

# MICHIGAN STATE UNIVERSITY EXTENSION

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## FORECLOSURE PREVENTION PARTNERSHIP

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# MICHIGAN STATE UNIVERSITY EXTENSION

## Mortgage Foreclosure Prevention Program



We know it's been rough.  
We'd like to help.

Understand the mortgage foreclosure process so that you can make the best decision for you and your family.

**Call today 734-997-1678**

In partnership with



LEGAL SERVICES OF SOUTH CENTRAL MICHIGAN

# What can you EXPECT?

## FORECLOSURE TIMELINE

Foreclosure is a legal process by which a bank, mortgage company or other creditor takes a homeowner's property in order to satisfy a debt. The general foreclosure timeline in the state of Michigan is listed below:

1. Your mortgage is due on the 1st of the month; you are delinquent on the 2nd.
2. The first notice of delinquency is mailed on the 16th of the month. You are charged a late fee.
3. If you do not pay by the 30th, the loan is in default; you are sent a second notice.
4. When a loan is 60 days past due, your lender speeds up the loan and warns you that foreclosure is the next step.
5. After 90 days foreclosure begins. In Michigan the most common foreclosure is by advertisement.
6. The attorney for your lender advertises the property for sale by auction in a newspaper for four weeks in a row.
7. A Sheriff's sale is held on the published date. The highest bidder wins the property. Usually the bank that holds the mortgage buys the property back.
8. After the sheriff's sale you have 6 months to one year to get the property back. This is called the owner's right to redemption. You have three options at this time: 1. you can try to secure a new mortgage, 2. you can sell the property, or 3. you can live in the home for free until the end of the redemption period.
9. Don't let anyone pressure you into leaving the property before the end of the 6 month redemption period! This is your time to plan your next steps. If the lender can establish that the property has been "abandoned" they can ask the court to reduce the redemption period to 30 days!

# What can you DO?

## CONTACT YOUR LENDER

Many people avoid calling lenders about money troubles, but lenders want to help borrowers keep their homes. There may be workout options to help you! If you have tried calling your lender and feel like you've reached a dead end we may be able to help.

## DON'T SPEND YOUR MORTGAGE PAYMENT

Do yourself a favor and put your mortgage payment in the bank and do not spend it! At some point you may need the money to workout a solution with the lender. Make a detailed list of your income and expenses and consider cutting out unnecessary spending.

## CONSIDER ALL OF YOUR OPTIONS

If keeping your home is not possible, there are options to prevent mortgage foreclosure. Here are some things to consider:

1. Sell the home. You may be able to get a good market return on the home and enjoy some of the equity!
2. Short Sale. If the housing market is cold and you can't sell the property for the full amount owed you may be able to convince your lender to accept less than what is owed on the mortgage.
3. Assumption. Your lender may allow a qualified buyer to take over your mortgage.
4. Deed-in-lieu of foreclosure. As a last resort, you may be able to "give back" your property and have the debt forgiven. There are limitations to this option.; talk to your lender.
5. Chapter 13 bankruptcy. This option could buy you time and should be considered only as a last resort.

## CONTINUE TO MAINTAIN THE PROPERTY

Continue to keep your home in good order by paying your utility bills, keep up home maintenance, mow the lawn, and shovel snow! A well maintained property can get a better sale price or better real estate appraisal for a possible refinance.

# How can we HELP?

## EVALUATING YOUR OPTIONS

MSU Extension in partnership with the Washtenaw County Treasurer's Office, Housing Bureau for Seniors, and Legal Services of South Central Michigan will provide mortgage foreclosure prevention counseling to help homeowners sort through the options available to them. Speaking with a certified housing counselor is an important step in developing an action plan to help you resolve your housing crisis. A confidential assessment with an MSU Extension certified housing counselor will include:

1. A review of your financial situation, analyzing income and expenses, to determine which foreclosure prevention options would best meet your family's unique needs.
2. A call to the mortgage lender on your behalf to discuss possible workout options.
3. Information on services and programs in Washtenaw County that might be helpful to you during this challenging time.
4. A review for your eligibility of federal, state and county foreclosure prevention initiatives.
5. Ongoing counseling, financial education and support to help you map out an action plan and meet your housing goals.



## WE ENCOURAGE YOU TO CALL TODAY

This service is offered at no cost to the homeowner. A certified housing counselor is a phone call away.

We know it's been rough.  
We'd like to help.

**MSU Extension Mortgage  
Foreclosure Prevention Program  
734-997-1678**