



Michigan Community Foreclosure Response Toolkit

www.miforeclosureresponse.org

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Michigan's *Unique* Dual Foreclosure Crisis

Michigan consistently among the top 5-10 states in the country hardest hit by mortgage foreclosures, suffering:

- \$63 billion loss in property value between 2006 and 2010
- 416,000 foreclosure filings between 2005 and 2010
- Increase of 211,000 vacant homes between 2000 and 2010 Censuses

- www.cridata.org/michiganforeclosuretaskforce

And the crisis continues . . .

Impacting us all . . .

- Michigan continues to rank in the top 5-10 states across the country for numbers of mortgage foreclosures - nearly half a million since 2005.
www.corelogic.com
- A Joint Commission of the U.S. Congress has estimated the monetary cost of a single foreclosure to average **\$80,000** while the cost to prevent a foreclosure through foreclosure prevention counseling averages **\$3,300**.
- As of the end of 2012, 32% of Michigan homeowners were “under water” or owe more on their mortgage than their home is currently worth, putting them at risk of foreclosure

Michigan has also been hard hit by TAX FORECLOSURES. . .

- Between 2007 and 2011, the number of Michigan homeowners losing their homes to tax foreclosure (non-payment of property taxes) has also grown exponentially, quadrupling in the past four years.

The Impact

- Destabilizing families, ruining credit
- Destroying neighborhoods
- Increasing number of vacant properties
- Lowering property values
- Creating public health and safety issues
- Decreasing revenue to address these issues and to pay for basic services for all

Michigan's Unique Response: the Michigan Foreclosure Task Force

- **Broad-based Statewide coalition established in 2007** by CEDAM (Community Economic Development Association of Michigan)
- **Representing nearly 200 organizations including:**
 - local/regional foreclosure prevention/response coalitions
 - HUD & MSHDA-certified, nonprofit housing counseling agencies & legal service providers
 - Statewide advocacy organizations
 - community development organizations
 - state and local government agencies and officials,
 - lenders, realtors, title companies and other private sector entities and individuals committed to protecting consumers and helping distressed communities.

MFTF Purpose/Accomplishments

- **Purpose:**
 - Prevent Foreclosures
 - Soften their Impact on Families, Neighborhoods, Communities and the Economy
 - Support & Strengthen the statewide network of HUD & MSHDA-certified Foreclosure Prevention Counselors
- **Accomplishments:**
 - Renewal of Michigan's 90-Day Law
 - Funding for Counselors/Legal Aid – AG Settlement
 - Michigan Foreclosure Prevention Corps
 - Michigan Historical Residential Foreclosure Data Project – www.cridata.org/michiganforeclosuretaskforce
 - Michigan Community Foreclosure Response Toolkit - www.miforeclosureresponse.org

www.miforeclosureresponse.org

Online Walk -Through . . .

- Unique: One-Stop Shop for Michigan-specific foreclosure related information
- Intended Audience: Individuals, groups, communities, regions
- Scope: All aspects of preventing and responding to Mortgage and Tax Foreclosure
- Types of Information: Basics, resources, strategies and best practices;
- Features:
 - Searchable
 - Interactive
 - Web links to other resources
 - Downloadable PDF's including printable version of entire toolkit

Help for homeowners

- Homeowner Help Button on Front Page
 - Trouble paying your mortgage- counselor locator, link to Step Forward Michigan
 - Behind on your taxes
 - Beware if foreclosure rescue scams
 - Problems with vacant properties in the neighborhood

Helping community leaders

Start or strengthen an organized local or regional effort.

How To:

- Draw Attention (key messages and numbers)
- Access Local Data (registers of deeds, county treasurers, assessors, utilities, realtors, etc.)
- Building a local coalition (complete with list of potential partners, strategies, steps and sample documents

Helping community leaders

Prevent Mortgage Foreclosures

- Basic Info:
 - Foreclosure Law
 - Process and timeline
 - 90-Day Law
 - Tenants in Foreclosure Act
- Strategies & Resources
 - Federal & State Programs (HAMP, Step Forward, etc.)
 - Counseling explanation and locator
 - Legal Aid explanation and locator

Helping Community leaders

Prevent Tax Foreclosures

- Basic Info:
 - Michigan Property Tax Law
 - Tax Foreclosure Process & Timeline
 - Homestead Property Tax Credit
- Strategies & Resources:
 - Hardship Extension
 - Poverty Exemption
 - Working with County Treasurers

Helping Community leaders

Respond to both mortgage and tax foreclosures

- [Municipal Efforts to Restore Property Values](#)
- [Vacant Property Registration Ordinances](#)
- [Code Enforcement for Formerly Owner Occupied Homes](#)
- [Code Enforcement for Rental Properties](#)
- [Neighborhood Stabilization Program](#)

Michigan Vacant Property Campaign

The [Michigan Vacant Property Campaign \(MVPC\)](#) is a collaborative project of the Center for Community Progress, Community Economic Development Association of Michigan, Michigan Municipal League and Michigan Community Resources. The mission of the Michigan Vacant Property Campaign (MVPC) is to serve as a statewide resource for addressing the rising stock of vacant properties so that communities can rebuild their social, physical and economic fabric.

- The MVPC :
 - Connects stakeholders between sectors, within localities and across the state;
 - Equips local leaders with effective resources and campaign formation strategies; and
 - Facilitates coordinated advocacy and the exchange of best practices and innovative solutions to common land use challenges between localities.

General services provided by the MVPC include:

- Education and Outreach: MVPC hosts [regional roundtables](#) around the state, and connects stakeholders to data, reports and community toolkits.
- Assistance: MVPC draws on the expertise of our partners to provide technical assistance tailored to the unique challenges and goals of communities throughout the state.
- Local Campaign Formation: MVPC provides comprehensive and intensive support to form vacant property campaigns in qualifying local communities.

Helping Community leaders

Look and plan beyond the crisis

- Strategy 1: Acquiring and Redeveloping Vacant Properties
- Strategy 2: Long-Term Housing and Marketing Stabilization Strategies
- Strategy 3: Comprehensive Land Use Planning

Helping Community leaders

Find both statewide and local foreclosure-related data

- Michigan Historical Residential Foreclosure Data Project – www.cridata.org/michiganforeclosuretaskforce.org
- Tax foreclosure stats by county.

Leveraging the toolkit

Armed with the data, basic info, resources, potential strategies and best practices, the next steps are yours . . .

1. Use the toolkit to get the data you need about your own county's foreclosure story
2. Identify specific focus and goals
3. Use the toolkit to learn how to strengthen a local coalition to accomplish these goals
4. Disseminate the toolkit throughout your community-
[Click to Sign-up](#)
5. Join the MFTF to stay in the loop and get involved
[Click to Join](#)