






MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Homeownership Division

Understanding Michigan's Foreclosure Timeline

|  Day 2 to 36 |  Day 45 |  During this time |  Day 121 |  Six (6) months | Redemption Period and Inspection | |
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| <ul style="list-style-type: none"> ▪ Payment due on the 1st and is considered delinquent on the 2nd. ▪ Late charges are assessed for each missed payment. ▪ Lender/Service must make LIVE contact with homeowners, who missed their payment, to inform about loss mitigation options. <p>Communicate with your Lender, “What are my options, what do I qualify for?”</p> | <ul style="list-style-type: none"> ▪ Lender/Service must assign a single point of contact to homeowner AND provide written notification of delinquency and loss mitigation options. | <ul style="list-style-type: none"> ▪ During this time you can work with a lender to obtain a loan workout, a modification or other loss mitigation option. ▪ If your Lender allows you to make a partial payment – make it. <p><i>Don't agree to a workout plan if you cannot afford to make the payments.</i></p> <p>Contact a MSHDA approved agency for free assistance.</p> | <ul style="list-style-type: none"> ▪ If all attempts to resolve default are unsuccessful and hardship application is not received the foreclosure process begins. ▪ Notice of foreclosure recorded at local courthouse. ▪ Sheriff's sale date is scheduled, and then published in the county newspaper for four (4) consecutive weeks – including details of the debt. | <ul style="list-style-type: none"> ▪ Redemption Period – starts day of Sheriff Sale -Six (6) months is most common. -If more than two-thirds of the loan amount has been paid, the redemption period can be up to twelve (12) months. -Farming property can be up to twelve (12) months. ▪ Homeowner can live in property, not required to make payments, can sell or buy back property and should: <ul style="list-style-type: none"> ➢ Maintain the property ➢ Maintain utilities ➢ Maintain insurance <p>And must: Allow purchaser to inspect the home and all ancillary structures during redemption period.</p> <p>To redeem the property the borrower must pay: Amount bid at sheriff sale + interest + fees.</p> | <ul style="list-style-type: none"> ▪ Purchaser has the right to inspect the inside and outside of property; if inspection is unreasonably refused, then purchaser can seek to evict and terminate the redemption period. ▪ If property is in need of repairs or in imminent need of repairs, a seven day notice to repair should be issued and if repairs are not made, then the purchaser can seek to evict and terminate redemption period. ▪ Interior inspection is permitted with at least 72 hours' notice after an initial notice providing information about the purchaser and inspection rights; the purchaser may request additional information after initial interior inspection. ▪ When homeowner moves out of the property, if the purchaser had sent a notice about inspection, the homeowner must provide a ten day notice to the purchaser of their move out date or risk additional liability for damages to the property occurring during the redemption period. ▪ The purchaser can inspect the outside of the property without any notice. ▪ EVICTION - At the end of the redemption period if you have not already vacated the home you will receive a Summons to appear in court. At the hearing, a date is set for the Sheriff to physically remove you from the property, if necessary. | |
| <p>Be realistic – if you cannot afford to keep your home – sell it. List your home with a reputable Realtor® who is familiar with “short sales” if you owe more than your home is worth. A short sale requires your Lenders approval. Always ask for a waiver of deficiency from the Lender.</p> <p>Avoid Rescue Scams:</p> <ul style="list-style-type: none"> • Don't give someone money who says they can prevent a foreclosure or help you get a loan modification. • Don't sign paperwork you aren't familiar with or sign a deed over to someone who says they will help you. | | | <ul style="list-style-type: none"> ▪ Notice of the sale date gets posted on the property within two (2) weeks of the first publication. <p>Sheriff Sale Held - The “Sheriff's Deed” lists the last date the property can be redeemed. (Up until the Sheriff Sale has occurred, homeowner may still submit a loss mitigation application.)</p> | | | |
| <p>MSHDA's Housing Education Partners can assist you with determining your housing goals and which options such as a loan modification, Hardest Hit (Step Forward Michigan) assistance or transitioning from your home best meet your individual needs. Other local community resource information is also provided. Contact a MSHDA-approved agency for free assistance @ www.michigan.gov/mshda</p> | | | | | | |