

Eviction Diversion Program (EDP)

The Eviction Diversion Program (EDP) is designed to keep Michigan residents who fell behind on their rent during COVID-19 in their homes. The program utilizes a special court process to get fast rental assistance for renters who have been impacted.

Rental assistance in the amount of \$50 million 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.

EDP Resources

[MSHDA EDP Tenant Application](#)
[MSHDA EDP Landlord Application](#)
[MSHDA EDP Income Limits](#)
[Need Legal Assistance?](#)

HOW EDP WORKS

- 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).
- HARAs will, in collaboration with local stakeholders, design an eviction diversion process where tenants and landlords are notified about the program and eviction filings are resolved in as many cases as possible by conditional dismissals.
 - Conditional Dismissals, based on MCR 2.602, will outline the circumstances under which the landlord and tenant may resolve eviction-related matters, include eligible lump sum payments from Coronavirus Relief Funding (CRF) and other sources.
- Tenants up to 100% of area median income are eligible for the rental assistance.
- Opting into this program will allow landlords to get quick and substantial payments for back rent.
- Using a Conditional Dismissal instead of a final judgment will protect the tenant's credit history.

NEED HELP?

Find a [Housing Assessment and Resource Agency](#) near you

(HARAs are experiencing a high call volume, so please be patient in contacting them. We anticipate the funds will last for at least a couple months, so do not be worried if you can not immediately reach the HARA.)

FAQ

Q1: When will the Eviction Diversion Programs begin?

When the Michigan-wide moratorium on evictions is lifted on July 16, 2020, the Eviction Diversion Programs (EDP) will begin.

Q2: How is the Eviction Diversion Program being funded?

\$60 million in Coronavirus Relief Funds (CRF) have been allocated. MSHDA will disperse the funds through grants to local Housing Assessment and Resource Agencies (HARA).

- \$50 million for rental assistance
- \$4 million for case management for Housing Assessment and Resource Agencies
- \$4 million for legal services
- \$2 million for administrative costs

Q3: I am a tenant being evicted from my rental. What do I do?

Have you received a Notice to Quit from your landlord or a summons from the court? Is your household income less than the area median income ([see chart](#))? If you answered yes to both of these questions, you should reach out to your local Housing Assessment and Resource Agency (HARA). A list by county can be [found here](#).

Q4: I am a landlord; how does the Eviction Diversion Program impact me?

By participating in this program, landlords can receive up to 90% of a tenant's back rent paid in a lump sum. Landlords are required to forgive late fees and up to 10% of the back rent. The conditional dismissal will document the payment terms/dates by all parties.

Q5: Who is eligible for the Eviction Diversion Program?

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. Half of the rental assistance will be reserved for household at 50% AMI and below.

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.

Q6: How much of back rent will be covered?

Coronavirus Relief Fund (CRF) rental assistance payments will cover up to 90% of the past-due rent for qualifying individuals. Landlords will be required to forgive 10% of the past-due rent and remove any late fees or penalties from the amount due. CRF funds can only be used on rent due beginning March 1, 2020.

Q7: What if all my back rent isn't covered by the Eviction Diversion Program?

Tenants whose back rent is not completely covered by the Eviction Diversion Program will be entered into manageable payment plans.

Q8: When does the funding end?

Initial funding is expected to be allocated quickly for the program. The expenditure deadline for the Coronavirus Relief Fund (CRF) funds is December 30, 2020.

Q9: Who is running the Eviction Diversion Programs at the state level?

Michigan State Housing Development Authority (MSHDA) is administering the program and has convened an EDP state leadership team comprised of staff from MSHDA, MDHHS, SCAO, Michigan Poverty Law Program, Michigan State Bar Foundation, and the Governor's Office. Their purpose is to guide the program's execution, monitor program outcomes, and distribute information within their respective agencies/areas of influence to aid in program effectiveness.

Q10: What are the steps involved in participating in the Eviction Diversion Program?

- If Tenant has only a Notice to Quit (e.g. Landlord has not yet filed for eviction with the court):
 - Tenant contacts HARA after they have received a Notice to Quit
 - Tenant completes the **EDP Tenant application**
 - Landlord completes the **EDP Landlord application**
 - Tenant meets with legal aid and HARA
 - Settlement agreement is completed with the Landlord and Tenant
 - Payment is made to landlord within approximately two weeks after settlement agreement is completed
- If Tenant has a court summons
 - Tenant contacts HARA after they have received the court summons or after pre-trial hearing
 - Tenant completes the **EDP Tenant application**
 - Landlord completes the **EDP Landlord application**
 - Tenant meets with legal aid and HARA
 - Conditional dismissal is completed with the Landlord and Tenant and filed with the court
 - Eviction case is dismissed
 - Payment is made to landlord within approximately two weeks after conditional dismissal is completed



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