

What are my options after the Sheriff's Sale ?

The Sheriff's sale is held weekly on the county court steps and is open to the public providing an opportunity to the community to purchase your home for the highest bid. Most homeowners picture hundreds of hungry bidders looking for a good deal on a house. This is rarely the case. In fact, the majority of the time the mortgage is purchased by the original lender and rarely to an independent buyer. At the time of the auction sale a sheriff's deed is issued and your redemption period begins.

It is your right as a homeowner to live in the home without paying rent or mortgage payments for the FULL redemption period. In the state of Michigan homeowners are protected by a 6 month right of redemption and in some cases up to a year. This is a period of time to gather resources and "redeem" ownership of the property. It is important to maintain the utilities and property as if you owned it. Shovel the snow and cut the grass to clearly establish that you still live in the home. If the holder of the sheriff's deed can establish in court that the home has been abandoned they can ask the court to SHORTEN the redemption period to as little as 30 days. If you receive a letter regarding issues of abandonment call the court immediately.

It is your right as a homeowner to stay in the home until you are evicted by court order . Even on the outside chance that your home is purchased by an independent buyer **it is your right** to live in the home for the full 6 months right of redemption. Do not let anyone pressure you into moving out. Contact an attorney if you are feeling harassed or pressured to move. At the end of your redemption period you will be served with eviction papers. If you choose to challenge the eviction you can go to court and plead your case before a judge. The final eviction order will be served by the county sheriff's office.

It is your right as a homeowner to know what the redemption price is. The amount required to redeem the property is always more than what the homeowner owed on the mortgage when it first went into default 4-6 months before the auction. Legal fees, interest, late fees, and court costs are added to the balance of the mortgage. Throughout the redemption period per diem (daily) interest can be tacked onto the mortgage increasing the redemption amount even further by the end of the 6 months. The following Michigan law outlines how the records are kept:

Effective March 30, 2005 pursuant to HB 929 and HB 931 of 2004:

HB 929 of 2004, Section (3). The Register of Deeds shall not determine the amount necessary for redemption. The purchaser (at auction) shall attach an affidavit with the deed to

OPTIONS IN FORECLOSURE

VI. Options after the Sheriff's Sale

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be recorded under this section that states the exact amount required to redeem the property, including any daily per diem amounts, and the date by which the property must be redeemed shall be stated on the certificate of auctioneer. The purchaser may include in the affidavit the name of a designee responsible on behalf of the purchaser to assist the person redeeming the property in computing the exact amount required to redeem the property. The designee may charge a fee as stated in the affidavit and may be authorized by the purchaser to receive redemption funds. The purchaser shall accept the amount computed by the designee.

To determine who is acting on behalf of the holder of the sheriff's deed call your county registrar of deeds for a copy of the record.

It is your right as a homeowner to refinance your home with another lender. The challenge is that your credit score and credit history take a hit during the foreclosure process and qualifying for a mortgage can be very challenging. If you have a family member who is willing to finance the mortgage on your behalf you might be able to work out a short payoff (less than the redemption price) to redeem the property.

It is your right as a homeowner to try and sell the home during the redemption period. If you can sell it for more than the redemption price owed, you keep the equity! Be sure to interview the realtor before you list the property to be sure they have experience working with foreclosed properties.