

## MICHIGAN PROPERTY TAX FORECLOSURE PROCESS

In 1999, Michigan passed Public Act 123, which created a new process for the collection of property taxes. The Act defined timelines for the movement of property with unpaid taxes through the foreclosure system and mandated interest rates and fees.

DATE	ACTION
<b>July - December 2010</b>	2010 property taxes billed by city, township or county treasurer
<b>March 1, 2011</b>	Unpaid 2010 property taxes are forward to county treasurer. State law requires a 4% administration fee and 1% per month interest.
<b>October 1, 2011</b>	A \$15.00 fee is added to each parcel.
<b>March 1, 2012</b>	Property is <b>forfeited</b> to county treasurer. State law requires the addition of a \$175 fee and a \$26 recording fee. Interest increases to 1.5% per month, back to date of tax delinquency.
<b>March 1, 2013</b>	Circuit Court enters a judgment of foreclosure. Property owners may redeem their property by paying the taxes, interest, and fees by March 31st or lose their property.
<b>April 1, 2013</b>	Property is <b>foreclosed</b> . Property owners lose all rights. Title to the property passes to the county treasurer.
<b>July - October 2013</b>	Property is sold at public tax auction - once sold at the tax auction - there is no further redemption period for the property owner. <b>Auction dates, procedures and pre auction options for property owners vary by county.</b>

### CONTACT INFORMATION

**If you are having trouble paying your property taxes contact the office of your local treasurer immediately - do not delay - the sooner you call - the sooner you SAVE!**

#### CITY OF DETROIT (Current Tax Year Only)

[www.detroitmi.gov/DepartmentsandAgencies/Finance/TreasuryDivision.aspx](http://www.detroitmi.gov/DepartmentsandAgencies/Finance/TreasuryDivision.aspx)  
 Treasury Division (313) 224-3560 - Senior Property Tax Deferments  
 Assessor Division (313) 224-6674 - Hardship Exemption

#### WAYNE COUNTY

[www.co.wayne.mi.us/treasurer.htm](http://www.co.wayne.mi.us/treasurer.htm) (313) 224-6105

#### Or for assistance determining your options in Wayne County contact:

United Community Housing Coalition - Tax Foreclosure Prevention Project  
 220 Bagley Avenue, Suite 900, Detroit, Michigan 48226  
 (313) 963-3310 (Detroit only)

#### MACOMB COUNTY

[www.macombcountymi.gov/treasurer/index.htm](http://www.macombcountymi.gov/treasurer/index.htm) (586) 469-5910

#### OAKLAND COUNTY

[www.oakgov.com/treasurer](http://www.oakgov.com/treasurer) (248) 858-0612

#### WASHTENAW COUNTY

[www.ewashtenaw.org/government/treasurer/TFP](http://www.ewashtenaw.org/government/treasurer/TFP) (734) 222-6600

## WHAT HAPPENS TO MY HOME MORTGAGE IF I FILE BANKRUPTCY?

The answer is different and depends on when you file and what type of bankruptcy you file. There are two types of bankruptcies - Chapter 7 or Chapter 13. If you file prior to the Sheriff's Sale (foreclosure sale), the sale stops until the bankruptcy case closes or the mortgage company receives permission from the court to proceed with the sale. If you file **after** the Sheriff's Sale, the bankruptcy court **can not** set aside the sale.

In a **Chapter 7** bankruptcy, you may be able to discharge many debts such as credit cards and medical bills. *You must continue to make your mortgage payments if you want to KEEP your house.*

In a **Chapter 13** bankruptcy you set up a payment plan that includes your mortgage (your regular monthly payment plus a portion of any past due balance) and a percentage of your other debts.

**Consult an experienced bankruptcy attorney to learn more about your options. Contact the National Association of Consumer Bankruptcy Attorneys to find an attorney in your area, <http://www.nacba.org/attorneyfinder>**

## WHAT DO I DO IF MY LANDLORD IS IN TAX OR MORTGAGE FORECLOSURE?

Landlords are entitled to collect rent as long as they own the property. If the property is foreclosed by the county or a mortgage company the landlord no longer can collect rent. You have rights as a tenant - for more information consult a housing counselor or attorney (see pages 2 or 6).

## IS A SHORT SALE RIGHT FOR YOU? Maybe,....

- If you are behind on payments and your financial situation isn't going to improve, or
- You want to try to prevent a foreclosure, or
- You have found work in another area and need to move

### However,...

- A short sale can be a lengthy process and there are no guarantees that your lender will approve it or that it can be completed in time to avoid foreclosure
- There may be income tax consequences and/or you may face a "deficiency judgment" for the debt that was not covered by the sale of the property

### If you want to explore a short sale,...

- Contact a housing counselor (see page 2) to explore your options
- Contact your lender to see if a short sale is an option
- Find a realtor **experienced** in short sales
- Ask your housing counselor about the Mortgage Debt Forgiveness Act

## IS A REVERSE MORTGAGE A GOOD IDEA IF YOU ARE 62 OR OLDER?

### Maybe,... but know the facts

A Home Equity Conversion mortgage (HECM or reverse mortgage) is a loan that lets you convert a portion of the equity in your home into cash. HECM borrowers do not have to repay the loan until the borrower no longer uses the home as their principal residence or they fail to meet the special obligations of the mortgage. You can also use a HECM to purchase a primary residence if you are able to use cash on hand to pay the difference between the HECM proceeds and the sales price plus closing costs.

FHA requires that you are 62 years of age or older, own your home outright, or have a low mortgage balance that can be paid off at closing with proceeds from the reverse loan, and you **must** live in the home. You are required to receive counseling free or at very low cost from a HECM counselor (see page 2).

You can receive information about reverse mortgages by contacting the National Council on Aging at (800) 510-0301 or downloading their free booklet, "Use Your Home to Stay at Home"  
[http://www.ncoa.org/news-ncoa-publications/publications/ncoa\\_reverse\\_mortgage\\_booklet\\_073109.pdf](http://www.ncoa.org/news-ncoa-publications/publications/ncoa_reverse_mortgage_booklet_073109.pdf)