

Eviction Diversion Program

The Department of Labor and Economic Opportunity, working in collaboration with the Supreme Court Administrative Office and MDHHS, has created an eviction diversion program to keep people who fell behind on their rent during COVID-19 in their homes.

Key program elements:

1. \$50 million of rental assistance is available in the form of lump sum payments to landlords in exchange for allowing tenants to remain in their homes, forgiving late fees and up to 10% of amount due.
2. Utilizes special court process to get fast rental assistance and keep Michiganders in their homes.
3. Tenants whose back rent is not completely covered by the Eviction Diversion Program will be entered into manageable payment plans.
4. Interested tenants and landlords can visit www.michigan.gov/edp for program information.

Program mechanics:

1. The Michigan State Housing Development Authority will be administering this program through its network of nonprofit homeless service providers known as Housing Assessment and Resource Agencies (HARAs). To find a list of HARAs go to https://www.michigan.gov/documents/mshda/EDP_Contact_List_002_696637_7.pdf
2. HARAs will, in collaboration with local stakeholders, design an eviction diversion process whereby tenants and landlords are notified about the program and eviction filings are resolved in as many cases as possible by conditional dismissals.
3. Tenants that have received a Notice to Quit/Demand for Possession or Summons can apply with their local HARA.
4. Tenants up to 100% of area median income (AMI) are eligible for the program. Half of the CRF funds will be reserved for households below 50% AMI. Rental assistance payments will be structured based on the tenant's income. Those under 50% area median income (AMI) are eligible for 90% rental arrearage payment up to \$3,500 and one-month's rent (up to \$1,200) going forward. Those between 50-80% AMI are eligible for 75% rental arrearage payment up to \$3,000. Those between 80-100% AMI are eligible for 65% rental arrearage payments up to \$3,000. Those above 100% AMI will not be eligible for financial assistance. Amounts not covered in rental arrearage payment, or the landlord forgiveness amount, are considered the tenant's responsibility and need to be paid to the landlord prior to CRF disbursement or in a payment plan. Additional requirements include:
 - Tenants will be required to show proof of identification and provide 30 days or four weeks of paystubs to document their income.
 - Pandemic Unemployment Assistance will be counted for income determination purposes.
 - Tenants will only be eligible to participate in the program one time.
 - Tenants below 50% AMI will be offered case management services for up to three months in an effort to connect them with other beneficial programs and services.

5. Tenants are offered free legal services to review their case and assist them throughout the process.
6. Opting into this program will allow landlords to get quick and substantial payments for back rent.
7. Using a Conditional Dismissal instead of a final judgment will protect the tenant's credit history.