







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>Late fee after the 15th day</p> <p>Begin communication by contacting your Lender.</p> <p>Contact a MSHDA approved lender for refinance options.</p>	<p>Late charges are assessed.</p> <p>Loan is in default at 30 days.</p> <p>Lender sends notice of delinquency.</p> <p>Negotiate a work out plan "what are my options?"</p>	<p>Lender attempts phone contact.</p> <p>Lender sends "demand" or "breach" letter to the borrower pointing out that terms of the mortgage have been violated.</p> <p>Once the "demand" letter goes out all delinquent payments are due. Partial payments are not accepted.</p>	<p>Lender hires local attorney or other firm to initiate foreclosure proceedings.</p> <p>Adds about \$1,500 to \$2,500 to your costs.</p> <p>Interest continues to accumulate.</p> <p>Public Notification - Notice of Foreclosure at the local courthouse, details of the debt published in local paper for 4 consecutive weeks and notice posted on the home.</p>	<p>Title transferred subject to Redemption Rights of the owner.</p> <p>The "sheriff's deed" list the last date the property can be redeemed.</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>Warning: If you vacate the home the Lender can accelerate or shorten the redemption period.</p>	<p>LIVE in the house</p> <ul style="list-style-type: none"> ➢ No payment ➢ Maintain utilities ➢ Maintain Insurance ➢ General upkeep <p>EVICTON - 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>As soon as possible contact a LINKS Certified Housing Counselor @ http://www.michigan.gov/mshda</p>			<p>Sheriff Sale - House sold at foreclosure sale or auction.</p>	<p>To get the property back you must pay: Mortgage + interest + late fee + court costs + attorney fees.</p>	<p>Date is set to actually have the Sheriff move your belongings to the curb.</p>
<p>During this time if you can make a partial payment – make it.</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.</p> <p>Refinance - If you have an Adjustable Rate Mortgage (ARM) or if you have late payments find out if you are eligible for MSHDA's "SAVE THE DREAM" Refinance Programs or the FHA Secure Product.</p> <p>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>Be Realistic – if you cannot afford to keep your home, list it with a reputable Realtor and sell it.</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> <p>Save Your Money to help you move.</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 		

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