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DATE: 29 November 2011

TO: House Banking Committee

FROM: Helen Lehman, Executive Director

RE: Opposition to HB 5176
Support of HB 4542-4544

On behalf of the Board of Directors, I am writing to strongly encourage the passage of the substitute bills for HB 4542-4544, which improve and clarify residential foreclosure procedures. These bills would help keep both lenders and homeowners more accountable with specific actions required within clear timelines. It would likewise preserve the 6-month post foreclosure redemption period that has been in place in Michigan for decades. That post foreclosure period offers neighborhoods and families the best opportunity to stabilize.

House Bill 5176, however, we strongly *oppose*, as this bill is unnecessarily confusing for homeowners. The placement of one's mortgage loan is not something than a homebuyer can predict, control, or often even understand. Having two different foreclosure redemption periods in Michigan would be an administrative nightmare for lenders, homeowners and real estate professionals alike.

Further, our experience in trying to buy foreclosed properties in the redemption period tell us that 90 days is not enough time to try to buy or sell the house. The lenders are ill equipped to respond within 90 days. Our realtor tells us that she would not even list a house with such a short restriction, so that further hamstringing the homeowner. The six-month redemption period needs to be preserved and it needs to be universal throughout Michigan. That shortened redemption period is unfair to homeowners who have no voice in the placement of their loans in the first place.

Please move HB 4542-4544 to help us in the fight to preserve Michigan homeownership and neighborhoods.