SOUTHEAST MICHIGAN HOMEOWNER'S GUIDE

REALITY

REAL ESTATE BROKERAGE

THE COMPLETE

Michigan Foreclosure Guide

Real estate decisions based on reality, not emotion.

A plain language walk through your rights, the Michigan timeline, and every real option you still have. No pressure, no jargon, and nothing to sign.

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BEFORE YOU READ ON

You have more options than it feels like right now.

If you are reading this, you are likely dealing with something stressful, and maybe something you never expected. I want to say two things up front. You are not alone, and you almost certainly have more time and more choices than it feels like today.

I have spent about fifteen years in Michigan real estate. Before that I worked as a certified financial counselor and as a bankruptcy counselor approved by the U.S. Department of Justice. I have sat with a lot of families on the hardest day of their year. What I learned is simple: good decisions come from clear numbers and an honest look at the timeline, not from fear or from waiting.

This guide is my attempt to give you that clarity, for free, with nothing to sign. Read it at your own pace. When you want to talk through your specific situation, I am one call away.

Dave Moody

DAVE MOODY • MANAGING BROKER

INSIDE THIS GUIDE

UNDERSTANDING THE PROCESS

What foreclosure really is

01

What it is

Foreclosure is the legal process a lender uses to recover a home after the mortgage falls behind. The property can be sold and the proceeds go toward the unpaid balance. It moves in defined stages, which is exactly why timing matters so much.

The Michigan detail most people miss

Most Michigan mortgages are foreclosed by advertisement, a non judicial process that does not require a lawsuit. The lender publishes notice and sells the home at a Sheriff's Sale. Some cases run through the courts instead (judicial foreclosure). Either way you have rights and firm deadlines, and this guide walks through both.

Why it happens

Life changes fast. Job loss, medical bills, divorce, a death in the family, or reduced income can all make a mortgage hard to keep up with. This is common, it is not a moral failing, and it does not have to define what comes next.

Why acting early changes everything

Before a sale date is set, you usually have the widest range of options. Once the Sheriff's Sale is scheduled, choices narrow and timelines tighten. The most powerful thing you can do is start early, even before you have every answer.

Four beliefs that quietly cost people time MYTH AND REALITY

- **Missing one payment means losing the home.** It does not. The process moves in stages over months, and the early stages hold the most choices.
- **The bank wants the house.** It rarely does, and usually loses money on a foreclosure.
- **A scheduled sale ends any chance to sell.** Homes sell before a sale and during redemption.
- **Not opening the mail slows things down.** The clock runs either way, and those envelopes carry the dates you need.

Key takeaway

Foreclosure is a process, not a single event. You have rights and you have options. Getting informed, and getting help, is the first real step.

A DISTINCTION THAT CHANGES EVERYTHING

The lender and the servicer are not the same

02

The company you send your payment to is often not the company that owns your loan. Knowing the difference helps you ask the right questions and reach the people who can actually say yes.

The Lender

OWNS THE LOAN

The bank, credit union, or investor whose money is on the line. The lender sets the rules for what relief is possible.

- Owns the loan and carries the risk
- Sets guidelines for modifications and short sales
- Has the final say on changes or forgiveness

Example
Often Fannie Mae, Freddie Mac, a bank, or a private investor.

The Servicer

MANAGES IT DAY TO DAY

The company that takes your payment and handles customer service. They pass your requests to the lender for a decision.

- Collects payments and sends statements
- Answers billing and account questions
- Reviews assistance requests and forwards them

Example
Companies such as Wells Fargo, Chase, Mr. Cooper, or Shellpoint.

Why this matters

When you request a modification, forbearance, or short sale, the servicer reviews it but the lender decides. Ask your servicer who owns or backs your loan. That single question can shape your entire next move.

Five questions to ask on your first call

1. Who owns or backs my loan? **2.** What is my exact total to bring it current, good through what date? **3.** What options do I qualify for? **4.** Is a sale date set? **5.** Who is my single point of contact?

Helpful habit

Keep a simple log of every call: the date, who you spoke with, and what they told you. Written records protect you and keep the process moving.

WHAT HAPPENS, AND ROUGHLY WHEN

The Michigan foreclosure timeline

03

Every situation is different and lenders move at their own pace. This is a general picture of how things tend to unfold, so you can see where you stand.

1

Days 2 to 36 · Payment is late

The loan is past due and late fees may begin.

The servicer starts trying to reach you. This is an early stage with more room to act than most people realize. Selling is often still very possible, even if you owe more than the home is worth.

2

Around Day 45 · Formal outreach begins

A representative is assigned and written notices arrive.

Things start to feel more serious. This is the moment to decide, at least directionally, whether you want to keep the home, sell it, or plan another exit.

3

Days 45 to 120 · Pre foreclosure

The window for workout options is at its widest here.

Federal rules generally prevent the first official foreclosure filing until you are about 120 days behind. Modifications, repayment plans, forbearance, or a sale may all be on the table.

4

Day 121 and beyond · The sale is set in motion

A Sheriff's Sale may be scheduled and notice published.

Notice is typically published for four consecutive weeks and posted on the property. Once a date is set, options narrow due to processing times, so early action matters most now.

5

After the sale · The Redemption Period

You usually still have rights, and often around six months.

The home is sold at auction, but Michigan law gives most homeowners time to redeem or sell before ownership fully transfers. The next page covers this in detail.

How these notices reach you

Expect mail from your servicer, then from the law firm handling the file. The sale notice is also published in a local newspaper and posted on the property. Keep every envelope and its date.

Read this as a guide, not a guarantee

These timeframes are estimates and vary by lender, loan type, and situation. Programs and dates change. Acting early is what consistently protects your options.

THE MICHIGAN REDEMPTION PERIOD

Your home sold at auction. You may still have options.

04

In Michigan the process does not always end at the Sheriff's Sale. The Redemption Period is a window when you may still reclaim or sell the property, and the new owner generally cannot take possession until it ends.

What the Redemption Period is
The time after the sale when you have the legal right to reclaim your property by paying the amount owed, or to sell it and keep any equity that remains after costs.

How long is it?

Usually about six months from the date of the sale. It can be shorter if the home is found abandoned, or as long as twelve months in some cases, depending on the property and how much is owed.

Your options

- **Redeem** by paying the sale amount plus interest and allowable fees
- **Sell** to pay the debt and keep any remaining equity
- **Negotiate** with the new owner, who may consider a payoff or sale

Important to know

- Partial payments generally are not accepted to redeem
- Get an exact payoff figure early, in writing
- New financing can be hard right after a sale

This is your last window, so protect it
Time moves quickly and the deadline is firm. If there is equity in the home, waiting too long can put it at risk. Get your payoff amount, make a plan, and act while the choice is still yours. Once the period ends, the new owner can take possession.

Not sure whether to save or sell?
Our free Save or Sell tool walks through your numbers and your timeline privately, in about two minutes, at **saveorsellmyhome.com**.

YOU HAVE TIME. YOU HAVE CHOICES.

Ways to move forward and avoid foreclosure

05

No single path is right for everyone. The best option depends on your income, your equity, your timeline, and your goals. Here are the most common ones.

Loan modification

Change the loan terms, such as a lower rate or longer term, to make payments affordable. BEST FOR LONG TERM HARDSHIP YOU CAN NOW AFFORD AROUND.

Repayment plan

Repay what you owe over time, often added to your regular payment. BEST FOR A TEMPORARY SETBACK YOU HAVE RECOVERED FROM.

Forbearance

Pause or reduce payments for a set time, with the missed amount handled later. BEST FOR SHORT TERM HARDSHIP NEEDING BREATHING ROOM.

Refinance

Replace the loan with a new one on better terms. BEST FOR OWNERS WITH ENOUGH CREDIT AND EQUITY TO QUALIFY.

Sell the property

Sell on the retail market or to a cash buyer to pay off or reduce the debt and avoid a foreclosure on your record. BEST WHEN KEEPING THE HOME IS NO LONGER THE GOAL.

Deed in lieu or short sale

Hand the home back, or sell for less than owed with lender approval. BEST WHEN A CLEAN EXIT MATTERS MORE THAN THE PRICE.

Professional negotiation assistance

Someone who knows how lenders work can handle the calls, the paperwork, and the follow up, and pursue the strongest outcome for you. This is where I spend much of my time.

What a lender asks for, whichever path you choose

GATHER IT ONCE

- Recent pay stubs
- Two months of bank statements
- Two years of tax returns
- A short hardship letter
- A simple monthly budget
- Your statements and notices

Take action today

1. Know your numbers. **2.** Contact your servicer and stay in touch. **3.** Gather your documents. **4.** Get professional help early.

MICHIGAN LAW IS ON YOUR SIDE TOO

Your rights as a homeowner in Michigan

06

Knowing your rights helps you make informed decisions and recognize when something is not being handled properly.

The right to required notices

The lender must follow the law and provide proper written notice at each step, including notice of the sale date, time, and location, and of your right to redeem afterward.

The right to seek help

You can ask questions and get help from housing counselors, legal aid, or a professional at any time. Referrals to trusted resources are part of what we do.

The right to sell your property

You may sell before and during the Redemption Period to pay off the debt and avoid foreclosure, and to control the sale with a real estate professional.

Rights during redemption

After the sale you may redeem by paying the amount owed, sell the property, or negotiate with the new owner, generally for up to about six months.

Eviction is a separate legal process

Foreclosure and eviction are not the same. After the Redemption Period, a new owner must generally file a separate court action, and you have the right to be heard.

Know your rights, then use them

Your lender must follow state and federal law, including the Fair Debt Collection Practices Act. You have the right to request and review your loan records, and to raise a concern if you believe your rights were violated.

DECISIONS BASED ON REALITY, NOT EMOTION

The Save or Sell worksheet

07

Use this to compare your options on real numbers. There is a free interactive version at **saveorsellmyhome.com** if you would rather let the tool do the math.

1 Your financial snapshot

Estimated market value of home	________
− Amount owed on mortgage(s)	________
− Other liens or judgments	________
Estimated equity or shortfall	**$**

2 Your monthly picture

Mortgage payment (PITI)	________
+ Other monthly debt payments	________
Average monthly income after taxes	________
Monthly cash flow	**$**

3 Save or sell, side by side

Consideration	SAVE	SELL
Can I afford the payment long term?	☐	☐
Will this option protect my credit?	☐	☐
Will it reduce my financial stress?	☐	☐
Is this the best move for my future?	☐	☐
Do I realistically qualify for it?	☐	☐

What to bring to a free consultation
Your most recent mortgage statement, every notice you have received with the date it arrived, this worksheet filled in as best you can, and a rough list of any other debts or liens.

Use these as a starting point
These numbers help you think clearly, not decide alone. Bring them to a free consultation and I will help you read the full picture and choose the best path.

YOU ARE NOT ALONE. YOU CAN TAKE CONTROL.

Let's talk about your situation.

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Dave Moody

MANAGING BROKER, REALITY REAL ESTATE BROKERAGE

A licensed Michigan broker with about fifteen years in real estate, and a former bankruptcy counselor for the U.S. Department of Justice. I spent years reading household budgets and lender paperwork before I ever listed a home, which is exactly the experience these situations call for.

What a first conversation actually sounds like

1. **You talk, we listen.** You tell us what is happening, in your own words. No forms first.
2. **We look at the numbers.** The loan, the payments, the repairs, the deadlines.
3. **We say plainly what we see**, including the options that do not involve us.
4. **You decide what is next**, on your timeline. Confidential either way.

You do not have to face this alone.

A better path is possible. Let's find it together.

Free, confidential, and no pressure. Just answers and options.

- Protect what matters
- See every option
- Move forward with clarity

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