

# MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Homeownership  
Division

## Understanding Michigan's Foreclosure Timeline



**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.

### Avoid Rescue Scams:

**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 partners with HUD Housing Counseling Agencies throughout the state who can assist you with a loan modification, or guide you through the MIHAF application process.

**Contact a MSHDA HUD-approved agency in your area.**



**Day 2 to 36**

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.

**Communicate with your Lender,**  
*“What are my options, what do I qualify for?”*



**Day 45**

Lender/Service 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 HUD approved agency for assistance with your Michigan Housing Assistance Fund (MIHAF) application.**



### Day 121

If all attempts to resolve default are unsuccessful and the MIHAF application is not approved, then 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**.)



### Six (6) months

Redemption Period – starts day of Sheriff Sale - Six (6) months is most common.

If the amount claimed to be due on the mortgage at the date of foreclosure is less than 2/3 of the original indebtedness, the redemption period is 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.