







MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Division of Homeownership

Understanding the Foreclosure Process

 Day 1 to 15	 Day 16 to 30	 Day 45 to 60	 Day 90 to 105	 Day 150 to 155	 Redemption Period
<p>Payments due on the 1st</p> <p>Begin communication by contacting your Lender.</p> <p>During this time if your lender allows you to make a partial payment – make it.</p> <p>Contact a MSHDA approved lender for refinance options.</p>	<p>Late charges are assessed after the 15th.</p> <p>Loan is in default at 30 days.</p> <p>Lender sends notice of delinquency.</p> <p>Negotiate a work out plan. Ask “what are my options?”</p>	<p>Lender attempts phone contact.</p> <p>Lender sends out notice that a foreclosure is possible and that borrower has right to contact an attorney and a homeownership counselor to see if borrower is eligible for a loan modification.</p>	<p>Lender sends “demand” or “breach” letter that the mortgage terms have been violated.</p> <p>Once the “demand” letter goes out partial payments are generally not accepted and all delinquent payments and late fees are due.</p>	<p>Sheriff Sale - House sold at foreclosure sale or auction.</p> <p>Title transferred subject to Redemption Rights of the owner.</p> <p>The “sheriff’s deed” lists the last date the property can be redeemed.</p>	<p>To get the property back you must pay: Mortgage + interest + late fee + court costs + attorney fees.</p> <p>LIVE in the house</p> <ul style="list-style-type: none"> ➢ No payment ➢ Maintain utilities ➢ Maintain Insurance ➢ General upkeep <p>EVICTION - At the end of the Redemption Period you will receive an eviction notice.</p> <p>LEGAL NOTICE - You will be served with legal notice of action. You can appear in court.</p> <p>Date is set to actually have the Sheriff move your belongings to the curb.</p>
<p>As soon as possible contact a MSHDA Certified Housing Counselor. Find the nearest one at www.michigan.gov/mshda</p>		<p>Borrower must contact lender within 14 days from the date the notice is mailed.</p>	<p>Lender hires attorney to initiate foreclosure proceedings.</p> <p>Public Notification - Notice of Foreclosure at the local courthouse, details of the debt published in local paper for four consecutive weeks, and a notice is posted on the home.</p>	<p>Redemption period is generally six months, but can be up to 12 months if property is over 3 acres or there is more than 50% equity in the property.</p>	
<p>Don’t commit to a workout plan if you cannot maintain it or make the payments.</p> <p>In most cases, the collection and foreclosure process continues while your request for a workout is under review.</p> <p>Make sure you are communicating with someone who has the authority to do a workout and get it in writing. Talk with your lenders Loss Mitigation Department.</p>				<p>Warning: If you vacate the home the Lender can accelerate or shorten the redemption period.</p>	
<p>Refinance - If you have an Adjustable Rate Mortgage (ARM) find out if you are eligible for the federal Making Home Affordable Refinance Program or MSHDA’s SAVE THE DREAM Refinance Programs. Payments can be made beyond the 15 days, but 30 days late raises a red flag and can hinder your ability to refinance.</p> <p>Avoid Rescue Scams</p> <ul style="list-style-type: none"> • Don’t give someone money who says they can prevent a Foreclosure • Don’t sign paperwork you aren’t familiar with 			<p>Save your money during the redemption period to help you move.</p> <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”.</p> <p>To sell the house, you must pay everything listed above or in the case of a short sale, get permission and a waiver of deficiency from the bank.</p>		

Become Informed of YOUR OPTIONS and COMMUNICATE! COMMUNICATE! COMMUNICATE!