

STATE SENATOR • MARTHA G. SCOTT • 2ND DISTRICT

Scott Press Release

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SENATE MOVES ON FORECLOSURE PREVENTION

Bills offer 90-day stay, lender negotiations

LANSING, Michigan – State Senator Martha G. Scott (D-Highland Park) joined her Senate colleagues today and passed a vital foreclosure prevention bills agreed upon by the House and Senate. The package will protect homeowners from foreclosure for 90 days, and requires lenders to work with residents to negotiate payments and prevent home foreclosures.

“I am glad that we have finally passed legislation to help those homeowners who could avoid foreclosure if they just had more options,” Senator Scott said. “I only wish we could have extended similar help to those already in foreclosure.”

Democrats strongly opposed previous changes made by Senate Republicans that removed the ability to force banks to negotiate with homeowners before foreclosing. The compromise passed today includes an important judicial enforcement provision to hold lenders accountable. 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.

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Senator Scott represents the 2nd Senate District, which includes areas of Detroit and the cities of Hamtramck, Harper Woods, Highland Park and all of the Grosse Pointes. She serves on the Senate Appropriations Committee.