

Category: 120
Number: 125
Adopted: December 18, 2001

Subject: **FINANICAL HARDSHIP DEFERRAL OF FORECLOSURE POLICY**

1. PURPOSE: The purpose of this policy is to:
 - 1.1 Protect and promote the general health, safety, and welfare of the County of Gratiot citizens by having written procedures ensuring all property owners in the County are treated equitably and fairly regarding the deferral of foreclosing in delinquent property taxes due to financial hardship.
 - 1.2 Communicate to County Elected Officials, Department Heads, Employees and the Public the formal County policy and procedures for deferring delinquent taxes due to financial hardship.
2. AUTHORITY: The Gratiot County Board of Commissioners.
3. APPLICATION: This policy applies to the County Treasurer
4. RESPONSIBILITY: The Gratiot County Treasurer shall be responsible for the implementation of this policy.
5. DEFINITION(S): NONE
6. POLICY:
 - 6.1 The objective of this policy is to assist delinquent taxpayers to fulfill their real property tax obligation in order to avoid any foreclosure on any property the owner wished to maintain. In order to insure that all property owners in Gratiot County are treated equitably, information concerning the availability of hardship deferral will be provided to all taxpayers facing foreclosure prior to the Show Cause and Circuit Court Foreclosure Hearings.
7. ADMINISTRATIVE PROCEDURES: The procedures are outlined in the attached pages.
 - 7.1 The Treasurer will assist taxpayers throughout the year. Applications will be available at the Treasurer's office.
 - 7.2 Financial hardship applications will be reviewed by a panel consisting of the Gratiot County Treasurer, a representative from the Gratiot County Prosecutor's office and a representative from the Family Independence Agency. Representatives from other governmental or non-profit organizations may be included on the panel as necessary. Local government officials will be notified of residents submitting applications from their unit and asked to identify potential local sources of assistance for these individuals.

- 7.3 Applications may be submitted throughout the year but no later than two weeks prior to the Show Cause Hearing, which is held during February, prior to foreclosure. Applications will be reviewed initially at the Show Cause Hearing. The review panel may meet on an as-needed basis throughout the remainder of the year. The Treasurer requests that fifteen minute appointments be made for the orderly conduct of business at the hearing. Non-appointments will be reviewed as time permits. Please contact the Treasurer's office at (989) 875-5220 to request an appointment.
- 7.4 For 1997 and/or 1999 delinquent taxes, the last date to submit an application for Hardship Deferral is Friday, January 18, 2002. The Show Cause Hearing will be held on Tuesday, February 5, 2002 at 10:00 a.m. in the Commissioner's room.
- 7.5 Applicant must either include the following with the application form or have this information available at the Show Cause Hearing or other meeting with the review panel:
- A. State and Federal tax returns for the past two years
 - B. Verification of income, such as:
 - (1) Social Security statement
 - (2) Land contracts, leases, etc.
 - (3) State Assistance statements
 - (4) Pay stubs from the previous two months
 - C. Financial Statement of Condition (Balance Sheet-part of application form)
 - D. Documentation of application to local unit of government for their exemption and their determination.
 - E. Provide details of all attempts for assistance or borrowing and the result of this effort.
- 7.6 The income guideline, which will be used by the Treasurer and the Review Panel, is the most recent Poverty Guidelines as issued by the Federal Department of Health and Human Services (HHS). Income **shall not** exceed **150%** of Federal Poverty Guidelines.
- 7.7 Applicants will have the opportunity to disclose other conditions that may affect their ability to pay taxes. These may include, but are not limited to, the following:
- A. Existence of physical and/or mental disabilities
 - B. Health issues
 - C. Outstanding financial obligations due to conditions/factors outside the individual's control
 - D. Prolonged unemployment
 - E. Recent loss of source of income due to death, disability, etc.

- 7.8 The Treasurer and the Review Panel shall determine if the applicant has exhausted all potential sources of assistance. Applicants will be provided with information concerning:
- A. Federal, state and local governmental agencies
 - B. Non-profit, charitable organizations
 - C. Community based and service groups
 - D. Information on types of loans available and local institutions which have indicated a willingness to assist hardship applicants
- 7.9 The granting of a Hardship Deferral only **extends** the time to pay the delinquent amount due. Interest at 1 1/2% per month and any additional expenses continue to accrue on the parcel, increasing the tax liability. Ultimately, the Treasurer must determine if relief from foreclosure will enable the taxpayers to pay the delinquent tax within twelve (12) months of the decision.

Although the recommendation of the Review Panel will be sought, by state statute, Hardship Deferral determination will be at the sole and absolute judgement of the County Treasurer.

Attachments to this policy:

- 1. US Dept. of Health and Human Services (HHS) Poverty Guidelines for the most recent year
 - 2. Application Form (two pages)
8. ADMINISTRATOR/LEGAL COUNSEL REVIEW: The Administrator has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. The County Civil Counsel has determined that this policy as submitted contains content that appears to be legal activities of the Gratiot County Board of Commissioners.

Approved as to Substance:

Approved as to Legal Content:

Gratiot County Administrator

Gratiot County Civil Counsel

2001 HHS POVERTY GUIDELINES

<u>SIZE OF FAMILY UNIT</u>	<u>ANNUAL INCOME</u>
1	\$ 8,590
2	11,610
3	14,630
4	17,650
5	20,670
6	23,690
7	26,710
8	29,730
For each additional person	\$ 3,020

Source: *Federal Register*, Vol 66, No. 33, February 16, 2001, PP 10695-10697 as published on the website for US Department of Health and Human Services: <http://aspe.hhs.gov/poverty/01poverty.htm>

Percentage calculations as used by Gratiot County for determination of Hardship Deferment:

<u>SIZE OF FAMILY UNIT</u>	<u>HHS GUIDELINE ANNUAL INCOME</u>	<u>GRATIOT COUNTY GUIDELINE:150% OF HHS GUIDELINE</u>
1	\$ 8,590	\$12,885
2	11,610	17,415
3	14,630	21,945
4	17,650	26,475
5	20,670	31,005
6	23,690	35,535
7	26,710	40,065
8	29,730	44,595
For each additional Person	add: \$ 3,020	add \$ 4,530

For the purpose of this policy, the following items may be updated annually without requiring action by the Gratiot County Board of Commissioners:

- Item #4**, which states application deadline and the dates of the Show Cause Hearing and Circuit Court Hearing; and
- HHS Guidelines**, which includes the percentage calculations as used by Gratiot County for determination of Hardship Deferment; and
- Application Form**, which may be modified as needed upon the recommendation of members of the Review Panel.

FINANCIAL STATEMENT - STATEMENT OF CONDITION AS OF TODAY'S DATE

Parcel ID Number(s): _____

Assets		Liabilities	
		Mo. Payment	Total Owed
Cash on Hand	\$	Mortgage	\$
Checking Acct	\$	Credit Cards	\$
Savings	\$	Vehicles	\$
Other Invest.	\$	Utilities	\$
Property(equity)	\$	Insurance	\$
Vehicles	\$	Other(specify)	\$
	\$		\$
	\$		\$
	\$		\$
Total Assets	\$	Total Liab.	\$
		Net Worth	
		Assets - Liab. \$ _____	

Unique or unusual circumstances which should be considered:

The above statements are true to the best of my knowledge and belief and are made for the purpose of obtaining a Hardship Deferral on the property for delinquent real property taxes. I understand I can be prosecuted for fraud if I intentionally make a false or misleading statement or misrepresent, conceal, or withhold information for the purpose of establishing or maintaining my property's eligibility.

Signature

Signature

Date

Date

Return both pages of the application and any supporting documentation to:

Gratiot County Treasurer
214 E. Center St.
P.O. Box 17
Ithaca, MI 48847

For questions, call: (989) 875-5220

**COUNTY OF GRATIOT
APPLICATION FOR FINANCIAL HARDSHIP DEFERRAL**

Parcel ID Number(s): _____

Taxpayer Name: _____

Taxpayer Name: _____

Property Address: _____

City, State, Zip: _____

Ages of dependents: _____

Employment Information	Monthly Income:
Company Name: _____	\$ _____
Address: _____	
Other Income (specify): _____	\$ _____
_____	\$ _____
_____	\$ _____
Total Monthly Income:	\$ _____

*Other income may include social security, veterans benefits, unemployment, retirement, rentals, etc.

When meeting with the Treasurer and the Review Panel, the applicant must provide a completed application form (both pages), documentation as listed in Item 5 of the procedures and any other documents necessary to present your case.

For Official Use Only:

Date Received: _____ Date Reviewed: _____
Checklist completed? Yes No Deferred? Yes No
Tax Year: _____ Time Deferred: _____