain regions of a state, MSHDA's programs are open and available to eligible homeowners throughout the entire state.

Outweighing Costs with Tremendous Benefits

- Supporting a recovery/assistance system saves the State of Michigan millions of dollars in costs because it keeps families and individuals from losing their homes to foreclosure and from entering the ranks of the homeless, preserves state and local tax bases, and maintains property values of homeowners not at risk of foreclosure.

- MSHDA allocated only 8 percent of Michigan’s funding award to administrative costs.
- MSHDA projects that 30,000 homeowners will be assisted, including 24,000 temporarily unemployed, within 18 months.
- MSHDA sought to efficiently allocate funds not only by need but by the number of households it might help. As of July 11, 2011, MSHDA had received 8,043 requests for funding totaling over \$3.5 million. MSHDA expects these numbers to increase significantly as lenders work through their delinquent pipeline and identify more Michigan residents facing declining income.
- MSHDA worked with media partners across Michigan to receive value-added “bonus” placements in every market of radio, television and Web advertising. Over the first month alone, MSHDA received value-ad placements from nearly 60 media vendors with whom they placed paid media. MSHDA will continue to place media, including the already-produced marketing collateral, in response to growing demand.
- More than 500 earned media stories on the Hardest-Hit Fund were published or broadcast by newspapers, television and radio outlets across Michigan and nationally following the two program-launch press conferences. To date, over one thousand stories have been disseminated by the news media in Michigan about the Hardest-Hit Fund.
- In 2011, when MSHDA began their second wave of advertising to inform the public that nearly all lenders were participating in the 4H program, they received bonus placements of of more than 10 times the number of spots purchased for TV and radio.

Michigan’s Numbers Speak Volumes

MSHDA received over 30,000 calls within hours of the July 12 launch, the largest volume of calls ever placed in one day to a state agency in Michigan history. On August 11, 2010, the Obama administration announced an expansion of the Hardest-Hit Fund initiative providing additional assistance targeted at unemployed borrowers in states with the highest unemployment rates. This expansion of the Hardest-Hit Fund included up to \$2 billion in funding for HFAs to offer a standard unemployment bridge program that would pay a portion of a borrower’s mortgage payment while he or she was unemployed or underemployed. Michigan’s allocation totaled \$128 million, which reflects the significant need to assist homeowners through an ongoing unemployment crisis.

The Step Forward Michigan Web site has received nearly 45,000 visits in five months (January-May, 2011) and the toll-free hot line has received nearly 8,000 calls in five months (January-May, 2011). As of July, 2011, a total of 8,043 requests for loans had been submitted to MSHDA, with 6,399 approvals, 1,644 who did not qualify referred to MSHDA’s counseling network for other recovery assistance, and more than 3,577 applications in the pipeline, pending review. Michigan projects it will award remaining funds over the next 18-24 months, helping upwards of 50,000 homeowners.

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