

URBAN HOMESTEADING IN MULTIFAMILY PUBLIC HOUSING ACT (EXCERPT)

Act 84 of 1999

125.2727 Acquisition of public housing unit in which qualified buyer resides; application; felony as automatic termination; conditions for transfer of legal ownership; escrow account.

Sec. 7. (1) A qualified buyer may apply to the resident organization or successor entity to acquire the public housing unit in which the qualified buyer resides. The application shall be in a form and in a manner provided by the resident organization or successor entity. If the application is approved, the qualified buyer and the resident organization or successor entity shall enter into a homestead agreement for the public housing property. Except as provided in subsection (2), the resident organization or successor entity shall determine the terms and conditions of the homestead agreement.

(2) The lease agreement shall provide that if the qualified buyer is convicted of a felony during the term of the homestead agreement, then the homestead agreement is automatically terminated 60 days after the conviction.

(3) If the qualified buyer is in substantial compliance with the terms of the homestead agreement and has lived in the property for not less than 5 years, or if the qualified buyer has resided in the multifamily public housing property before the resident organization or successor entity takes ownership under this act, resides in that property for not less than 5 years, meets the criteria in the homestead agreement, continues to meet the criteria in section 6(1)(a), (b), (c), (e), (f), and (g), and has otherwise substantially met its financial obligations with the resident organization or successor entity, the resident organization or successor entity shall transfer legal ownership to that public housing unit occupied by the qualified buyer to the qualified buyer for \$1.00. However, if the housing commission received federal funds for which bonds or notes were issued and those bonds or notes were paid off by the resident organization when it acquired legal ownership, the resident organization shall transfer legal ownership to the qualified buyer within 60 days of payment of the pro rata share of the bonded debt on that specific property by the qualified buyer.

(4) As a condition of receiving ownership of the property under this section, the qualified buyer shall maintain and regularly fund an escrow account with the resident organization for the payment of property taxes and insurance on the property.

History: 1999, Act 84, Imd. Eff. June 28, 1999.