

SEMCOG FORECLOSURE PREVENTION AND HOMEOWNER STRATEGIES

Time is of the essence



RULE NUMBER ONE FOR FORECLOSURE PREVENTION

GET HELP AS SOON AS POSSIBLE

Not all homeowners will be able to avoid foreclosure, but timely counseling and support can increase the chances of homeowners keeping their homes. You need to know that:

1. There is help available
2. The earlier you seek help, the more options you have
3. Delaying action makes it more difficult to keep your home

If your financial situation has changed or you fall behind on your mortgage payment, contact your lender **and** an approved state or federal housing counselor immediately.

HELP IS AVAILABLE

Check out SEMCOG's foreclosure Web page (www.semco.org/Help4Homeowners.aspx) for direct links to the following services and organizations:

Federal and State approved Counseling Agencies

- www.mshda.info/counseling_search
- www.hud.gov

County Treasurer's Office

Best place to learn about available options in preventing property tax foreclosure.

Direct Helplines

- United Way 211 — Dial 2-1-1 on your phone for immediate assistance
- HOPENow — 1-888-995-HOPE
- MSHDA's Save the Dream – 1-866-946-7432
- Michigan Legal Aid

Long-term homeowner strategies

- Know your lender and stay in contact with them.
- If you fall behind, seek to negotiate a workout plan with your lender.
- Respond to any contacts from your lender, either by mail or phone, as soon as possible.
- Prioritize your debt.
- Always pay your mortgage before any other debt.

THE FORECLOSURE TIMELINE

THE CLOCK STARTS TICKING AFTER THE FIRST PAYMENT IS MISSED

Day 1

Borrower misses payment due date.

Within 1 month

Late fees are added to payment. Mortgage servicer attempts to make contact.

Within 2 months

“Demand” or “breach” letter is sent.

Between 3-4 months

Loan is referred to foreclosure department; foreclosure proceedings begin.

After 5 months/within 18 months

Foreclosure auction or sale takes place and home is sold.

After the home is sold, Michigan law allows a “redemption period,” where the homeowner can re-purchase the property if they have the money. Most mortgages allow the homeowner six months to redeem property.