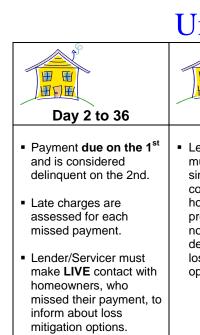
#### MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Homeownership Division

### Understanding Michigan's Foreclosure Timeline



# H H H

#### Day 45

 Lender/Servicer must assign a single point of contact to homeowner AND provide written notification of delinquency and loss mitigation options.



#### **During this time**

- 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.

**Don't** agree to a workout plan if you cannot afford to make the payments.

Contact a MSHDA approved agency for <u>free</u> assistance.

<u>Be realistic</u> – 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.

#### **Avoid Rescue Scams:**

Communicate with

your Lender, "What

do I qualify for?"

are my options, what

- 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.

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

## 田り田

#### **Day 121**

- 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.
- Notice of the sale date gets posted on the property within two (2) weeks of the first publication.

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.)

## HIH

#### Six (6) months

- 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:
  - Maintain the property
- Maintain utilities
- ➤ Maintain insurance

#### And must:

Allow purchaser to inspect the home and all ancillary structures during redemption period.

### To redeem the property the borrower must pay:

Amount bid at sheriff sale + interest + fees.

### Redemption Period and Inspection

- 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.