






MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
Homeownership Division

# Understanding Michigan's Foreclosure Timeline

 <b>Day 2 to 36</b>	 <b>Day 45</b>	 <b>During this time</b>	 <b>Day 121</b>	 <b>Six (6) months</b>	<b>Redemption Period Expires</b>
<ul style="list-style-type: none"> <li>▪ Payment <b>due on the 1<sup>st</sup></b> and is considered delinquent on the 2nd.</li> <li>▪ Late charges are assessed for each missed payment.</li> <li>▪ Lender/Service must make <b>LIVE</b> contact with homeowners, who missed their payment, to inform about loss mitigation options.</li> </ul> <p><b>Communicate with your Lender, “What are my options, what do I qualify for?”</b></p>	<ul style="list-style-type: none"> <li>▪ Lender/Service must assign a single point of contact to homeowner <b>AND</b> provide written notification of delinquency and loss mitigation options.</li> </ul> <p><b>Big 5 Servicers:</b></p> <ul style="list-style-type: none"> <li>• Bank of America</li> <li>• Chase</li> <li>• CitiMortgage</li> <li>• GMAC/Ally</li> <li>• Wells Fargo</li> </ul> <p>See details below</p>	<ul style="list-style-type: none"> <li>▪ During this time you can work with a lender to obtain a loan workout, a modification or other loss mitigation option.</li> <li>▪ If your Lender allows you to make a <b>partial payment – make it.</b></li> </ul> <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"> <li>▪ If all attempts to resolve default are unsuccessful and no hardship application is received the foreclosure process will begin.</li> <li>▪ Notice of foreclosure recorded at local courthouse.</li> </ul> <p><b>Week 1</b> – Foreclosure by Advertisement.  <b>Weeks 2-4</b> – Sheriff Sale date is set 5 weeks out.  <b>Initial posting-</b> county newspaper four (4) consecutive weeks – publishing details of the debt.</p> <p><b>Sheriff Sale Held</b> - The “Sheriff’s Deed” lists the last date the property can be redeemed.</p>	<ul style="list-style-type: none"> <li>▪ 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 over 3 acres can be up to twelve (12) months.</li> <li>▪ Homeowner can live in property, not required to make payments, can sell or buy back property and <b>should:</b> <ul style="list-style-type: none"> <li>➢ Maintain the property</li> <li>➢ Maintain utilities</li> <li>➢ Maintain insurance</li> </ul> </li> </ul> <p><b>And must:</b></p> <ul style="list-style-type: none"> <li>➢ Allow purchaser to inspect the home and all ancillary structures during redemption period.</li> </ul> <p><b>To redeem the property the borrower must pay:</b> Amount bid at sheriff sale + interest + fees.</p>	<ul style="list-style-type: none"> <li>▪ <b>Home Inspections:</b> 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 <b>immediately</b> begin eviction proceedings to seek possession and terminate the homeowner’s redemption period.</li> <li>▪ Once you move out, the purchaser (normally the lender) may take action to gain possession of the abandoned property.</li> <li>▪ <b>EVICTION</b> - At the end of the redemption period if you have not already vacated the home you will receive an <b>Eviction Notice</b> to appear in court. At the hearing, a date is set for the Sheriff to physically remove you from the property, if necessary.</li> </ul>
<p><b>Big 5 Servicers:</b> Will designate an agent (law firm) to facilitate negotiations and attend meeting with the homeowners.</p> <ul style="list-style-type: none"> <li>- Send written notice informing borrower that they have 30 days to respond and request a meeting.</li> <li>- If meeting is requested – the foreclosure proceedings cannot start until after the meeting is held.</li> <li>- If a meeting is not requested – the foreclosure proceedings can start on the 121<sup>th</sup> day of delinquency.</li> </ul> <p><b>Be realistic</b> – if you cannot afford to keep your home – <b>sell it.</b> 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 <b>waiver of deficiency</b> from the Lender.</p>					
<p><b>Avoid Rescue Scams:</b></p> <ul style="list-style-type: none"> <li>• <b>Don't</b> give someone money who says they can prevent a foreclosure or help you get a loan modification.</li> <li>• <b>Don't</b> sign paperwork you aren't familiar with or sign a deed over to someone who says they will help you.</li> </ul>			<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. <b>Contact a MSHDA-approved agency for free assistance @ <a href="http://www.michigan.gov/mshda">www.michigan.gov/mshda</a></b></p>		