



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 6077 (Substitute H-1 as reported without amendment)

Sponsor: Representative Steve Tobocman

House Committee: Local Government and Urban Policy

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Michigan State Housing Development Authority (MSHDA) Act to increase the income limits for those seeking to enter in the mortgage credit certificate program to purchase or rehabilitate a home; enter in the property improvement program; or finance mortgage loans through the Authority. The income limit would be set at \$69,800 in distressed areas and \$60,700 in all other areas. On June 1, 2006, those income limits would increase to \$72,250 and \$62,800, and on November 1, 2007, the limits would increase to \$74,750 and \$65,000. Currently, the income limit is \$56,650 in metropolitan counties and the lesser of \$44,000 or the U.S. Department of Housing and Urban Development nonmetropolitan median income in nonmetropolitan counties.

The bill also would do the following:

- Set the purchase price limit in the mortgage credit certificate program to purchase a home at three times the income limit.
- Eliminate some income requirements in the multifamily program.
- Allow MSHDA to finance mortgage loans for one- to four-unit owner-occupied homes; and set the purchase price limit at three times the income limit for one or two units, three-and-a-half times the income limit for three units, and four times the income limit for four units.
- Increase the loan limit in the property improvement program from \$15,000 to \$25,000 per unit for two- to 24-unit dwellings; and increase the size of a building that may receive financing from 11 to 24 units.

MCL 125.1411 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-5-04

Fiscal Analyst: Maria Tyszkiewicz