






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 Expires
<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. <p>Big 5 Servicers:</p> <ul style="list-style-type: none"> • Bank of America • Chase • CitiMortgage • GMAC/Ally • Wells Fargo <p>See details below</p>	<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>	<ul style="list-style-type: none"> ▪ If all attempts to resolve default are unsuccessful and no hardship application is received the foreclosure process will begin. ▪ Notice of foreclosure recorded at local courthouse. <p>Week 1 – Foreclosure by Advertisement. Weeks 2-4 – Sheriff Sale date is set 5 weeks out. Initial posting- county newspaper four (4) consecutive weeks – publishing details of the debt.</p> <p>Sheriff Sale Held - The "Sheriff's Deed" lists the last date the property can be redeemed.</p>	<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:</p> <ul style="list-style-type: none"> ➢ Allow purchaser to inspect the home and all ancillary structures during redemption period. <p>To redeem the property the borrower must pay: Amount bid at sheriff sale + interest + fees.</p>	<ul style="list-style-type: none"> ▪ Home Inspections: If an inspection is unreasonably refused or if damage to the property is imminent or has occurred, the purchaser of property at the Sheriff Sale may immediately begin eviction proceedings to seek possession and terminate the homeowner's redemption period. ▪ Once you move out, the purchaser (normally the lender) may take action to gain possession of the abandoned property. ▪ EVICTION - At the end of the redemption period if you have not already vacated the home you will receive an Eviction Notice to appear in court. At the hearing, a date is set for the Sheriff to physically remove you from the property, if necessary.
<p>Big 5 Servicers: Will designate an agent (law firm) to facilitate negotiations and attend meeting with the homeowners.</p> <ul style="list-style-type: none"> - Send written notice informing borrower that they have 30 days to respond and request a meeting. - If meeting is requested – the foreclosure proceedings cannot start until after the meeting is held. - If a meeting is not requested – the foreclosure proceedings can start on the 121th day of delinquency. <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. 			<p>MSHDA's Housing Education Partners can assist you with determining your housing goals and which options such as a loan modification, Hardest Hit 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>		