

Press Release

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Senators Cherry and Gleason Vote to Pass Legislation to Protect Homeowners from Foreclosure

Senate Democrats fought to include important enforcement measures

LANSING, Mi. --Senator Deb Cherry (D-Burton) and Senator John J. Gleason (D-Flushing) voted today to pass essential foreclosure prevention bills agreed upon by the House and Senate after years of fighting to help keep Michigan residents in their homes. The package will protect homeowners from foreclosure for 90 days, and also includes important provisions that Senate Democrats fought for that require lenders to work with residents to negotiate payments and prevent home foreclosures.

“Foreclosures have become a plague on our nation, our state, and very noticeably on the Flint area, where we've seen once-vibrant neighborhoods transform into ghost towns,” said Sen. Gleason. “Michigan families can't afford to keep waiting for a solution to this problem, and the legislation passed today will give them additional tools to protect their property and stay in their homes.”

Democrats strongly opposed previous changes made by Senate Republicans that removed the ability to force banks to negotiate with homeowners before foreclosing, and the compromise passed today includes an important judicial enforcement provision to hold lenders accountable that Democrats demanded. Elements of the foreclosure protection package passed today include:

- Home loans that qualify for modification will qualify for judicial intervention if the lender chooses not to cooperate to modify payments.
- Lenders will be required to send a notice of foreclosure to all homeowners. Currently, the lender has no obligation to notify the borrower.
- Borrowers may request a meeting within 14 days of receiving a foreclosure notice, and once a request is made, the lender agrees to stop any foreclosure proceedings for 90 days.

“Keeping families in their homes is critical to reducing blight in our neighborhoods and stabilizing property values,” said Sen. Cherry. “This legislation will give added protection to homeowners facing foreclosure, helping them renegotiate their loans and buying them time to get back on their feet.”

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