

**CITY OF DEARBORN**  
**RENT / MORTGAGE / UTILITY GRANT PROGRAM**  
**POLICIES & PROCEDURES FOR CDBG-CV FUNDS**  
**(Revised August 2021)**

**What is the purpose of the Dearborn Rent/Mortgage/Utility (RMU) Grant Program?**

The United States Department of Housing and Urban Development (HUD) has awarded the City of Dearborn \$900,000 of “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) funds for a Rent/Mortgage/Utility Program for the prevention of, preparation for, and response to the coronavirus. This CARES Act allocation focuses funds towards places with households facing higher risk of eviction during the coronavirus health pandemic.

The Rent/Mortgage/Utility Program will provide short-term (no more than six months) of emergency payments directly to the service providers on behalf of individuals or families whose income and/or other factors has been impacted due to COVID-19. The RMU program is generally for the purpose of preventing homelessness during the COVID-19 pandemic. Examples include utility payments to prevent cutoff of service, and rent-mortgage payments to service providers to prevent eviction.

**How do I qualify for the Dearborn Rent/Mortgage/Utility (RMU) Grant Program?**

**The most important eligibility requirements for residents are:**

Must be a Dearborn resident

City resident must have a qualifying COVID-19 impact in their households and provide verification that their household income has been significantly affected by COVID-19 due to job loss, medical costs for COVID-19 care, or other qualifying activity.

The maximum grant award amount for each resident household is up to \$5,000 per the program guidelines. This does not mean a resident automatically qualifies for \$5,000. HUD requires the grantees to perform a cost reasonableness analysis to identify the actual grant award amount the applicant is qualified to receive.

**The most important Income eligibility requirements for residents are:**

Low/moderate income persons or households

However,

Just because a resident is eligible under the income requirements does not mean they are eligible under the other eligibility program requirements. The resident must provide sufficient verification that their household income has been significantly affected by COVID-19 due to job loss, medical costs for COVID-19 care, or other qualifying activity.

## **What are service providers?**

Rent service providers are landlords or property management companies. Whoever you pay your monthly rent to.

Mortgage service providers are mortgage companies or banks. Whoever you pay your mortgage to.

Utility service providers include DTE for heat and electric. Water service providers are the City water department where you live. In this case, it will be the City of Dearborn.

## **Who will administer the Rent/Mortgage/Utility (RMU) program?**

This City of Dearborn RMU program will be administered by Leaders Advancing and Helping Communities - LAHC, located at 5275 Kenilworth, Dearborn MI. Residents can apply beginning January 18, 2021 at LAHC. Call 1-888-315-LAHC or visit [www.lahc.org/cares](http://www.lahc.org/cares).

## **How do I apply for the RMU Program?**

You will only be able to apply for the RMU grant program online. The application is available in fillable form online at the organization.

Apply at LAHC at [www.lahc.org/cares](http://www.lahc.org/cares).

## **What is the maximum RMU grant allowed?**

The maximum grant for a low-moderate income (LMI) Dearborn resident is \$5,000. The grant amount will depend upon the demonstrated costs of the monthly amounts for rent and/or mortgage, utilities, and homeowner's insurance fees multiplied by six. It is multiplied by six (6) because the grant covers six (6) months.

## **When can individuals and families apply for the RMU funds?**

Applications are accepted on a rolling basis until funds are no longer available. Only completed applications submitted with ALL required supporting documents will be considered for funds; partial or incomplete submittals will not be reviewed for eligibility. The application period begins on January 18, 2021. Residents can apply through LAHC non-profit organization.

## **Must eligible individuals or families be located in Dearborn to be eligible for RMU Funds?**

Yes. The applicants must be City of Dearborn residents living in a property located in Dearborn.

## **What can the RMU payments be used for?**

RMU funds may be used to provide up to six months of direct payments to service providers for the following: Rent, mortgage, land contracts and utility costs include electric, gas, and water costs.

Payments are sent directly to service providers. Examples of services providers include: DTE, landlord, mortgage company, and property management companies. Payments toward mortgage foreclosure is not allowed.

The payments can be in the future or in the past, as both are eligible. Assisted residents will be required to submit a W-9 form from the vendor to be paid (e.g., landlord, mortgage company, bank, or utility company).

**Can RMU funds be used to pay late fees or penalties for past due rent, mortgage, utility, and/or homeowner insurance payments?**

RMU funds may be used to pay for reimbursement of household expenses incurred prior to the date of the application submittal and/or toward future payments of household expenses. RMU funds may also be used to pay arrearages or amounts past due for rent/mortgage/utilities or late fees and/or penalties. However, these types of payments will be approved on a case by case basis during the income/eligibility analysis process.

**What factors are used to determine to eligibility of individuals and households?**

The applicants must provide an COVID-19 impact statement (included on the RMU applications) which describes how their household income and/or other factors has been impacted due to COVID-19.

The applicant will indicate the number of persons (related or not) that reside in the household and the combined annual gross income in the household for all individuals over the age of 18. The total annual gross household income based on the number of persons in the household must not exceed the HUD annual income limit listed in the table below.

Please note: the income is based on the most current income limits from HUD as of June 1, 2021. However, the applicant’s household income will have to be **verified** during the income and eligibility application process.

Number of persons in household	With gross annual income not to exceed:		Number of persons in household	With gross annual income no to exceed:
1	\$44,800		5	\$69,150
2	\$51,200		6	\$74,250
3	\$57,600		7	\$79,400
4	\$64,000		8	\$84,500

**What are the eligible types of submittal documentation I will have to provide?**

1. **Low-moderate income** applicants must provide documentation of their income, such as the most recent tax returns, employment (last four check stubs or employment letter signed by

employer confirming current employment and salary), unemployment benefits (last four most recent payment statements), worker's compensation (last four of most recent payment statements)

2. Submit receipt of benefits from the Michigan Department of Health and Human Services (MDHHS), benefits to include, but are not limited to: SNAP, TANF, SDA, Medicaid, and childcare benefits; current enrollment in low-income programs such as WRAP, MEAP, HUD, etc., which have income guideline and restrictions.
3. If receiving Social Security or Supplemental Security Income, submittal of most recent annual Social Security or Supplemental Statement (SSDI/SSI).
4. If receiving retirement benefits, submittal of current annual pension letter(s)
5. If receiving military benefits, submittal of most recent military benefit letter

### **What documentation of bills do applicants need to submit?**

The applicants will need to submit the following documents along with their completed and signed application.

1. Utility: Current utility bill, past due or shut-off notice if in arrears (utility bill can be in the name of a household member who is 18 years or older. The utility bill cannot be in the name of the landlord unless the lease states utilities are included with rent.)
2. Housing: Current rental lease agreement, current mortgage statement, or current land contract agreement. If rent, mortgage, or land contract is past due then applicant must submit: late rent notice, notice to quit, demand for possession notice; court summons; court judgment; mortgage delinquency notice from mortgage company; or land contract delinquency notice from land owner

### **Can applicants apply multiple times to the RMU grant program?**

No. Repeat Rent-Mortgage-Utility Payment Assistance is prohibited. Applicants can only apply once. City residents can only apply through one agency.

### **Do applicants have to pay back RMU funds to Dearborn?**

No. The funds are grants, not loans. If the grants are used for eligible costs, they do NOT have to be repaid.

### **Which applicants are not eligible for RMU funds?**

Applicants who do not reside within the city limits of Dearborn.

Applicants whose total annual gross household income exceeds the HUD 2020 Annual Income

Limits based on their household size (see HUD income table above).

**What are “Underwriting Standards”?**

HUD regulations at 24 CFR 570.209(a) guide the City in financially underwriting and selecting RMU applicant recipients.

**The City of Dearborn reserves the right to ask for further information under these Policies and Procedures in order to approve applications and/or process payments, including but not limited to, paystubs, cancelled checks, receipts, or copies of bank statements.**

**The City of Dearborn reserves the right to amend Policies and Procedures**

The City cannot foresee all contingencies and therefore reserves the right to make exceptions to these Policies and Procedures.