

Understanding the Foreclosure Process

Get Help Before Time Runs Out!

Information provided by:
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1. Call the Lender and explain your circumstances.
2. SCRAMBLE to get enough money to make the payment.
3. Contact Metro Housing at 810-767-4622 for help with budget and strategy. Usually, assistance money is NOT available, but NEGOTIATION is!!



- If you cannot get enough money to make the payments, look at other options...
- If you can make partial payments—make them.
 - If the lender won't accept them, set them aside in a savings account so YOU HAVE this money available to make the payments.



- Usually, the lender is getting "not too nice"! You receive a "Demand Letter" or "Notice to Accelerate". Look at ways to preserve whatever equity you have: Sell? Refinance?
- Usually the lender wants a significant amount of money to reinstate the mortgage!
- Please SAVE as much as YOU CAN during this period! Just because you can't make the \$600 payments, but you could have paid \$400.. YOU SHOULD have in your possession the reduced amount available for the lender! **SAVE & SCRAMBLE!**



Foreclosure Starts: You receive a **Notice of Default**.
Public notification is done by advertising the default in the newspaper.
This **Commencement of Foreclosure** adds about \$1,500 to \$2,500 to your costs (attorney fees)
INTEREST charges continue to accumulate.
The attorney then schedules a Sheriff's Sale, which is the actual date of foreclosure. This is NOT a move-out date.

The Sheriff's Sale is scheduled for approximately 6 weeks after the **Notice of Default**. Advertising costs are added, increasing your debt. You have up until the date of the Sheriff's Sale to work out arrangements with the mortgage company or to pay the total amount owed (the reinstatement amount). At the Sheriff's Sale, your house will be sold. An outside party may bid on your home. If no bids are received, the home goes back to the lender.

THE REDEMPTION PERIOD BEGINS

If nothing is done to resolve the situation and the Sheriff's Sale is completed, you then enter the Redemption Period. This period starts from the date of the Sheriff's Sale. State Law requires that this period is not less than 30 days and no more than one year. You will be notified of your time frame on the same notice that states your Sheriff's Sale date. **You may still reside in your home during this period.** Strategy is important. During the redemption period you can:

1. SELL the house, to satisfy the mortgage and get any equity remaining in the house.
2. LIVE in the house, without paying your monthly payment. KEEP YOUR MONEY to help you move!!
3. REFINANCE the house, if you can obtain a mortgage.

If your finances have not improved, you will need to sell or disburse most of your belongings. The cost of storage space is significant, and if you cannot assure yourself that you can continue paying for this space, your belongings will also be lost by default of rental payment. **SAVE** your money. **PLAN** for transition to rental space. **REDUCE** the amount of belongings since the rental location will usually be smaller than your present home.

END OF THE REDEMPTION PERIOD

Once the redemption period is over (if you remain in the home) the owner (Lender) MUST proceed with legal eviction proceedings. They can't just move you OUT without it! They will serve you with a legal notice of action. You will be able to appear in court. A date will be set to actually have the Sheriff move your belongings to the curb.

You NEED to take ACTION sooner rather than later!