# MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## Homeownership Division

## Understanding the Foreclosure Process

<table>
<thead>
<tr>
<th>Day 1 to 15</th>
<th>Day 16 to 60</th>
<th>Day 61 to 90</th>
<th>Day 91 to 150</th>
<th>Day 151+</th>
<th>Redemption Period</th>
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<tr>
<td>Payment due on the 1st and is considered delinquent if not paid.</td>
<td>Late charges are assessed after the 15th.</td>
<td>Lender makes written and phone contact.</td>
<td>If the borrower does not &quot;opt-in&quot; to the 90-day pre-foreclosure meeting process or if a modification is not possible:</td>
<td>Sheriff Sale - House is sold at foreclosure sale or auction.</td>
<td>To get the property back you must pay: Amount bid at sheriff sale + interest + fees.</td>
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<td>Begin communication by calling your Lender.</td>
<td>Lender attempts phone contact.</td>
<td>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 the borrower is eligible for a loan modification.</td>
<td>Lender sends &quot;demand&quot; or &quot;breach&quot; letter that the mortgage terms have been violated.</td>
<td>The &quot;Sheriff's Deed&quot; lists the last date the property can be redeemed.</td>
<td>LIVE in the house with no mortgage payment (save money to help you move).</td>
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<tr>
<td>During this time if your Lender allows you to make a partial payment – make it.</td>
<td>Lender sends notice of delinquency.</td>
<td>Negotiate a repayment plan. Ask &quot;what are my options?&quot;</td>
<td>Once the &quot;demand&quot; letter goes out all delinquent payments and late fees are due. If not paid, Lender hires attorney to initiate foreclosure proceedings.</td>
<td>Redemption period is generally six months, but can be up to 12 months if property is over 3 acres and used for agricultural purposes.</td>
<td>But you MUST: ➢ Maintain utilities ➢ Maintain insurance ➢ Maintain the property</td>
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<td>Find out if you are eligible for a HARP refinance.</td>
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<td>Warning: If you vacate your home the Lender considers the property abandoned and can shorten the redemption period to 30 days.</td>
<td>EVICTION - At the end of the Redemption Period you will receive an eviction/legal notice.</td>
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</tbody>
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As soon as possible contact a MSHDA-certified Housing Counselor for free assistance. Find the nearest one at [www.michigan.gov/mshda](http://www.michigan.gov/mshda)

Don't agree to a workout plan if you cannot afford to make the payments.

In many cases the collection and foreclosure process continues while your request for a loan workout or modification is under review.

Make sure you are communicating with someone who has the authority to do a workout and get it in writing. Talk with your lender's Loss Mitigation Department, not the Collections Department.

Avoid Rescue Scams
- Don't give someone money who says they can prevent a foreclosure or help you get a loan modification.
- Don't sign paperwork you aren't familiar with or sign a deed over to someone who says they will help you.

## 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" if you owe more than your home is worth. A short sale requires your lender's approval. Always ask for a waiver of deficiency from the lender.

Ask if you are eligible for the Making Home Affordable HAFA program.

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

4/2012