






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 and Inspection</b>
<ul style="list-style-type: none"> <li>▪ <b>Payment due on the 1<sup>st</sup></b> and is considered delinquent on the 2<sup>nd</sup>.</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>	<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> <p><b>Contact a MSHDA HUD approved agency for assistance with your Michigan Housing Assistance Fund (MIHAF) application.</b></p>	<ul style="list-style-type: none"> <li>▪ If all attempts to resolve default are unsuccessful and the MIHAF application is not approved, then the foreclosure process begins.</li> <li>▪ Notice of foreclosure recorded at local courthouse.</li> <li>▪ Sheriff's sale date is scheduled, and then published in the county newspaper for four (4) consecutive weeks – including details of the debt.</li> <li>▪ Notice of the sale date gets posted on the property within two (2) weeks of the first publication.</li> </ul> <p><b>Sheriff Sale Held - The "Sheriff's Deed" lists the last date the property can be redeemed.</b> (Up until the Sheriff Sale has occurred, homeowner may still submit a <b>loss mitigation application.</b>)</p>	<ul style="list-style-type: none"> <li>▪ Redemption Period – starts day of Sheriff Sale -Six (6) months is most common.</li> <li>-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.</li> <li>-Farming property 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> Allow purchaser to inspect the home and all ancillary structures during redemption period.</p> <p><b>To redeem the property the borrower <u>must</u> pay:</b> Amount bid at sheriff sale + interest + fees.</p>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ The purchaser can inspect the outside of the property without any notice.</li> <li>▪ <b>EVICTION</b> - At the end of the redemption period if you have not already vacated the home you will receive a <b>Summons</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>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 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.</p> <p><b>Contact a MSHDA HUD-approved agency in your area.</b></p>			<p><i>Effective January 10, 2014</i> <b>Revised February 1, 2022</b></p>		