

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 1 of 8

Approved By: Eric R. Sabree, Treasurer

I. POLICY

Pursuant to MCL 211.78 et. seq., Public Act 123 of 1999, as amended (PA 123), it is the policy of the Office of the Wayne County Treasurer (Treasurer) to withhold property from the Petition for Foreclosure if the person requesting relief from foreclosure is undergoing a substantial financial hardship, submits a timely application for withdrawal, is able to provide evidence of such hardship in accordance with this policy, holds title to the property, and meets all conditions set forth herein. The Treasurer may, at his/her discretion, consider other extenuating circumstances that create a financial hardship and affect an applicant's ability to pay their delinquent taxes.

An applicant, whose household income meets the Household Income Standards established by the Treasurer in accordance with MCL 211.78h, may be eligible for a 2021 Distressed Owner/Occupant Extension (DOOE).

During the 2021 calendar year and in light of the COVID-19 pandemic, for tax years 2018 and prior, the Wayne County Treasurer is withholding from tax foreclosure and is extending the redemption period for all occupied properties whose owners have been determined eligible for a poverty for financial hardship in alignment with state and federal laws (including the federal CARES Act), executive orders, and Michigan state court administrative orders (including Michigan State Court Administrative Order No. 2020-17) addressing evictions during the COVID-19 pandemic.

II. PURPOSE

To provide the standards and procedures to be used as a guide for the determination of whether a property may be eligible for an extension of the redemption period and therefore withheld from the Petition for Foreclosure.

III. APPLICATION

This policy applies to property for which the Treasurer is responsible for the collection of delinquent taxes pursuant to PA123.

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 2 of 8

DEFINITIONS

DISTRESSED OWNER OCCUPANT – The Property Owner occupies the property as his/her Principal Residence and who is eligible for a poverty exemption under MCL 211.7u and meets the maximum Household Income Standards defined below.

HOUSEHOLD INCOME STANDARDS – The greater of (i) the federal poverty guidelines income standards as defined and determined annually by the United States Office of Management and Budget, or (ii) the income standards for the poverty exemption established by the City of Detroit Homeowners Property Tax Assistance Program (HPTAP) as shown below.

Federal Poverty Guidelines

| Number of Persons Residing in Household | 2020 Standards | 2021 Standards |
|--|-----------------------|-----------------------|
| | | TBD * |
| 1 person | \$12,760 | \$12,880 |
| 2 persons | \$17,240 | \$17,420 |
| 3 persons | \$21,720 | \$21,960 |
| 4 persons | \$26,200 | \$26,500 |
| 5 persons | \$30,680 | \$31,040 |
| 6 persons | \$35,160 | \$35,580 |
| 7 persons | \$39,640 | \$40,120 |
| 8 persons | \$44,120 | \$44,660 |
| Each Additional Person | Add \$4,480 | Add \$4,480 |

City of Detroit Household Income Standards (2020)

| Number of Persons Residing in Household | 2020 Standards | 2021 Standards |
|--|-----------------------|-----------------------|
| | | TBD * |
| 1 person | \$17,236.00 | \$17,609.00 |
| 2 persons | \$20,700.00 | \$21,205.00 |
| 3 persons | \$23,036.00 | \$23,458.00 |
| 4 persons | \$26,780.00 | \$27,248.00 |
| 5 persons | \$30,170.00 | \$30,680.00 |
| 6 persons | \$34,590.00 | \$35,160.00 |
| 7 persons | \$34,590.00 | \$39,640.00 |
| 8 persons | \$43,430.00 | \$44,120.00 |
| Each Additional Person | Add \$4,320.00 | Add \$4,480 |

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 3 of 8

Household Income – All combined income received by all persons of a household in a tax year while members of a household. Household means a claimant and spouse, as defined by MCL 206.508(3) and (4), or head of household.

Principal Residence – The one place where a person has his or her true, fixed and permanent home to which, whenever absent he or she intends to return and that shall continue as a principal residence until another principal residence is established as defined by MCL 211.7cc.

IV. GENERAL PROVISIONS AND ELIGIBILITY

This policy is to be read in conjunction with all applicable laws, including, but not limited to, PA 123.

V. APPLICATION PROCESS

A request to withhold a property from the Petition for Foreclosure due to financial hardship can only be approved for those delinquent taxes forfeited on the March 1 immediately preceding the foreclosure year and only if all delinquent taxes forfeited for any years prior to that time are paid in full. For example, if there are 2017 and 2018 delinquent forfeited taxes owed on a parcel, a request to withhold made in February of 2021 would only apply to the 2018 taxes forfeited on March 1, 2020 and the 2017 taxes would need to be paid in full before the request could be approved.

All requests must be submitted by application in the forms attached to these Procedures. The completed application, including all required documents, must be returned to: **The Office of the Wayne County Treasurer, Attention: Taxpayer Assistance, 400 Monroe, 5th Floor, Detroit, MI 48226, on or before March 15, 2021.**

In addition to the information required to be submitted with the application, the applicant must, **if required** by the Treasurer, meet with Taxpayer Assistance for an interview and provide such other documents as may be required by the Treasurer.

A. DISTRESSED OWNER OCCUPANT EXTENSION (“DOOE”).

The application for a DOOE must include the following information:

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 4 of 8

1. Documents indicating that the applicant holds title to the property, such as a recorded deed, recorded land contract or valid legal/judicial judgment or court order.
2. Documents such as a utility bill in the applicant's name (s) for the subject property, or homeowner's or auto insurance statements indicating that the applicant occupies the property as the principal residence.
3. A copy of applicant's valid Michigan Driver's License or Michigan State Identification Card with an address that matches the address of the property subject to foreclosure.
4. For a principal residence, a completed sworn statement of the applicant's household income for current tax year , or proof of income such as a copy of the applicant's most recent pay stub or other verification of income such as current income tax returns, W-2 form, Social Security Benefit Statement, State Assistance Statements, Friend of Court Statement, etc.

B. COMMERCIAL PROPERTY HARDSHIP EXTENSION

1. A Commercial Property Postponement of Foreclosure may be granted by the Treasurer, in his/her sole discretion, under the following conditions:
 - a. The property is a single parcel or a set of contiguous parcels which function as a single operation providing a primary source of income for Wayne County residents; or
 - b. The property is utilized as an operating business or part of an operating business which provides employment or economic opportunity for Wayne County residents, and the property owner can demonstrate that foreclosure of the property would jeopardize the employment or economic opportunity for Wayne County residents.
 - c. Annual Revenues from the operating business must be less than \$7 Million.
 - d. The operating business must employ fewer than 500 employees.
2. The application for a Commercial Property Postponement of Foreclosure must be completed by the applicant who is the owner of record at the time of the judicial foreclosure hearing in order to qualify and must include the following documentation:
 - a. Documents indicating that the applicant holds title to the property, such as a recorded deed, recorded land contract or valid legal/judicial judgment or court order;

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 5 of 8

- b. Business formation documents such as a Business License or Entity Documents (DBA, Articles of Organization (LLC), Articles of Incorporation (Corporation), Partnership Agreements, etc.);
 - c. Documents verifying of annual income such as copies of current income taxes;
 - d. Certificate of Incumbency or other proof of authorization to act on behalf of an entity along with a copy of applicant's valid Michigan Driver's License or Michigan State Identification Card; and
 - e. Recent Income Statement (Profit & Loss Statement)
3. A deposit of twenty five (25%) of the total delinquent tax amounts is required along with a plan for payment including details of any attempts for assistance or borrowing and the result of such effort.

C. RESIDENTIAL LANDLORD HARDSHIP EXTENSION

1. Landlords who own five (5) or fewer occupied RESIDENTIAL rental properties may be eligible for a financial hardship extension and an extended period to redeem properties from foreclosure if they can provide evidence that the COVID-19 eviction moratorium has had a significant impact on their ability to pay taxes and by completing the WCTO Rental Property Application for Postponement of Foreclosure. A postponement may be granted by the Treasurer, in his sole discretion, under the following conditions:
 - a. Proof of registration of the rental property and a Certificate of Compliance (or other proof of inspection);
 - b. Documents indicating that the applicant holds title to the property, such as a recorded deed, recorded land contract or valid legal/judicial judgment or court order;
 - c. Business formation documents such as a Business License or Entity Documents (DBA, Articles of Organization (LLC), Articles of Incorporation (Corporation), Partnership Agreements, etc.);
2. Landlords must be the owner of record at the time of the judicial foreclosure hearing and must provide the following documentation:
 - a. Proof of registration of the rental property and a Certificate of Compliance (or other proof of inspection);
 - b. Documents indicating that the applicant holds title to the property, such as a recorded deed, recorded land contract or valid legal/judicial judgment or court order;
 - c. Business formation documents such as a Business License or Entity Documents (DBA, Articles of Organization (LLC), Articles of Incorporation (Corporation), Partnership Agreements, etc.);

**Office of the
Wayne County Treasurer**



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

**February 1,
Date: 2021**

Page 6 of 8

- d. Documents verifying annual income such as copies of current income taxes;
 - e. Certificate of Incumbency or other proof of authorization to act on behalf of an entity along with a copy of applicant's valid Michigan Driver's License or Michigan State Identification Card; and
 - f. Recent Income Statement (Profit & Loss Statement).
 - g. Copies of leases/rental agreements for tenants subject to the eviction moratorium
 - h. Copies of eviction diversion applications or any similar documentation evidencing hardship from COVID-19
 - i. Affidavit attesting that the property is occupied and that they have been adversely impacted by the COVID-19 pandemic.
3. A deposit of twenty five (25%) of the total delinquent tax amounts is required along with a plan for payment including details of any attempts for assistance or borrowing and the result of such effort.

In addition to the information required to be submitted with the application, the applicant must, **if required** by the Treasurer, meet with Taxpayer Assistance for an interview and provide such other documents as may be required by the Treasurer.

VI. APPLICATION REVIEW

1. Completed Applications

Unless extended by the Treasurer, only applications with all required documents and submitted on or before **March 15, 2021** will be considered.

Upon receipt of an application, Taxpayer Assistance will:

- a. Review the application to ensure it has been completed.
- b. Determine if taxes for all years 2018 and prior have been paid in full.

Office of the
Wayne County Treasurer



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

: N/A

February 1,
Date: 2021

Page 7 of 8

- c. Recommend the property be withheld from the Petition for Foreclosure if the application is complete and substantiates that the applicant: 1) holds title to the property; 2) occupies the property as a principal residence; and 3) meets the Household Income Standards.
- d. Notify the applicant by mail that the application has been approved. **The letter will also advise that approval of the application does not waive payment of the taxes, and that the property remains subject to the accrual of additional interest, penalties and fees.**

2. Incomplete Applications

If the application is incomplete, or missing required documentation, it will be returned to the applicant. The failure to timely submit all required documents may cause an application to be denied.

3. Distress Owner/Occupant Extension Renewal.

If applicant has previously been approved for the financial hardship DOOE and all prior years' taxes are paid, the application may be processed and approved upon receipt of a sworn statement, in the form prepared by the Treasurer, stating:

- a. The applicant owns and occupies the property as a principal residence.
- b. The Wayne County Treasurer previously approved the owner's financial hardship application for the prior year's taxes on this property.
- c. All prior year's taxes on the property are paid in full.
- d. A copy of the applicant's valid Michigan Identification Card or Driver's License and a copy of a utility bill or other acceptable documents in the applicant's name for the subject property accompanies the Sworn Statement.

Office of the
Wayne County Treasurer



Division: Taxpayer Assistance

Review:

Revised

Name of Policy: 2021 Financial Hardship Extension Policy

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February 1,
Date: 2021

Page 8 of 8

4. Payment

For parcels with a Distressed Owner/Occupant Extension, **failure to pay 2018 taxes, fees and interest in full by the earlier of March 8, 2022, or the date fixed in the plan for payment, will subject the property to foreclosure.**

For parcels with a Commercial Property Extension or a Residential Landlord Extension, **failure to pay 2018 taxes, fees and interest in full by the earlier of March 9, 2023, or the date fixed in the plan for payment, will subject the property to foreclosure.**

5. Denials

If the application is denied, a letter will be mailed to the applicant stating the reason for the denial and advising of payment and appeal options.