

Mortgage Foreclosure Prevention-Help is available

call (877)-693-6199 or (313) 833-2948

for assistance and information

Mortgage Foreclosure Timeline

First Month Missed Payment: The first month your payment is missed your mortgage company is likely to contact you by mail and/or telephone to inform you of your delinquent status. A late charge is assessed on the missed payment.

Second Month Missed Payment: The second month your payment is missed your mortgage company is likely to begin calling the contact numbers that they have for you, in order to discuss why you have not made a payment. It is important that you not avoid their telephone calls. Try to stay calm on the telephone and explain to them your situation and what you are trying to do to resolve it. You still may be able to make one payment at this time to prevent yourself from falling three months delinquent.

Third Month Missed Payment: At this point, you are likely to receive a letter from the mortgage company stating the amount you are delinquent, and that you have 30 days to bring it current. This is called your "Demand Letter" or "Notice to Accelerate". If you do not pay the specified amount or make some form of arrangement by the date given, they are allowed at that time to refer you to foreclosure or accelerate your mortgage. They are unlikely to accept less than the total due without prior arrangements if you have received this letter. Foreclosure/Acceleration means that they forward your account to their attorneys. You still have time to work something out with the mortgage company.

Fourth Month Missed Payment: Now you are usually nearing the end of the time allowed in your Demand Letter or Notice to Accelerate. If this expires and you have not paid the full amount or worked out arrangements, then you will be referred to their attorneys. At this time, you incur all attorney fees as part of your delinquency.

The attorney then schedules a Sheriff's Sale, which is the actual date of foreclosure. The Sheriff's Sale will be scheduled for approximately six weeks after the attorney receives your file. You will be notified of this date by mail, along with a notice taped to your door. This is NOT a move-out date.

The attorney publishes notice of foreclosure over four successive weeks in the local legal newspaper. After the first insertion on your property is published in the legal news, you have 4 weeks until the Sheriff's Sale! Contact your lender NOW!

Sheriff's Sale: 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 (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.

Redemption Period: If nothing is done to resolve the situation and the Sheriff's Sale is completed, then you enter the Redemption Period. The redemption 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. Most mortgages allow the homeowner six months to redeem property with the lender/bidder, paying the amount owed plus interest and fees. If property is over 3 acres, you may have a 12 month redemption period. You will be notified of your time frame on the same notice that states your Sheriff's Sale date. This is still your time to reside in the home.

End of Redemption Period: If the homeowner has not redeemed the property, ownership is transferred to lender or bidder. If the homeowner has not left, the new owner starts eviction proceedings. An eviction hearing is held within two weeks, followed by a 10-day grace period for the former homeowner to vacate the premises. When the grace period ends, eviction is certified. Court bailiffs are notified and empty the premises.

Options for Saving your Home

Loss Mitigation Loss mitigation is the term used by mortgage companies to describe their programs and department that can assist borrowers in bringing their mortgages current.

The number one requirement of Loss Mitigation is affordability of the mortgage. To be able to assist you, the mortgage company must see a budget that demonstrates to them that the income coming into your home is sufficient to support all of the household bills.

When speaking to your mortgage company, ask to speak to their Loss Mitigation Department, which is sometimes called the Loan Counseling Department. These are the people that have the authority and knowledge to assist you with becoming current on your mortgage. Request from them a Loss Mitigation Package for your loan.

Find out what type of loan you have (i.e. Freddie Mac, Fannie Mae, VA, or FHA). When you contact your mortgage company, ask them who the investor is on your loan, or if you have mortgage insurance.

Options You May Have

- **Repayment Plan** This is when the mortgage company can take the amount that you are delinquent and add it on to your regular payment, and spread it out over 3-12 months. (Some mortgage companies will allow longer.)
- **Loan Modification** This is when the mortgage company adds the amount that you are delinquent to the principal balance of your loan. If they think that it is necessary, then they may consider extending your loan term to 30 years and/or adjust your interest rate.
- **Partial Claim** This strategy is used on FHA loans or those with PMI insurance only. This is when the insurer of your mortgage gives you a loan for the amount that you are delinquent. This is a non-interest loan that does not require payment until the sale of the home or until you pay off the first mortgage.