

*“I will get things done for America to make our people safer, smarter, and healthier.”*

*- The AmeriCorps Oath*



# AMERICORPS

## MICHIGAN FORECLOSURE PREVENTION CORPS

### MLK DAY OF SERVICE: Coat Drive for Western Michigan Refugee Education and Cultural Center

By Leondra Fair



image: [www.nyc-arts.org](http://www.nyc-arts.org)

AmeriCorps members are teaming up on January 20, 2014 in celebration of Martin Luther King Jr. Day. In observance of the federal holiday and to honor the

birthday of the iconic figure, AmeriCorps members are giving back to local communities by coordinating and volunteering at different service projects throughout the state.

One of these projects is the Winter Coat Drive for the Western Michigan Refugee Education and Cultural Center (WMRECC) based in Grand Rapids, MI. MFPC AmeriCorps members from Ionia, Kalamazoo, and Grand Rapids are collaborating with local organizations in providing winter coats to meet the needs of WMRECC’s refugees in preparation for a cold winter. WMRECC supports refugee children and families by providing educational support and youth development services. These services assist refugees gain vital skills that help them integrate into their new communities. MFPC members hope to provide refugees with a warmer

pg. 1 [www.consumerfinance.gov](http://www.consumerfinance.gov)  
<http://foreclosure.cedam.info/>  
<http://miforeclosureresponse.org/>

transition into Michigan’s wintery weather and its communities with these helpful donations.

*“An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity.”*

*-Martin Luther King, Jr.*



Image: [www.aborellaw.com](http://www.aborellaw.com)

### CRITICAL CHANGES TO MICHIGAN FORECLOSURE LAW

By Katie Burns

In 2013, Governor Snyder signed some new amendments into law that impact foreclosure by advertisement in Michigan. These amendments came into effect on January 10, 2014, and include significant changes to the inspection procedures during the redemption period, as well as the elimination of Michigan’s “90 Day Law.” Instead of giving borrowers the option of deferring the foreclosure for 90 days, mortgage servicers must now wait until the 121st day of delinquency before initiating foreclosure proceedings.

Although the extra 31 days may sound like a win for Michigan borrowers, there is a noteworthy downside. Servicers which handle under 5000 loans will

no longer be required to give written warnings about foreclosure or other consequences. That means without any prior notification, these smaller servicers could begin foreclosure proceedings after waiting the requisite 121



days.

However, there are still some additional steps that larger servicers (with more than 5000 loans) will need to take before foreclosing

on a borrower's primary residence. Under Consumer Financial Protection Bureau regulations, servicers are required to make live contact with a borrower, either on the phone or in person, once the loan has been delinquent for 36 days. The borrower will then have a chance to explain the circumstances causing the delinquency, while the servicers will offer loss mitigation options if appropriate. Then at the 45th day of delinquency, these same servicers must assign a single point of contact for the borrower, and provide written notice of delinquency and loss mitigation options.

Additionally because of the National Mortgage Settlement, Ally/ GMAC, Bank of America, CitiMortgage, JP Morgan Chase, and Wells Fargo are required to designate an agent (law firm) at the 45 day mark to facilitate negotiations with the borrower. These five servicers are also required to give the borrower a written notice containing the following information:

- a statement encouraging the borrower to contact the servicer within 30 days to set up a meeting
- telephone number for a designated contact person and the servicer's mailing address
- brief examples of available loss mitigation options

- loan modification instructions or a general statement inviting the borrower to contact the lender for help applying for one

If the borrower requests a meeting within 30 days, the servicer cannot start foreclosure proceedings until it is concluded. If the borrower fails to attend the meeting or does not comply with the 30 day deadline, the servicer may start foreclosure proceedings at the 121st day of delinquency.

In the event that an agreement can't be reached, the servicer will eventually foreclose and the home will be sold at a Sheriff's Sale. After that, the borrower will enter the redemption period for 6 months and can "redeem" the property by paying the amount bid at the sale plus all the applicable fees. There is no need to make any mortgage payments during this time. But borrowers must still maintain the property and continue paying the utilities and insurance.

One new caveat is that the purchaser at the sale (likely the lender) now has the right to inspect both the interior and exterior structures of the property, including any ancillary structures like a garage or barn. These inspections can be done without warning, and may occur throughout the redemption period. If the borrower refuses the inspection, or if the property is deemed "damaged" for purposes of the statute, then the purchaser may begin eviction proceedings immediately. Some examples of damages include:

- Boarded up or broken windows
- Accumulated trash
- Missing fixtures
- Deterioration below (or in danger of falling below) community standards for public safety and sanitation

Armed with this new information, borrowers facing



financial hardship should communicate with their servicers early and often, open all correspondence immediately, and contact a MSHDA approved housing agency for free of charge assistance. A list of these agencies can be found at: [www.michigan.gov/mshda](http://www.michigan.gov/mshda).

# Michigan Foreclosure Response Toolkit – How can it help?

By Vicki Newcomb



COMMUNITY FORECLOSURE  
RESPONSE TOOLKIT  
generously underwritten by  
**Charter One**

While Michigan is constantly being challenged with the dual crisis of mortgage and tax foreclosure, and with the structures and laws surrounding the foreclosure crisis continuously

changing, it is reassuring to know that homeowners can turn to the Michigan Foreclosure Response Toolkit. This informative resource is available at the click of a button at <http://miforeclosureresponse.org/>. With one click, you can access all the information, resources, strategies and best practices available to help prevent foreclosure or to respond to the aftermath of either tax or mortgage foreclosure.

The Toolkit offers the following basic information on Mortgage Foreclosure:

- Michigan Mortgage Foreclosure Law (which will be changing effective January 10, 2014)
- Michigan Mortgage Foreclosure Process/Timeline (also changing January 10, 2014)
- Michigan’s 90-Day Pre-Foreclosure Negotiation Period (set to expire January 9, 2014)
- Michigan’s Six-Month Post-Foreclosure Redemption Period
- Tenants in Foreclosure Act

The Toolkit also offers information on Federal and State Programs such as Making Home Affordable and MHH Step Forward Michigan. Homeowners and advocates can find data on Foreclosure Prevention Counseling such as its development and history, how it is our most effective foreclosure prevention tool, the role of a housing counselor, and information on AmeriCorps Michigan Foreclosure Prevention Corps (MFPC).

Other useful information covers topics such as free legal services, the Michigan Foreclosure Prevention Project, and how to avoid mortgage fraud and foreclosure rescue scams.

There is also a section that includes the following basic information on Tax Foreclosure:

- Michigan Tax Foreclosure Law
- Michigan’s Tax Foreclosure Timeline
- Homestead Property Tax Credit information

Next, there is a section that is dedicated to explaining how the process differs between mortgage foreclosure and tax foreclosure. It offers the following topics:

- Municipal Efforts to Restore Property Values
- Vacant Property Campaigns
- Vacant Property Registration Ordinances
- Code Enforcement for Formerly Owner Occupied Homes
- Code Enforcement for Rental Properties
- Neighborhood Stabilization Program

Even though the dual crisis in Michigan has been a huge challenge, some communities are looking for ways to turn this crisis into an opportunity. The Foreclosure Response Toolkit offers effective strategies, resources, and best practices on acquiring and redeveloping vacant properties, long-term housing and marketing stabilization, and comprehensive land use.



The Michigan Historical Residential Foreclosure Data Project is the result of a partnership amongst The Michigan Foreclosure Task Force (MFTF), The Community Economic Development Association of Michigan (CEDAM), the Michigan State Housing Development Authority (MSHDA), and Grand Valley State University's Community Research Institute (CRI). It is funded by a generous grant by Quicken Loans. The project's goal is to help provide communities throughout Michigan with historical residential foreclosure data to give community stakeholders a comprehensive picture of how foreclosure has impacted key areas at both the state and county level. Information regarding this project can be found by using the Foreclosure Response Toolkit.

This toolkit has been and will continue to be a huge asset to not only housing counselors, but also to homeowners, lawyers, stakeholders, and to all whom are dealing with

the foreclosure crisis. It can answer a multitude of questions and offer information on topics homeowners may not have even realized they were looking for. It is easy to navigate for

homeowners and advocates. As a third year MFPC member, I recommend everyone check it out at least once to see how much information it offers. You can find the Michigan Foreclosure Response Toolkit at: <http://miforeclosureresponse.org/>



[bccdcrealestate.com](http://bccdcrealestate.com)



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The new federal loss mitigation procedures are implemented by the

**THE ADVENTURES OF A WAYNE METRO AMERICORPS**

**MEMBER & MOM!!!**

By Michelle Lee

Edited by Crystal Elissetche



Four decades and seven years ago, Michelle Lee began her life's adventure. And boy! Was she an advanced one! She made the leap from 3<sup>rd</sup> grade to 5<sup>th</sup> grade in a single bound. Michelle was always a year younger than her classmates, but this youngster had a bright future ahead of her.



She graduated from Michigan State University's James Madison College (GO SPARTANS!!!!!!) several years ago (too many to mention). The original plan was to

attend law school and become one of the youngest sitting judges in the state. But then the loves of her life were born and life changed for the better.

Now a proud mother, Michelle entered the mortgage servicing field in 1991. She had a long and fulfilling career spanning over 16 years in mortgage servicing and foreclosure counseling and prevention. Always the



adventurer, Michelle began her own consulting small business in 1995 and it became incorporated in 2009.

Tenacious and forever curious, Michelle continued to seek ways in which to grow her skills and build upon her professional development. Beginning in 2008, she attended NeighborWorks America trainings. And in 2011, she returned to graduate school to complete a Master of Science, Community Economic Development. She will graduate April 2014 with a M.S. in CED!

Today, Michelle serves, supplies resources, and utilizes her experience as a part of AmeriCorps Michigan Foreclosure Prevention Corps and as part of the National and State’s Community Service Commission & CEDAM. Michelle’s goals are, “*To demonstrate to the*

*loves of my life that life is an adventure and a journey—one should always continue to grow, learn, & serve no matter what your experience or income.*”



**Editor’s Note:** On behalf of MFPC, I extend a big thank you to Michelle for her wonderful service! Thank you, Michelle. You truly are a super Mom.

## LADDERS OF OPPORTUNITY: FORECLOSURE PREVENTION & MORE



[pastorjohnkeller.org](http://pastorjohnkeller.org)

By Crystal Elissetche

Since 1981, KNHS has provided ladders of opportunity to the Kalamazoo community through a variety of specialized loan products, free financial education services, free credit-repair services, and free foreclosure prevention counseling. Financial and Homeownership

pg. 5 [www.consumerfinance.gov](http://www.consumerfinance.gov)  
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Education are crucial pieces of KNHS programming. The KNHS team work tirelessly towards building a culture in which people can take ownership of their future through financial self-sufficiency. According to the Federal Reserve Bank of Atlanta, individuals who are less financially literate are 2/3rds more likely to have a high cost mortgage loan and suffer a foreclosure than those who are better financially equipped. Through education and coaching, KNHS is helping low to moderate income families have a fair start in the path towards homeownership and is also helping vulnerable families rebuild after the Great Recession.



## AMERICORPS TURNS 20!

Since its inception, more than 820,000 men and women have taken the AmeriCorps pledge, serving more than 1 billion hours and improving the lives of countless Americans. Sept. 20, 2013, CNCS kicked off our celebration of the extraordinary impact of AmeriCorps and its 20 years of serving America.

The 20th anniversary of AmeriCorps will recognize the important moments in AmeriCorps history. But it will also look forward to the exciting future that lies ahead. It will demonstrate how AmeriCorps is a smart and cost-effective investment. It will tell the story of AmeriCorps impact on communities and those who serve. And it will lay the groundwork for expanding opportunities for Americans to serve their communities (text taken from: <http://www.nationalservice.gov/programs/ameriCorps/ameriCorps20>).