

Allegan County Financial Hardship Guidelines

Determination of Substantial Financial Hardship by Foreclosing Governmental Unit under M.C.L. 2211.78(3) in the Foreclosure of Property for Non-Payment of Delinquent Property Taxes

(a) *Authorization to Withhold Property.* Section 78h of the General Property Tax Act, 1893 PA 206, as amended, M.C.L. 211.1 - 211.159 ("Act"), provides that a Foreclosing Governmental Unit may withhold from a petition for foreclosure, property, the title to which is held by a person undergoing a substantial financial hardship.

(b) *Information Required.* A property owner must demonstrate a substantial financial hardship by substantial evidence. The property owner must provide sufficient information to allow the Foreclosing Governmental Unit to determine that a substantial financial hardship resulted in the non-payment of the delinquent property taxes. The Foreclosing Governmental Unit will base its determination on the information provided by the property owner, the records of the Foreclosing Governmental Unit, and other sources. The lack of sufficient information reasonably available to the property owner, or the provision by the property owner of knowingly provides false or misleading information, shall result in a denial of the request to withhold the property from the foreclosure petition.

(c) *Determining Factors.* In determining whether property may be withheld from a petition for foreclosure the Foreclosing Governmental Unit may consider all relevant factors. If a property owner demonstrates to the Foreclosing Government Unit that the property owner meets the federal poverty guidelines as defined and determined annually by the United States Office of Health and Human Services, the Foreclosing Government Unit may withhold the property from the foreclosure petition. The Foreclosing Governmental Unit shall also consider the following:

- (1) the past and present household income of the property owner and the reason for any reductions in household income;
- (2) assets of the property owner which were or are available and could have been or can be liquidated to redeem the delinquent taxes. The Foreclosing Governmental Unit will not consider assets in a pension, profit-sharing, annuity or similar retirement plan or contract as available for liquidation to the extent that these funds are reasonable necessary for the support of the homeowner, or dependents or the surviving spouse of the property owner;
- (3) the employment history of the property owner, including unemployment, underemployment;
- (4) the eligibility of the property owner for other additional financial assistance.

(d) *Examples of Factors Contributing to Substantial Financial Hardship.* Examples of factors contributing to the substantial financial hardship of a property owner include:

- (1) unemployment or underemployment, through no fault of the property owner or a member of the household of the property owner.
- (2) loss, reduction or delay in the payment to the household of the property owner of Federal, State or other government benefits including Social Security, Supplemental Security Income, public assistance, or a government pension;
- (3) loss, reduction or delay in the payment to the household receipt of private benefit payments, including pensions, annuities, and retirement plan payments;
- (4) loss, reduction or delay in the payment to the household receipt of private benefit payments, including pensions, annuities, and retirement plan payments;
- (5) substantial expenses actually incurred by the property owner related to uninsured damage or costly repairs to the property negatively affecting its habitability;
- (6) substantial expenses related to death or illness in the household of the property which substantially reduced the amount of household income;
- (7) substantial loss of income or substantial increase in total housing expenses because of a divorce, abandonment, or separation from a spouse or failure to support the household of the property owner;
- (8) participation by the homeowner in a lengthy recognized labor action, such as a strike.

(e) *Factors Not Contributing to Substantial Financial Hardship.* The following circumstances will not be considered by the Foreclosing Governmental Unit to contribute to a substantial financial hardship:

- (1) termination of employment by the property owner without a necessitous cause or termination of the property owner's employment by an employer for willful misconduct or illegal conduct;
- (2) conviction of the property owner of a crime;
- (3) the failure of the property owner to pay the delinquent property taxes was the result of money mismanagement or expenditures or debts incurred by the property owner for non-necessities exceeding to the ability of the property owner to pay.

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN
TREASURER/TAX REVERSION PROCESS - ADOPT FINANCIAL HARDSHIP
GUIDELINES

WHEREAS, Section 78h of the General Property Tax Act, 1893 PA 206, as amended, MCL 211.1-211.159, provides that a Foreclosing Governmental Unit (Allegan County) may withhold from a petition of foreclosure, property, the title to which is held by a person undergoing a substantial financial hardship; and

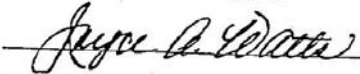
WHEREAS, the property owner must demonstrate a substantial financial hardship and must provide evidence to allow the County to determine that the financial hardship resulted in the non-payment of the delinquent property taxes; and

WHEREAS, if, using the attached Guidelines, a property owner demonstrates to the County that the property owner meets the federal poverty guideline as defined and determined annually by the United States Office of Health & Human Services, the County may withhold the property from the foreclosure petition.

THEREFORE BE IT RESOLVED that the Allegan County Board of Commissioners approves the Substantial Financial Hardship Guidelines in the Foreclosure of Property for Non-Payment of Delinquent Property Taxes presented by the Allegan County Treasurer, attached hereto and made part thereof.

Moved by Commissioner DeJonge, seconded by Commissioner
DeYoung that the report of the Committee on Finance be adopted
as read. Motion carried by roll call vote: Yeas - 7 votes.
Nays - 0 votes. Absent - 2 votes.

ATTEST, A TRUE COPY

 _____, Clerk-Register

APPROVED: January 10, 2002

cc: Admin. - Finance - Treasurer