

THE STATE OF MICHIGAN FORECLOSURE PROCESS



WHAT HAPPENS AFTER MY HOME GOES TO SHERIFF SALE?

Whether you borrowed money to purchase your home, or refinanced your existing mortgage, signing loan documents allows a lender to foreclose on your home if payments are not made. However, every lender is different and there are no “rules” to say how late you must be. It is generally practiced that payments that are more than 90 days late will initiate a foreclosure proceeding.

The process starts by posting a foreclosure announcement on the property by a court officer or a sheriff deputy at least 5 weeks before a sheriff sale. Simultaneously the foreclosure announcement is also published in a county newspaper for 4 consecutive weeks. Both of these actions are

required for the foreclosure process to continue. If you start receiving a lot of mail or in person visits to your home, know that these marketers got your information from these foreclosure announcements.

The sheriff sale is a public auction the county sheriff conducts to sell your home to the highest bidder. This auction takes place once a week at the county court house and is open to the public. The majority of the properties are sold back to the lender, while some properties are won by other individuals or private investors. It is important to note that regardless of who purchases your home, your rights and the process are the same.



Call: 800-818-4029

Text: 248-494-7447

trademarkpropertiesmi.com/options

info@trademarkproperties.com



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LET'S START WITH A CONVERSATION.

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Your lender determines the starting bid for your property at the auction which can be any amount up to the total amount owed on your mortgage. Many lenders bid the full amount that is due, however some lenders bid much less than what was owed. That is where things get more complicated.



Once the sheriff auction takes place, you owe the amount on the sheriff's deed, NOT the amount of your mortgage. Your lender is not required to notify you what the amount of the sheriff's deed will be. So how do you find out? Well, you can attend the sheriff's sale and listen for your property to be read and for how much, or you can call us and we can tell you the amount. It is important to know that the amount of your sheriff's deed can vary wildly. Sometimes it is 30, 50, or even 80% less than what you owed on your mortgage! When that happens you can go from having little or no equity to having lots of equity!

For example, say you owed \$200,000 on your mortgage. You learn at the sheriff auction the winning bid amount is \$100,000. The amount you need to pay to off is only \$100,000 not the \$200,000 mortgage you owed just one day prior. Without any influence from you your lender has reduced your debt by \$100,000. Hard to believe isn't it? But its absolutely true!



If your home is worth \$150,000 and you owe \$150,000 on your mortgage, you have no equity. However, once the sheriff's sale takes place you may only owe \$100,000 on the sheriff's deed. In that case, you can payoff the \$100,000 and keep your home, or you can sell it for \$150,000 and walk away with \$50,000, tax free no questions asked - paid to you at closing. That's why its so important to know your sheriff's deed amount.

Now that we know what the sheriff auction is, what happens after the sheriff's sale? A homeowner has 6 months to "redeem" or payoff the amount owed on the sheriff's deed. During your 6 month redemption period you do not have to make any payments or pay anyone to help you. You simply need to decide if you want to stay in your home or sell it.

We have programs and options for both scenarios, and can walk you through the process. However you shouldn't do nothing! Doing nothing gets you nothing and you will still be evicted from your home.

What happens at the end of the 6 month redemption period? Does someone come that day and evict me? Despite what anyone says the answer is No. It is your right to remain in the property for as long as you want until you are officially evicted by court order. Then and only then are you required to move.

We hope this brochure is helpful in understanding the Michigan foreclosure process and the unexpected benefits it can bring to some homeowners. Please call today to learn what your sheriff's deed amount is and what is involved in your specific situation. To learn more and watch an instructional video of this process please visit our website at trademarkpropertiesMI.com/options.

To see homeowner testimonials and learn more about how we can assist you, please visit our website.



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