



Vacant Property Legal Manual

a product of Community Legal Resources



**Community
Legal
Resources**

*Community Legal Resources
615 Griswold, Suite 1400
Detroit, MI 48226
Phone: 313-962-3171
Fax: 313-962-0797
www.clronline.org*



Vacant Property Legal Manual

a product of Community Legal Resources

INTRODUCTION

This manual is designed for community development corporations (CDCs), community groups, neighborhood associations, residents and others to assist in efforts to address vacant properties.

Providing information on how to cope with vacant properties is necessary in these current economic times. The growing number of foreclosures is having a devastating effect on our communities. Vacant properties are a drain on local government resources, an invitation to crime, and more often than not, a dumping ground and eventual eyesore.

Community Legal Resources' Vacant Property Legal Team was created to identify various strategies for stabilizing, controlling, acquiring and managing vacant properties. This manual is a resource and guide. We hope it proves to be useful.

Intended for a statewide audience, this manual builds on the work done by the Detroit Vacant Property Campaign (DVPC) by focusing on state law and strategies available throughout Michigan. At the same time, this publication includes and highlights creative and unique best practices from individual communities across the state in their attempts to respond effectively to vacant properties. The hope is that this publication can link needs around the state to potential responses already in use.

Community Legal Resources (CLR) is a nonprofit organization that provides pro bono legal assistance to nonprofit organizations in Michigan that serve a disadvantaged community or population. In addition, CLR has an Education Program that provides workshops and publications on issues relevant to the nonprofit industry.

Examples of legal assistance CLR provides include:

- Reviewing leases
- Updating or drafting organizational bylaws
- Clearing title on land for redevelopment
- Reviewing employee policies and advising on hiring/firing
- Negotiating consultant contracts
- Settling disputed bills with third parties
- Working with government agencies on tax and construction compliance issues
- Answering questions about board responsibilities and conflicts of interest
- Filing state and federal licensing paperwork
- Closing on the purchase of land or real property

For more information or eligibility requirements, please contact Community Legal Resources.



**Community
Legal
Resources**

*Community Legal Resources
615 Griswold, Suite 1400
Detroit, MI 48226
Phone: 313-962-3171
Fax: 313-962-0797
www.clronline.org*



Vacant Property Legal Manual

a product of Community Legal Resources

ACKNOWLEDGMENTS

CLR wishes to thank the members of the **Vacant Property Legal Team** and their firms or organizations for volunteering their time and expertise to the preparation of this manual:

Michael Donovan, *LaMont Title Corporation*

Michael Halpern, *Safeguard Properties*

Vicki Harding, *Pepper Hamilton*

Dora June, *Dickinson Wright*

Amanda J. Legal, *Pepper Hamilton*

Rochelle Lento, *Dykema Gossett PLLC*

A'Jené M. Maxwell, *Honigman Miller Schwartz and Cohn LLP*

Mitchell R. Meisner, *Honigman Miller Schwartz and Cohn LLP*

Marilyn Mitchell, *Evans & Luptak*

Duncan Ogilvie, *Miller Canfield*

Kevin Plumstead, *Jaffe Raitt*

Michael D. Russell, *Assistant Wayne County Corporation Counsel*

Eric Sabree, *Chief Assistant Wayne County Corporation Counsel*

Eric Schertzing, *Ingham County Treasurer*

Laura A. Weingartner, *Dykema Gossett PLLC*

A special thanks to CLR Staff and the Detroit Vacant Property Campaign (DVPC) partners for offering their insights and helping to shape the contents of this publication.

CLR Staff

Heidi Mucherie, *Executive Director*

Matthew R. Millikin, *Deputy Director*

Sarida Scott, *Director of Legal Services*

Malika Heath, *DVPC Project Director*

Danielle Bober, *DVPC Project Manager*

Leor Barak, *Pro Bono Program Manager*

Sara Jean Baker, *Office Manager/Program Associate*

Michael J. Brady, *Program Manager, Special Legal Projects*

DVPC Partners

Community Development Advocates of Detroit (CDAD)

Community Economic Development Association of Michigan (CEDAM)

Detroit Local Initiative Support Corporation (LISC)

The University of Michigan Taubman College of Architecture and Urban Planning



**Community
Legal
Resources**

*Community Legal Resources
615 Griswold, Suite 1400
Detroit, MI 48226
Phone: 313-962-3171
Fax: 313-962-0797
www.clronline.org*

Table of Contents

	Page
I. Introduction	1
II. Preventing Vacancy: Foreclosure Prevention	5
A. Introduction	5
B. Mortgage Foreclosure	6
C. Tax Foreclosure	10
III. Determining Property Ownership	14
IV. Stabilizing Vacant Properties	17
A. Introduction	17
B. CDC or Individual Response	17
1. Introduction	17
2. Maintenance Efforts	18
3. Contacting the Property Owner	18
4. Organizing for Maintaining Exteriors of Houses	19
5. Potential Liability for Trespass	19
C. Steps for Identifying and Working with a Field Servicer	21
D. Municipal Responses	24
1. Introduction	24
2. Vacant Property Registration Ordinance (VPRO)	24
3. Blight Ordinances	27
4. Role of Code and Ordinance Enforcement	28
5. Historic Districts	32
V. Controlling the Condition of Vacant Properties	33
A. Introduction	33
B. Nuisance Abatement	33
C. Shortened Redemption Period	34
D. Remedy of Receivership	35
E. Land Banks	39
VI. Purchasing Vacant Properties	41
A. From Lenders	41
B. From Local Government	41
C. From the Michigan Land Bank	42
D. From National Resources	45
VII. Issues Regarding the Acquisition and Maintenance of Vacant Properties	47
A. Introduction	47
B. Due Diligence	47
C. Carrying Costs	53
D. Liability and Insurance Associated with Owning Vacant Properties	54
Appendix A: Foreclosure Prevention Resources	56
Appendix B: Tax Reversion Process for Opt-In Counties	62
Appendix C: Michigan County Treasurers	63
Appendix D: Michigan County Registers of Deeds	70

Appendix E:	Template ‘Notice Letter’ to Property Owner	77
Appendix F:	Mortgage Bankers Association’s Property Preservation Contact List	78
Appendix G:	Vacant Property Registration Ordinances in Michigan	83
	G-1: Dearborn Vacant Property Registration Ordinance	83
	G-2: Dearborn Vacant Property Registration Form	89
	G-3: Link to Grand Rapids Vacant Property Registration Ordinance	90
	G-4: Grand Rapids Vacant Property Registration Form	90
	G-5: Kalamazoo Vacant Property Registration Ordinance	91
	G-6: Kalamazoo Vacant Property Registration Form	94
Appendix H:	Blight Ordinances in Michigan	95
	H-1: Berlin Township Anti-Blight Ordinance	95
	H-2: Detroit Blight Ordinance	97
	H-3: Jackson Blight Ordinance	99
Appendix I:	Wayne County Nuisance Abatement Program, additional information	105
	I-1: Discussion of Legal Issues in a Nuisance Abatement Suit	105
	I-2: Complete Sample Legal Complaint as Used by Wayne County	107
Appendix J:	Michigan County Land Banks	125
Appendix K:	Cost Worksheet for Holding and Managing Vacant Properties	127

II. Preventing Vacancy: Foreclosure Prevention

A. Introduction

In Michigan, property owners can lose their property through both mortgage and property tax foreclosure. This means that if homeowners are not careful, property can be lost for a relatively small amount of money.

Addressing the foreclosure crisis requires educating and empowering homeowners facing foreclosure and equipping the community around them with the tools to handle the crisis.

It is vitally important that homeowners understand the foreclosure process. When a homeowner has a thorough understanding of the foreclosure process, she is better able to manage her own mortgage situation and share this information with neighbors who are facing foreclosure. In addition, through foreclosure education homeowners will learn that it is not necessary to vacate their homes until the end of the foreclosure process. This will allow properties to stay occupied for longer periods and may allow the homeowner time to gather resources and arrange future housing.

As soon as a homeowner realizes that he will have difficulty paying his mortgage he should begin to access all available resources. Available resources will vary depending on the type of mortgage. For example, FHA backed loans may be eligible for certain programs. In addition, programs vary in whether they require the homeowner to have missed payments to obtain assistance.

When facing possible foreclosure, the most important thing is that a homeowner is proactive. Often the best course of action is to contact a *certified* foreclosure counselor. It is important to use a certified counselor because the foreclosure crisis has caused an increase in mortgage fraud. A registered foreclosure counselor can help a homeowner navigate this difficult period and avoid the potential for mortgage fraud. We have provided a number of resources to identify approved counselors in this chapter

In addition to educating the homeowner facing possible foreclosure, it is necessary to educate and involve the surrounding community. As an early step, some neighborhood associations, nonprofits, and CDCs have decided to make foreclosure prevention a neighborhood project. This type of project typically involves a door-to-door campaign to all homes in the neighborhood. Without targeting particular homeowners, the association knocks on doors to educate all neighbors about the foreclosure process and help that may be available to homeowners.

A neighborhood approach is helpful in a number of ways. First, it provides information to homeowners facing foreclosure and may help them to remain in their homes. Second, it expands the outreach effort by equipping other homeowners with information that they can then pass on to other community members. Third, it may give homeowners who are considering leaving their homes due to neighborhood decline a reason to stay and be actively engaged in addressing the problem.

In this chapter, homeowners, neighbors, and other stakeholders will find vital information about the foreclosure process and suggestions for organizing to assist neighbors facing this crisis.

B. Mortgage Foreclosure

1. Foreclosure Prevention Education

Foreclosure prevention education includes information and resources provided to homebuyers and homeowners to prevent them from losing their home to foreclosure. Such information will typically address the following topics:

- Mortgage industry and how it works
- Review of mortgage loan products
- Review of loan documents and the closing process
- Information about predatory lending
- Information about the Michigan foreclosure process

a. The Mortgage Industry and How it Works

Obtaining a mortgage involves a number of different players. The process generally begins with a borrower inquiring about getting a mortgage. To do this the borrower may contact a **mortgage broker** who will have access to different mortgage options from different lenders and will shop among those lenders for the best terms for the borrower. On the other hand, the borrower may go to **direct lenders**. In general, direct lenders will offer various loans from one particular lender. Some banks act as direct lenders. Whether it is a mortgage broker or a direct lender this party is called the **originator**.

The borrower will be required to fill out a loan application. Once the application is complete, the originator sends it to a **processor**. The processor is responsible for verifying information and gathering additional documentation such as credit reports and appraisals. An appraiser will perform the appraisal and helps ensure that the lender will not loan more money to the borrower than the property is worth.

After the loan package is processed, an underwriter reviews it. Then, based upon the underwriter's recommendation, the lender will sell the loan to an investor in the secondary market. Buyers in the secondary market include Fannie Mae and Freddie Mac, among others.

Closing takes place once the underwriting is complete. The **closer** prepares, assembles, and reviews the legal documents required for the transaction. These documents include the **note** and the **mortgage**.

- 1) **Note** – The note memorializes the promise to repay the loan. It includes the amount borrowed, the interest rate, the **term** (amount of time the borrower has to repay the loan) and the repayment terms.
- 2) **Mortgage** – The mortgage secures the repayment of the debt. It also usually secures other obligations, like maintaining the property in good repair. The mortgage provides that if a borrower defaults, the lender can foreclose the loan, take possession of the property, and become the owner.

After the closing takes place, the loan package will generally be transferred to a **servicer**. The **servicer** collects mortgage payments and will receive all communications from the borrower if there are questions or concerns regarding the mortgage. The servicer is the party that will begin calling when the mortgage payment is late.

b. Predatory Lending

Predatory lending generally refers to loan originators who attempt to force a borrower into borrowing more than the borrower needs and/or is able to afford. It can also refer to originators who seek to increase the amount of various fees charged in connection with a mortgage. In either case, the loan originator is attempting to increase the money it makes on a loan at the borrower's expense. Predatory lending can occur with borrowers who are new to the lending process (for example, first time homebuyers), or with borrowers who do not understand how mortgage loans work. It also frequently occurs with borrowers who are refinancing.

In order to avoid predatory lending it is important that borrowers understand what they are getting into when applying for and subsequently obtaining a residential mortgage loan.

A residential mortgage loan is a very complicated transaction. It is also a very serious transaction for the borrower. For most people, a mortgage loan is the only way they can afford to purchase a home. In the vast majority of cases, competent professionals will assist borrowers in trying to achieve their dream of home ownership.

Steps to Avoid Predatory Loans

1. Demonstrate knowledge about the mortgage process – A borrower should be educated about the process and let the broker/originator know that she understands the way the process should work.
2. Ask questions about paperwork, process, and fees.
3. Demand documentation – demand the Good Faith Estimate, the Truth-in-Lending Disclosures, and the Loan Application well in advance of the closing.
4. Read all documents for thorough understanding before signing.
5. Do not rush the process or the closing – A borrower should begin this process several months before she needs the loan. A borrower should take time at the closing to be sure she thoroughly understands all documents.
6. Shop around and compare loans and terms offered by different brokers.
7. Be ready and willing to walk away when the process is not being conducted properly.
8. Do not allow the broker/originator to over-qualify. A borrower should know how much of a loan she could really afford. As a general rule, a household should not spend more than one-third its income on housing related expenses.

2. The Michigan Foreclosure Process

Residential mortgages in Michigan, virtually without exception, contain what is called a power of sale. This is usually stated as right to foreclose or right to institute foreclosure proceedings by advertisement and without going to court.

This power of sale is exercised by the mortgagee, or lender, publishing a notice of sale in a paper published within the county in which the property is located. Such notice will state that the property will be foreclosed at public auction and that the auction will take place on a specified date. The auction takes place at the circuit court in the county where the property is located. For example, in Wayne County foreclosure notices are

published in the Detroit Legal News, whereas in Grand Rapids foreclosure notices are published in the Grand Rapids Legal News.

Adjournment occurs when the mortgagee suspends or postpones the foreclosure proceedings for some period. The mortgagee has the right to adjourn the sale by posting a notice of adjournment at the courthouse where the sale would have been held. The sale may be adjourned from week to week without a new publication as long as notices of adjournment are posted.

Most homeowners are not aware of the timeline for foreclosure. In general, a lender will usually not begin foreclosure until the homeowner misses mortgage payments for at least several months.

Up until the date of the sheriff sale, the homeowner can try to work out an arrangement with the lender. After the sheriff sale, generally, the homeowner enters a redemption period. Most mortgages have a 6-month redemption period. During this time, the homeowner can reside in the home.

The following is a typical timeline for foreclosure:

- **Second Month Missed Payment:**
The mortgage company is likely to begin calling the contact numbers that they have for the homeowner in order to discuss why the homeowner has not made payment. It is important that the homeowner **not avoid their phone calls**. She should try to stay calm on the phone, explain her situation, and explain what she is trying to do to resolve it. The homeowner still **may be able to make one payment** at this time to prevent herself from falling three months delinquent.
- **Third Month Missed Payment:**
At this point, the homeowner is likely to receive a letter from the mortgage company stating the amount the homeowner is delinquent, and that the homeowner has 30 days to bring it current. This is called the “**Demand Letter**” or “**Notice to Accelerate.**” If the homeowner does not pay the specified amount or make an arrangement by the date given, the lender can refer the homeowner to foreclosure or accelerate his mortgage. They are unlikely to accept less than the total due without arrangements, if the homeowner has received this letter.
*** Foreclosure/ Acceleration: This means that the lender forwards the account to their attorneys. The homeowner **still has time** to work something out with the mortgage company.
- **Fourth Month Missed Payment:**
Now the homeowner is usually nearing the end of the time allowed in the Demand Letter, or Notice to Accelerate letter. If this time expires and the homeowner has not paid the full amount or worked out arrangements the lender will refer the account to its attorneys. At this time the homeowner will incur attorney fees and they will be included as part of the homeowner’s delinquency.

The attorney then schedules a **Sheriff Sale, which is the actual date of foreclosure**. The homeowner will be notified of this date by mail, along with a notice taped to his door. This is **NOT a move-out date!**

- Sheriff Sale Date:**
 This will be scheduled for **approximately four weeks after** the attorney receives the homeowner’s file. The homeowner has up until this date to work out arrangements with the mortgage company or to pay the total amount owed.

After the Sheriff Sale, if nothing is done to resolve the situation the homeowner enters the redemption period.

Redemption period: Michigan requires that this period be no less than 30 days and no more than 1 year. Most mortgages allow 6 months. The homeowner will be notified of the time frame on the same notice that states the Sheriff Sale date. This is still the homeowner’s time to reside in the home.¹

3. The Impact of Mortgage and Foreclosure Information on Vacant Properties

Education about the mortgage and foreclosure process will help homeowners retain ownership of their homes and prevent them from becoming vacant. Additional information can be obtained from the agencies listed below.

SECTION RESOURCES	
Mortgage Foreclosure Information	
Michigan State Foreclosure Task Force	http://www.cedam.info/foreclosure.htm
Housing and Urban Development	http://www.hud.gov
Michigan State Housing Development Authority	http://www.michigan.gov/mshda
Foreclosure Prevention Counselors	
Homeownership Preservation Foundation	(888) 995-HOPE (4673)
HUD counseling services in Michigan	http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?searchLang=SPA&webListAction=search&searchstate=MI&lang=en
MSHDA counselor locator	http://www.mshda.info/counseling_search/

¹ Estimated Foreclosure Time Line, *Home Repair Services – Resources for Home Owners 2008*.

C. Tax Foreclosure

1. Property Tax Collection

The county treasurer is responsible for the effective and efficient administration of the Property Tax Collection. The treasurer is also responsible for receipt, custody, investment and disbursement of all county funds.

The county treasurer is responsible for collecting delinquent taxes and for sending notices prior to forfeiture. The treasurer is also responsible for foreclosure and sale of all tax reverted properties.

It is important to understand the property tax collection system because, if taxes on a property remain unpaid, the owner can lose the property to tax foreclosure.

2. Tax Foreclosure Process

Appendix B provides a summary flowchart describing the tax foreclosure process in the state of Michigan for opt-in counties. This flowchart displays responsible parties, process dates, and fines accrued at each stage. For more detailed information on the tax foreclosure process, contact the local county treasurer.

One notable feature of Michigan's foreclosure process is the difference between the delinquency, forfeiture and foreclosure stages.

Year One: The first year of the tax reversion process is marked by the application of interest and fees during the initiation of tax delinquency.

Year Two: Forfeiture occurs during the second year of the tax reversion process. Forfeiture is not the same as foreclosure. A county will not take a property during the forfeiture period. The forfeiture period marks an increase in fees and interest levied against the property for unpaid property taxes.

Year Three: If the taxpayer has not repaid the delinquent taxes with interest and fines, one year following the mark of the forfeiture period, the county treasurer can foreclose on the property. **By law, the county treasurer must provide notice before it forecloses on a property. In fact, the treasurer does mail and hand-deliver multiple notices to owners and tenants of houses to be foreclosed.** Twenty-two days after the judgment of foreclosure is entered, if the judgment is uncontested, Fee Simple title will be awarded to the county.

While this is the official statement of the tax foreclosure process, some homeowners have successfully retained their property or gotten it back by paying the taxes, fees, and interest owed even after the foreclosure. It is important to contact the county treasurer's office even after this date if the property owner wishes to retain the property.

Given the recent increase in tax foreclosures in many Michigan communities, some county treasurers have enacted new policies to help prevent tax foreclosures. Some have gone as far to say that they will refuse to take ownership of a house that is occupied. **It is critically important to contact the local county treasurer to find out more about the local tax foreclosure policies.**

3. The Impact of Property Taxes on Vacant Properties

Many vacant homes are the result of foreclosure due to unpaid property taxes. If a community-based organization is able to acquire these properties before they go to auction or during an auction, the organization could get them back into some form of productive use.

4. Financial Hardship and other Property Tax Extensions, Exemptions, and Credits

More importantly, many county treasurers offer assistance programs that may help prevent property owners from going into tax foreclosure thereby allowing occupants to remain in the property.

Most of the following programs are available to the legally recognized owner of the property. This may present difficulty where a property is involved in probate or not registered with the County Register of Deeds.

a. Principal Residence Exemption

Pursuant to MCL 211.7cc, eligible homeowners are exempt from paying 18 mills of school operating taxes. To be eligible, the homeowner must both own and occupy her principal residence on May 1 each year. The Principal Residence Exemption used to be called a “homestead exemption.” The Legislature changed the exemption’s name to avoid confusion with the Michigan Homestead Property Tax Credit.

b. Taxpayer Hardship Exemption

Michigan law requires a property tax exemption for persons meeting certain poverty guidelines and in some cases for religious and other nonprofit organizations. If a taxpayer is having difficulty paying property taxes, he may apply for a poverty or hardship exemption. To qualify for the poverty or hardship exemption the taxpayer must own and occupy the property as a principal residence and meet certain poverty income standards. To begin the application process, contact your local government.

c. Substantial Financial Hardship Extension

Applying for a hardship extension is one of the best ways to hold onto the property while attempting to pay off delinquent property taxes. The extension can provide up to one additional year to pay. **The taxpayer must still pay the taxes.** Even if the treasurer grants an extension, property taxes will eventually have to be paid and the taxpayer will be required to continue paying interest charges throughout the duration of the extension.

Taxpayers or those providing assistance may obtain an application by going to the website of their county treasurer or by appearing at the office in person.

d. Michigan Homestead Property Tax Credit Claim MI-1040CR

This credit is part of the Michigan Income Tax Booklet and has been in place since 1973. The homestead credit is a program through which eligible taxpayers can receive a tax credit for an amount of their property tax that exceeds a certain percentage of their household income. The credit is based on total household income, including nontaxable income.

The program establishes the following categories of homeowners or renters eligible for property tax credits:

- i. Citizens age 65 and older and the surviving spouses of senior citizens.
- ii. Paraplegic, hemiplegics and quadriplegic persons.
- iii. Deaf and totally and permanently disabled persons who are not over age 65.

- iv. Eligible veterans, active military personnel, blind persons and the surviving spouses of veterans.
- v. All other homeowners and renters.

Homeowners and renters who do not qualify for one of the special categories are granted a credit against their state income tax. This credit is equal to 60% of the amount by which their property taxes exceed 3.5% of their household income. Senior citizens and deaf, disabled, paraplegic, hemiplegics, or quadriplegic persons with household incomes of more than \$3,000 receive a refund for all of their property taxes above the percentage of their household income as shown in the following chart:

2006 Household Income	Percentage of Household Income Not Refundable
Not over \$3,000	0%
\$3,001 - \$4,000	1.0%
\$4,001 - \$5,000	2.0%
\$5,001 - \$6,000	3.0%
\$6,001 and over	3.5%

Renters can also apply. In most cases, 20% of the rent paid is used for the property tax that can be claimed for credit. There are some exceptions to the 20% figure. For example, an applicant who lives in tax-exempt housing where no service fee is paid in lieu of taxes is not eligible to claim a credit. The forms are part of the [Michigan Income Tax Booklet](#) and can be found on the state's web site:

http://www.michigan.gov/documents/BOOK_MI-1040CR-2_for_2004_116160_7.pdf.

e. Summer Property Tax Deferment

Senior Citizens, disabled people, veterans, surviving spouses of veterans, and farmers may be able to delay paying the summer taxes until the winter tax bill is due without additional interest or penalties. You must apply for this tax deferment with your local treasurer.

5. Help with Property Tax Issues

The resources section at the end of this chapter provides a number of resources for local and statewide tax foreclosure information and assistance. In addition to contacting those organizations, contacting a mortgage company and the local county treasurer may also be helpful resources.

Contacting the office of the county treasurer must be the first priority. Anyone owning property, or assisting someone who owns property, may use the county treasurer's office. Most county treasurers have programs available to help taxpayers who are experiencing difficulty paying their county property taxes, but the taxpayer must be proactive! There are deadlines for application to many of the programs and the process takes time. The telephone number for the county treasurers can be found in Appendix C at the back of this publication.

Many banks and mortgage companies offer a variety of mortgages and loans. It may be possible to obtain a mortgage to pay back taxes. It is ALWAYS advisable to obtain counseling when seeking a mortgage to pay taxes to prevent foreclosure. There are reputable nonprofit organizations in some communities that provide home buyer and mortgage counseling

SECTION RESOURCES	
Tax Foreclosure Information	
Contacting local county treasurer	Appendix C
Michigan Taxpayers Guide	http://www.legislature.mi.gov/documents/publications/taxpayersguide.pdf
Financial Help - Statewide	
State Emergency Relief (SER) Program	http://www.michigan.gov/dhs/0,1607,7-124-5453_5531---,00.html
Michigan Homestead Property Tax Credit Claim MI-1040CR	http://www.michigan.gov/documents/BOOK_MI-1040CR-2_for_2004_116160_7.pdf
Michigan Veterans Trust Fund (for veterans with at least 6 months of wartime duty)	http://www.michigan.gov/documents/County_Agents_142221_7.pdf
Financial Help - Local	
Contact local city hall	
Wayne County – Wayne County Veterans Affairs (for veterans with wartime service and honorable discharge)	(313) 224-1862
Detroit – City of Detroit Human Services Department, Central Operations Division	(313) 852-5634
Tax Foreclosure Counselors - Statewide	
Homeownership Preservation Foundation	(888) 995-HOPE (4673)
Tax Foreclosure Counselors and Legal Resources - Local	
Kent County – Home Repair Services	(616) 241-2601 http://www.homerepairservices.org
Michigan Legal Services (Detroit & Wayne County only)	(313) 964-4130
Legal Aid and Defender	(313) 964-4700
Detroit – Southwest Housing Solutions	(313) 841-3727 x336
Detroit - United Community Housing Coalition	(313) 963-3310

III. Determining Property Ownership

A. Introduction

Given the recent high number of foreclosures, property ownership can be difficult to determine. The foreclosure process presents an ownership maze involving homeowners, lenders, servicers, real estate firms, and investors. In addition to the number of parties involved, determining ownership can be difficult because property sometimes changes hands quickly with some owners holding title for only a few days.

Although local governments try to keep ownership records current, it is a difficult task. As a result, it sometimes becomes necessary to cross-reference information from more than one source to get the most accurate information about ownership.

Ownership information is useful because residents of a neighborhood need to know who is accountable when there is a problem with a vacant home in their community. Property owners are ultimately responsible for the property they own and for its condition. Neighborhood associations, nonprofits, or CDCs may need to monitor some properties more closely, such as those that are investor-owned. In addition, rapid changes in ownership should raise a red flag, warranting extra attention.

This chapter provides information about where to find ownership information and how to conduct a title search.

B. Determining Property Ownership

When faced with a vacant property, individuals are often unclear about whom to contact to express concern. The owner of a property is legally responsible for that property, and must keep it up to local municipal code, whether vacant or occupied. Contacting the property owner should be the initial step to demand increased maintenance, report a security concern, express interest in purchasing the property, find out the intentions of the owner for the future of the property, and to help the owner put the property back into productive use.

Finding out who owns a vacant property is often challenging for any neighborhood stakeholder, particularly for an individual resident. The system for tracking and accessing data on deeds varies by county. In most counties in Michigan, the main resources available to identify property owners are the local municipality, county treasurer,² the State of Michigan Corporate Entity/Business Search, the county register of deeds,³ and title searches. These resources vary in terms of information provided and cost of data. Typically, a local municipality's ownership information will be the least costly and a title search will be the most costly. The following describes in general the possible resources available to find out ownership information.

1. City, Township, or Village Resources

Given the property address or parcel ID, the local municipality may be able to provide:

- owner information, such as name and address;
- building information such as acreage;
- sale information, such as sale price and sale date; and/or
- valuation information, such as assessed value

² For more information on Michigan county treasurers, see Appendix C

³ For more information on Michigan county registers of deeds, see Appendix D

Contact your local city, township, or village to find out how to access this data. Some municipalities offer this data online. A number of municipalities use the BS&A Software as the host for their online data service. To check if a local municipality offers online data access through this service, visit their website at <https://is.bsasoftware.com/bsa.is/default.aspx>.

2. County Resources

County Treasurer: Given the property address or parcel ID, the county treasurer may be able to provide:

- the name of the current taxpayer; and/or
- the amount of delinquent taxes

For a list of county treasurers, See Appendix C.

County Register of Deeds: Depending on how a county tracks records, given an address, owner name, tax ID, legal description, document type, or instrument number, the county Register of Deeds may be able to provide:

- the owner name;
- ownership history;
- transaction type; and/or
- date of transaction

3. State Resources

State of Michigan's Online Business Entity Search: If a business entity owns a vacant property, the Online Business Entity Search may provide helpful information about a business' location, leadership, and contact information. The Entity Search provides access to information on the formation of corporate entities and businesses. Given the business name, a keyword describing the business, or the business identification number, the Entity Search may provide:

- Business identification number;
- Local business agent's name;
- Date business formed;
- Copy of the application; and/or
- Mailing office address

To access the State of Michigan's Online Business Entity Search, go to http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp.

4. Private Resources

Title Search: A title search results in a "title commitment" which lists the property owner, other interests in the property, and delinquent taxes. Title commitments **MUST** be performed when a party is considering property acquisition. Title commitments may be useful even when one is not considering acquisition because it is the ultimate resource to gain accurate ownership information. Given a property's address or legal description, a title search can provide:

- Owner name
- Ownership history
- Dates transactions recorded
- Title encumbrances
- Images of documents (e.g. liens, affidavits, mortgages, judgments of foreclosure)

Title commitments typically range from \$150 to \$250. However, some title companies will offer lower prices to nonprofit organizations and CDCs. Contact a local title company to conduct a title search.

SECTION RESOURCES	
Determining Property Ownership	
Michigan County Treasurers	Appendix C
Michigan County Register of Deeds	Appendix D
To check if a local municipality offers online data access through BS&A Software	https://is.bsasoftware.com/bsa.is/default.aspx
State Resources	
Michigan's Online Business Entity Search	http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp

IV. Stabilizing Vacant Properties

A. Introduction

Vacant properties lower the visual appeal and economic value of a neighborhood, present dangers resulting from code violations and can become havens for criminal activity. In an effort to respond to these negative side-effects and minimize them, communities in Michigan have taken creative approaches to stabilizing vacant properties. Because of the possible—often probable—negative consequences resulting from vacant properties, it is important to stabilize the properties if only to serve as a “stop loss” to prevent further deterioration of the property and of the neighborhood. Accordingly, the community responses discussed in this section look at temporary solutions intended to maintain at least a basic level of property care to avoid and discourage the harmful effects of vacant properties. This chapter presents some of these approaches.

Neighborhood involvement in maintaining the exterior may range from cutting grass and planting flowers to providing exterior lighting to make a house look occupied. When a house looks occupied it is less attractive to criminals and less likely to become occupied with squatters who would live in a property without the benefit of running water and other utilities necessary to health and safety.

Involvement in code enforcement may consist of forming a code enforcement patrol to monitor the condition of vacant homes and notifying the proper authorities when a building becomes open or dangerous. This can help code enforcement officials address problems with property in a timely fashion and help government officials become more aware of the scale of the issue.

Security is of major concern in most neighborhoods. Neighborhood involvement in improving security could include boarding and securing vacant homes, creating a security task force, or creating a buddy system for neighbors arriving home after dark.

This chapter provides information on how to identify the field servicer associated with a particular property and suggestions on how to work with the servicer to be sure that property is properly secured and maintained.

This chapter brings together many of the strategies neighborhoods are employing across the country to stabilize vacant properties in their neighborhoods and protect the value of their homes.

B. CDC or Individual Responses

1. Introduction

It is vitally important to the health and stability of a neighborhood to maintain vacant properties. Maintaining the exterior of a vacant house helps to reduce the appearance of vacancy. This, in turn, sends the signal that someone cares for it and may help prevent damage to a vacant house and decline in the neighborhood.

The property owner has the ultimate responsibility to maintain her property in such a way that it does not deteriorate and become a nuisance to the community. Accordingly, community groups and residents should first identify and contact the property owner, inform her of the condition of the property and the need for repairs. This contact will hopefully result in the necessary maintenance. At the very least, this may provide an opportunity for the community group and residents to work out a cooperative agreement with the vacant property owner that allows them to maintain the property and perhaps be compensated for the cost of such maintenance.

In many cases, the situation is much more complicated and the stakes much higher. Often community groups and residents are not able to get in touch with—let alone identify—the owner of the property. Sometimes the unresponsiveness of a property owner can be all the more frustrating as the vacant property continues to deteriorate quickly and poses dangers to the surrounding community. It is in precisely this situation that many community groups and individuals statewide have taken to maintaining neighboring vacant structures on their own, without the owner’s permission. There can be important legal consequences attached to such actions [see Subsection 5. “Potential Liability for Trespass” on Page 20 for a discussion of certain legal issues].

Anyone considering such action needs to seek legal counsel to inform themselves of potential issues.

2. Maintenance Efforts

These could include:

a. Making Houses Look Occupied

For vacant houses that are not boarded, reducing the appearance of vacancy may be an effective strategy to prevent vandalism to the house. Below are some things that reduce the appearance of vacancy.

Things that make a house look occupied

- No handouts on the front door or porch
- Garbage and debris cleared from lawn and porch
- Holiday decorations on or around the home
- Potted plants on the porch
- Solar powered exterior lights on the lawn or porch
- Graffiti removed or painted over
- Well kept lawn
- No snow or ice on walkways or driveways

b. Reducing the Visual Effect of a Boarded House

A house that is boarded sends a clear message to residents and outsiders that the house is vacant. While boarding may be a necessary step to keep a house secure, the appearance of the boards matters. Painting the boards with a color that blends in with the exterior of the house or painting murals on the boards could improve the appearance of the block while still protecting the house.

3. Contacting the Property Owner

The property owner is responsible for the maintenance of her property. This includes a duty to her neighbors and community to provide at least basic maintenance of her property. Where vacant properties have fallen into disrepair or are in need of maintenance it is important to identify the ownership and contact the owner directly. [See Section III. “Determining Property Ownership” above on Page 14.] If a search reveals that the property is owned by a lending institution or other party that acquired title through foreclosure, then it is important to contact not only the property owner, but also the field servicer. [See Section C. “Steps for Identifying and Working with a Field Servicer” below on Page 22.]

Community groups and concerned citizens may consider sending a ‘Notice Letter’ to the negligent property owner to let them know the property needs maintenance and that they are reporting the issue to the local government. [See Appendix E below: “Template ‘Notice Letter’ to Property Owner.”]

This initial contact may prove beneficial in multiple ways. First, and ideally, it may result in the property owner taking the necessary steps to maintain the property. Sometimes a property owner simply does not know the state of the property, and this can help by putting the owner on notice that the community is aware and vigilant. Second, communication between the property owner and neighborhood residents may result in a cooperative arrangement where the owner agrees to allow the community group and residents on the property for maintenance purposes. This can help negate possible legal liability. [See Subsection 5. “Potential Liability for Trespass” below on Page 20.] Lastly, the property owner may even be interested in paying the neighboring residents for the costs of maintenance.

4. Organizing for Maintaining Exteriors of Houses

In practice, even after receiving contact by community groups, however, some vacant property owners are negligent in their duties and allow their properties to become / remain blighted and open to trespass.

To preserve the exterior of houses, some neighborhood organizations and individual citizens have organized resident efforts to take measures into their own hands—sometimes at great personal expense—by fixing up and maintaining vacant properties that are not their own for the good of their neighborhood.

A neighborhood-wide strategy may work best if various groups work together on maintenance. The neighborhood organization can help with tasks that an individual cannot afford or cannot physically perform.

The following steps offer suggestions for a neighborhood organization to approach exterior house maintenance on a neighborhood-wide basis:

The neighborhood organization could create a list of vacant houses and their condition. The neighborhood organization could use this information to prioritize houses that need maintenance most, to identify tasks, and to track the availability of supplies and volunteers.

The neighborhood organization could assign the volunteers based upon task, time available, and skill level. For a frequently occurring task, like lawn mowing, the neighborhood organization may form a group of residents who commit to one day of work each month. The group may break up into four teams, each performing a day of maintenance on a different week in the month. For a larger task that occurs less often, like raking leaves, a neighborhood organization could recruit students from a local high school that requires service hours for graduation. The neighborhood organization could plan three raking events during the fall using the high school volunteers and rakes lent by neighbors. For irregular tasks, like shoveling snow, the neighborhood organization may want to make a list of residents who have snow blowers and residents who do not work mornings. The neighborhood organization could match resources with volunteers.

5. Potential Liability for Trespass

Maintaining someone else’s property without their permission can constitute or involve trespass. Therefore, before taking action volunteers should understand the potential consequences of their actions, and it may be prudent to first discuss the facts and circumstances with an attorney.

a. Civil Trespass

Neighborhood organizations and their volunteers must understand that an intentional unauthorized entry onto the private property of another can constitute a trespass.⁴ Providing notice of the neighborhood organization's intentions to the vacant property owner may not relieve the neighborhood organization and its

⁴ *Gelman Sciences, Inc v Dow Chemical Co*, 202 MichApp 250, 253; 508 NW2d 142 (1993).

volunteers of liability for trespass. Despite good intentions, even if a volunteer enters the private property for the purpose of cleaning the property and manicuring the lawn, trees and shrubs, it may still be a trespass.⁵

Nominal damages may be secured for any trespass, but a court retains discretion not to award more than nominal damages.⁶ By statute, any person who cuts down or carries off, any wood, trees or timber, or otherwise injures any trees on someone's property, or digs up or carries away any stones or the like from someone's property, or cuts down or carries away any grass, hay, or any kind of crops standing, growing on someone's property, without permission of the owner, may be liable to the property owner for three times the amount of provable, actual damages.⁷

A point of relief, however, may be the fact that the measure of damages for the removal of grass, trees, shrubs, etc. is the value of such grass, trees, shrubs, etc. as they stood on the property at the time of such removal. So, the damages should be measured by the difference between the value of the land before such removal and the value after such removal. However, the vacant properties at issue are highly unlikely to contain valuable crops, timber, etc. Courts are free to apply a reasonable computation of an owner's damage to compensate for any loss.⁸ So, if the neighborhood organization's volunteers' acts actually improve the property's value, there may be no "damages" to recompense.

Lastly, the vacant property owner cannot sit back and knowingly allow the neighborhood organization's volunteers to be on her land. If the vacant property owner unreasonably delays in asserting her rights to remove such volunteers (or prevent them from continually entering the vacant property) when the delay is coupled with either (i) the fact that the neighborhood organization has incurred great expense in relying on the vacant property owner's acquiescence or (ii) the fact that the interest of the public has become involved, the neighborhood organization and its volunteers may have a defense to the asserted trespass claim.⁹

b. Criminal Trespass

Under Michigan law, criminal trespass entails an individual going onto the property of another after she has already been informed by the property owner not to come on the property, and there are separate criminal trespass statutes regarding destruction of trees, plants, crops, etc. It is hard to predict if the police, or an owner neglecting her property, would be likely to press criminal charges in cases where a neighborhood association or volunteers act in good faith to alleviate problem conditions outside a vacant property. This is particularly true because both the police and the owner will likely have an interest in addressing the harmful consequences of the vacant property. Notwithstanding, it is strongly advised that if you are considering direct maintenance of a vacant property without the consent of the property owner, you consult with an attorney first because trespass law is very fact specific and may be decided on individual details.

⁵ *Cubit v O'Dett*, 51 Mich 347, 16 NW 679 (1883).

⁶ *Adams v Cleveland-Cliffs Iron Co*, 237 MichApp 51, 67; 602 NW2d 215 (1999).

⁷ MCL 600.2919.

⁸ *Szymanski v Brown*, 221 MichApp 423, 562 NW2d 212 (1997).

⁹ *VanStock v Township of Bangor*, 61 MichApp 289, 298, 232 NW2d 387 (1975).

C. Steps for Identifying and Working with a Field Servicer

A homeowner usually makes the mortgage payment each month to the loan servicer that the mortgage company has hired to collect payments. Subsequently, Mortgage Field Service Companies or Property Preservation Companies are typically employed by these loan servicers to maintain properties in the foreclosure process or after they have become vacant.

The role of the Mortgage Field Service Company or Property Preservation Company is to inspect and perform property maintenance on properties that have gone into default and during the Real Estate Owned (REO) phase. The REO phase is the period of time from when a mortgage has been defaulted until the time that the property is sold to a third party or new buyer.

Typically, Mortgage Field Servicers are responsible for things such as:

1. Keeping the grass cut
2. Plowing snow
3. Boarding and securing properties
4. Clearing debris from a property where that debris constitutes a code violation

Community Legal Resources has identified 7 major Mortgage Field Service Companies that may be responsible for servicing a large percentage of vacant properties in Michigan. They are:

- | | |
|----------------------------------|--|
| 1. Safeguard Properties | www.safeguardproperties.com |
| 2. Lender Process Servicers | www.fndfs.com |
| 3. First American Field Services | www.firstam.com |
| 4. MCS | www.mcsnow.com |
| 5. Five Brothers | www.fivebrms.com |
| 6. Field Assets | www.fieldassets.com |
| 7. Cyprexx | www.cyprexx.net |

In addition to these companies, the U.S. Department of Veterans Affairs (VA) utilizes a company called Ocwen. www.ocwen.com or (800) 746-2936.

Freddie Mac has its own Real Estate Owned (REO) division, which performs field service on its properties. www.freddiemac.com or (800) 373-3343.

Fannie Mae has its own REO division as well but also employs some of the above-mentioned companies to service its properties. www.fanniemae.com or (800) 732-6643.

The U.S. Department of Housing and Urban Development (HUD) uses Marketing and Management agencies for field service on its properties. If the defaulted mortgage was originally a Federal Housing Administration (FHA) mortgage then HUD will be the owner of the house once it is defaulted. The contact information for vacant Michigan HUD homes is:

Michaelson, Connor and Boul, Inc (MCB)
 100 Galleria Office Center, Suite 414
 Southfield, Michigan 48034
 Phone (248) 827-0200; Toll Free (877) 827-7781
 Fax (248) 827-2100
 Website: www.mcbreo.com

Property Preservation and Protection Requests and Requests for Extension of Time should be forwarded to Ms. Mary Cambrero, Mortgagee Compliance, at mc@mcbreo.com

Interested parties can learn more about HUDs management and maintenance services at <http://www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm>

STEPS TO IDENTIFYING AND WORKING WITH A FIELD SERVICER

To identify the field servicer for a property, use one or all of the three options below.

Option 1: Check to see whether there is a sticker affixed to the property containing the field servicer's contact information.

Option 2: Use online resources to identify the original lending institution and field servicer. The Mortgage Electronic Registration System (MERS) Servicer ID System is a free online search that, given the address of the vacant property or the owner name, will provide the lending institution name for any active, registered mortgages. Access MERS at <https://www.mers-servicerid.org/sis/>. Once you determine who the lending institution was for the mortgage, use the Mortgage Bankers Association's Property Preservation Contact List provided in Appendix F to identify the field service company contracted by the bank and their contact information.

Option 3: Contact the real estate agent associated with the property to see if the agent has been made responsible for maintenance or knows which field service company is responsible for the property.

Once the field servicer is identified, contact the company about the property and offer assistance for property maintenance or to look after the property. It is important to open up the lines of communication with the servicer recognizing that both parties – the servicer and the neighbor – have a shared interest in the property's preservation and security.

Identifying the field servicer responsible for a particular house does not cost anything but will take an investment of time and persistence. It is important to note that while this is a list of the largest field servicers, it is impossible to create a comprehensive list, and the information for all vacant property field servicers will not be found in this publication.

There may also be an opportunity to use the template 'notice letter' discussed above in the Self Help section, and attached at the end of this publication in Appendix E. While that letter is intended for the *owner* of a vacant property, it may prove beneficial to send it to a field servicer as well.

Community Legal Resources is exploring the possibility of forming agreements between community organizations and field servicers or real estate brokerages so that communities can become partners to banks and lenders in protecting neighborhood assets.

SECTION RESOURCES	
Mortgage Field Service Companies	
List of Field Servicer Contacts	Appendix F
Safeguard Properties	http://www.safeguardproperties.com
Lender Process Servicers	http://www.fndfs.com
First American Field Servicers	http://www.firstam.com
MCS	http://www.mcsnow.com
Five Brothers	http://www.fivebrms.com
Field Assets	http://www.fieldassets.com
Cyprex	http://www.cyprex.net
U.S. Department of Veteran Affairs (VA)	
Ocwen	http://www.ocwen.com or (800) 746-2936
Freddie Mac	
Freddie Mac	http://www.freddiemac.com or (800)373-3343
Fannie Mae	http://www.fanniemae.com or (800) 732-6643
HUD	
Marketing and Management Agencies	Michaelson, Connor and Boul, Inc (MCB) 100 Galleria Office Center, Suite 414 Southfield, Michigan 48034 Phone (248) 827-0200; Toll Free (877) 827-7781 Fax (248) 827-2100 Website: www.mcbreo.com
Property Preservation and Protection Requests, and Requests for Extension of Time	mc@mcbreo.com
Learn more about HUD's management and maintenance services	www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm
Identify original lending institution and field servicer	
MERS	https://www.mers-servicerid.org/sis/

D. Municipal Responses

1. Introduction

This section explores municipal responses to vacant properties, such as the use of ordinance and code enforcement. These tools can be very powerful and have proven successful where implemented fully. Unlike other sections in this publication, these tools are uniquely governmental. There may nonetheless be a role, of course, for individuals and CDCs in advocating for the implementation and execution of these tools by their local government.

2. Vacant Property Registration Ordinance (VPRO)

a. What is a VPRO?

A VPRO is an important new tool for municipalities to use in the fight against blight and abandonment, specifically as concerns vacant structures. While vacant lots can have detrimental effects on a community, vacant structures are particularly harmful and damaging. In addition to decreased tax revenue from lowered property taxes, vacant structures attract and encourage criminal activity such as drug use, arson, prostitution, scrap metal theft, vandalism, and a range of other dangerous behavior. This substantially increases demand for municipal services such as maintenance, police and fire.

VPROs attempt to address the double-edged sword of vacant properties: the increased demand for municipal services for police and fire, just as tax revenues decrease thereby limiting a municipality's ability to respond effectively.

A VPRO requires that the owner of every vacant house register the house with the city and maintain a minimum level of compliance. Registration programs may offer a municipality a city-wide approach to recoup some of the costs incurred from vacant houses, while at the same time provide a means to hold owners responsible for the safety and maintenance of their properties.

Many cities are using licensing and registration programs to reduce the problems of vacant houses and delinquent owners. These programs generally establish a public point of contact for every building's owner, and ensure a minimum level of security for the property. These programs offer a municipality a way to track vacancies and ensure that owners, or responsible parties, hold their buildings to a minimum level of maintenance.

To be effective, a vacant building registration ordinance could include the following:

- An inspection requirement;
- A sliding scale registration fee increase;
- An increased maintenance standard;
- Local owner contact information;
- Minimum insurance requirements;
- A requirement that a bond be posted, which is forfeited in the event that the city is required to demolish the property with any unpaid fee becoming a municipal lien against the property.

b. VPROs in Michigan

At least three Michigan communities have already adopted a Vacant Property Registration Ordinance. These communities are Dearborn, Grand Rapids, and Kalamazoo. The City of Detroit is currently considering a VPRO, but that has not yet been approved.

Their respective laws and forms are included in Appendix G at the back of this publication.

Dearborn, MI	
Neighborhood Services Division	(313) 943-2161
Enacted:	04/30/08
Fee:	Annual Registration Fee of \$25.00 Annual Inspection Fee of \$150.00
Timeframe to Register:	Within 180 days of the property being found vacant
Proximity Requirements:	Local Management Co. within 30 miles of subject property

Grand Rapids, MI	
Neighborhood Improvement / Housing Inspection	(616) 456-3053
Enacted:	02/22/01
Fee:	Fees determined by number of months the property is vacant No fees for first 60 days \$75.00 fee for 3 rd and 4 th month of vacancy \$150.00 bimonthly thereafter If the owner is making efforts to rehabilitate the property, the City may waive the fees. Fees are assessed with the goal of using such fees to spur rehabilitation and compliance, rather than generate revenue.
Timeframe to Register:	Within 30 days of the property being found vacant owners are required to <i>secure</i> their buildings within 72 hours of notice that their building is open to trespass.
Proximity Requirements:	None
Misc. Information:	Plans for restoration, reuse, or removal with timelines of work schedule to accompany registration form; Registration must also include building's for-sale status and the condition of the building's title.

Kalamazoo, MI	
Code Administration Division	(269) 337-8026
Enacted:	02/01/03
Fee:	\$25.00 / month for first 90 days \$50.00 each month thereafter
Timeframe to Register:	Within 30 days of the property being found vacant, or within 10 days of receipt of notice from the City
Proximity Requirements:	None
Misc. Information:	Only property owner has to be listed on the registration

SECTION RESOURCES	
Vacant Property Registration Ordinances	
Additional Information	Appendix G
Dearborn, MI	(313) 943-2161
Grand Rapids, MI	(616) 456-3053
Kalamazoo, MI	(269) 337-8026

3. Blight Ordinances

a. What is a Blight Ordinance?

Blight ordinances are used by municipalities to require a minimal maintenance of properties and maintain quality of life standards. Such ordinances focus on ‘blight’ as well as ‘blighting influences.’ These ordinances generally define blight broadly and can be applied to homes, rental properties, commercial properties, and vacant lots. These ordinances set forth inspection, registration, non-compliance, and remediation timetables, requirements, and regulations. Developing effective statutory measures to combat blight begins with a comprehensive assessment of present ordinances and codes.

It is worth noting that blight ordinances may (and often do) overlap with Vacant Property Registration Ordinances (VPROs), as highlighted in the last chapter. However, blight ordinances are more expansive in their scope and are not necessarily limited to vacant structures as are VPROs, nor are they necessarily even limited to vacant properties.

Here are some of the more common targets for blight ordinances: zoning, building or property maintenance, solid waste and illegal dumping, disease and sanitation, noxious leaks, and vehicle abandonment, inoperative vehicles, vehicle impoundment and municipal vehicle licensing.

b. Blight Ordinances in Michigan:

Several Michigan communities have adopted some form of blight ordinance. For the sake of variety, this publication has focused on Berlin Township, Detroit, and Jackson.

Their respective ordinances are included in Appendix H at the back of this publication.

Berlin Township, Michigan

- Ordinance targets “junk automobiles,” building materials, and junk, trash and rubbish, but also addresses deteriorating and vacant structures.
- The owner has ten (10) days after notice of the blight to correct it.
- Failure to remedy the problem within the allotted time will result in a violation of the statute, which is a misdemeanor punishable by one hundred dollars (\$100) or by imprisonment not exceeding thirty (30) days or by both the fine and the imprisonment in the discretion of the court.

Detroit, Michigan

- Empowerment of the City of Detroit to cite citizens and business owners for violations of property maintenance, zoning, solid waste, and illegal dumping ordinances.
- Enforcement of property maintenance and zoning by the City's Buildings & Safety Engineering Department.
- Citations issued for such violations are now treated as civil offenses, which will be heard and resolved more quickly with more appropriate penalties at the Department of Administrative Hearings (DAH).
- DAH has its own hearing facility, independent of the 36th District Court, at 561 East Jefferson in downtown Detroit.

Jackson, Michigan

- Following issuance of a citation, homeowner must attend a pre-trial hearing where s/he may negotiate an agreement to bring the home up to code and avoid going before the administrative hearings officer.
- Goal is to encourage rehabilitation by the homeowner, rather than payment of penalties and/or fees collected by the City.
- If homeowner commits to bringing the building up to code, AHB sets schedule for homeowner to demonstrate progress in property rehab.
- Most fines are reasonable, however the act allows for fines of up to \$10,000, since the clean-up of hazardous waste on the property also falls under the jurisdiction of the AHB.

SECTION RESOURCES	
Additional Information	Appendix H
Berlin Township, MI	
Phone Number	(586) 784-9969
Website	http://www.berlintwpstclair.org/blightordinance
Detroit, MI	
Phone Number	(313) 224-2733
Website	www.ci.detroit.mi.us
Jackson, MI	
Phone Number	(517) 788-4060
Website	http://www.cityofjackson.org/departments/communitydevelopment/economicdevelopment/contact.asp

4. Role of Code and Ordinance Enforcement

a. Introduction

When neighbors observe code violations they should report them to their local municipality. Reporting code violations ensures that the government is aware of the situation and provides the reporting party with a record of the complaint. The person reporting the violation can then track the complaint until it has been resolved.

Examples of possible code violations (these vary by municipality):

- Failure to remove snow and ice from sidewalks
- Inoperable vehicles
- Rat infestation
- Illegal dumping
- Presence of solid waste
- Failure to maintain exterior of property

b. The Impact of Code Enforcement Activities on Vacant Properties

Without proper care and maintenance, vacant properties can quickly deteriorate and become a blighting influence. Code enforcement is a form of prevention. Violations are noted and owners are ticketed. Property owners are responsible for the maintenance of their property. However, in this current climate of increased foreclosures and resulting vacant property, it is evident that widespread neglect is occurring. Reporting violations and creating a patrol will assist the municipality in requiring the owner to maintain their property.

Everyone can be active in the area of code enforcement. Anyone can submit information about code violations. Forming a code enforcement patrol requires the participation and commitment of residents. Residents must be committed to monitoring and reporting noted code violations. Additionally, it is important that residents follow-up on those properties that have been reported.

c. Administrative Hearing Boards

Until 2004, municipal ordinance violations were often bogged down in the overloaded judicial court system. At that time, the State of Michigan authorized administrative hearing boards in cities with populations greater than 7,500 (and in Wayne County, cities of more than 3,300) to adjudicate blight violations without having to go to District Court. The establishment of Administrative Hearing Boards is advantageous to both the court system and the expedited enforcement of code and blight violations. In effect, it provides an express lane for the community to have these issues resolved quickly by someone who is an expert on the topic.

While the process for Administrative Hearing Boards varies in each municipality depending on their local codes and ordinances, it is imperative for community groups to be involved in establishing priorities for the enforcement of the local code and ordinances. For example, in some communities there has been an effort to increase enforcement of illegal garbage dumping and rat harborage instead of less damaging violations such as waiting too long to bring the trash can back in from the curb. Whatever an individual community's preferences are, they should organize and make those preferences known to their local Administrative Hearing Board.

d. Factors for Success, Based on Lessons Learned in Communities

- 1.) Coordination and Cooperation: Coordination and cooperation between multiple layers of government (city, county, state) in responding to vacant properties is essential to an effective response while increasing efficiency and decreasing costs.
- 2.) Compliance: There must be sufficient incentive for the offending property owner to comply with the code enforcement. Some system results in tickets for property maintenance, blight, and zoning violations. Experience has shown that ticketing must be coupled with a mandate that the violation actually be corrected. The alternative is that only incentive to correct an infraction is the possible threat of another ticket.
- 3.) Collections: In some communities failing to maintain property results in a lien on the property. To maximize the effectiveness of this approach as an incentive, it must be clear to residents that these liens will be placed on the property and then enforced.
- 4.) Property maintenance education: Property maintenance education for residents must be a component of any enforcement scheme. Fines and penalties are necessary to encourage compliance. However, residents must also be educated of what is required in order to correctly maintain their property.

- 5.) Political issues: Effective enforcement mandates that everyone is subject to the same rules and requirements. Political preferences and accommodations are detrimental to an effective and fair code enforcement system.

e. Strengthening Code Enforcement

Efforts must be made to augment the current legal framework for ordinance enforcement, as opposed to seeking support for new legislation. A more effective application and use of the relevant ordinances and statutes should not be overlooked as the first step to improved ordinance enforcement.

f. Examples from Around Michigan

Dearborn

- Established a Neighborhood Services Division in 2003.
- 25 field inspectors and three vector control inspectors who are responsible for maintenance and ordinance enforcement.
- City divided into 23 districts with an inspector working the area like a traditional “beat cop” assigned to each area.
- Field inspectors are required to make weekly contact with city and/or neighborhoods association leaders and attend association meetings.
- The associations provide information to the field inspectors on addresses of properties, which information is stored in a database and is used to generate daily reports prompting periodic inspection visits.
- Field inspectors e-mail digital photos of problem properties directly to the responsible realtors and mortgage companies. This method has replaced the former process involving the posting at the property of a 72-hour Notice of Violation.

Detroit

- BSED uses civil offense fines to force landlords and tenants to comply with the City’s Blight Ordinances. Occupied, vacant, commercial and residential properties all face enforcement under the City’s Blight Ordinances. Offenses range from rodent problems to a failure to maintain exterior of property. Penalties can range from \$100 to \$10,000 per day.
- Once a complaint is made to BSED the department will investigate the complaint and may issue a ticket. If the ticket is not paid or the recipient of the ticket challenges the complaint, the offenses will be heard and decided by an Administrative Law Judge at the Department of Administrative Hearings (DAH). The City specifically created the DAH to provide resolution to blight issues.
- If violators fail to comply with the judge’s order, they can have liens placed on their property, wages garnished, and/or face negative consequences on credit reports.

East Lansing

- Used media outlets as a tool to generate awareness of the problem’s scope, as well as to announce enforcement, thereby spurring compliance by property owners;
- Two neighborhoods in East Lansing obtained 85% compliance with fencing ordinances by notifying homeowners that the ordinances would be enforced.

Grand Rapids

- Prior to 2000, there was minimal code enforcement in Grand Rapids. The rising vacant property problems motivated Grand Rapids to develop code changes that addressed vacant and abandoned property, including:
 - Specialized enforcement activities based on development plans, policies, and procedures;
 - Awareness programs alerting property owners to the rehabilitation programs that may be available to them;
 - In-depth inspection protocols and remedy policies that enhance consistency, accountability, and credibility of enforcement programs;
 - Use of city resources to more aggressively engage in cleaning, repairing, boarding, and securing abandoned buildings, with costs recovered by directly foreclosing on nuisance abatement liens.

Saginaw

- The City has implemented a “Strategic Division” plan, which divides the City into four (4) zones with specific priorities, including demolition in those areas identified as the most blighted zones.

SECTION RESOURCES	
For more information on code enforcement, contact the individual communities directly:	
Dearborn	(313) 943-2161
Detroit	(313) 224-3212
East Lansing	(517) 319-6857
Grand Rapids	(616) 456-3081
Saginaw	(989) 759-1480

5. Historic Districts

Among the many tools available to respond to vacant properties, a historic district may be another option for a particular community. To be clear, historic districts are not a “catch-all” tool for responding to vacant properties that will work in every case, or even in most cases. They have a very specific use that is controlled by state statute, with the primary intent of preserving and restoring historic assets in a community—not responding to vacancy and blight. That being said, historic districts—and the laws that accompany them—can provide powerful leverage in maintaining a vacant property. The key is to understand when a historic district is appropriate.

The Local Historic Districts Act, MCL 399.201 *et seq.*, authorizes the establishment of local historic districts and historic district commissions (HDC). These commissions are charged with the responsibility of acknowledging and preserving historic resources in the state of Michigan.

In an effort to preserve historic assets—and of particular importance and relevance to vacant property issues—state law mandates different rules regarding the maintenance of properties and structures within a historic district. One example of such a distinction is the notion of “demolition by neglect” and its prohibition. This is defined under state law as “neglect in maintaining, repairing, or securing a historic resource that results in deterioration of an exterior feature of the resource or the loss of structural integrity of the resource.” MCL 399.201a(f).

The Local Historic Districts Act provides that if the HDC finds that a “historic resource” is threatened with “demolition by neglect”, the HDC may take certain actions.

If a historic property is suffering “demolition by neglect,” the HDC may:

- i. Require the owner to repair all conditions contributing to demolition by neglect; and
- ii. If the owner does not comply with the order to repair “within a reasonable time,” make the repairs and charge the costs of the work to the owner, and the City may levy a special assessment against the property.

As a practical matter, the only real benefit of requesting the HDC to declare that a property is suffering “demolition by neglect” is that the owner is asked to appear before the HDC and tell it what work the owner proposes to do to correct the situation. The HDC keeps these properties on a “watch list” and HDC staff follows up (but they are under-staffed and over-worked).

Municipalities may not have the money to make the repairs and chase the owner to recover its costs. Additionally, the owner may not have the funds to pay a special assessment anyway. However, some historic neighborhoods have had success with reporting demolition by neglect cases to their local HDC and putting pressure on the owner to repair and maintain the property.

SECTION RESOURCES	
Michigan Historic Preservation Office	
Website	http://www.michigan.gov/hal/0,1607,7-160-17445_19273_19318---,00.html
Mailing Address	Michigan Historical Center P.O. Box 30740 702 W. Kalamazoo St. Lansing, MI 48909-8240
Phone Number	(517) 373-1630
E-mail	preservation@michigan.gov

V. Controlling the Condition of Vacant Properties

A. Introduction

Responding effectively to vacant properties must be a multi-pronged approach that includes both stabilizing the properties early on to prevent deterioration, as well as taking control of the properties to begin to reposition them for a productive re-use. This section presents various tools currently employed around Michigan and the nation to allow communities to reclaim control of the condition of vacant properties.

Controlling the condition of vacant properties does not necessarily entail acquiring, purchasing, or having title to the property. The tools discussed in this section are aimed at a long-term, comprehensive approach responding to the abandonment itself, as distinct from the previous section on stabilizing vacant properties, which sought to reduce negative side-effects and prevent further deterioration. In many of the tools discussed below, there is either statutory or judicial authority that provides communities much greater power and leverage in controlling the condition of vacant properties, even while not owning the properties themselves.

B. Nuisance Abatement

Nuisance abatement statutes are meant to promote, protect and improve the health, safety and welfare of citizens. These statutes often overlap substantially with blight ordinances, with added protections against specific crimes such as drug activity and prostitution.

In recent years, nuisance abatement has become an effective tool in fighting and responding to vacant properties, most significantly through the innovative efforts of the Wayne County Nuisance Abatement Program (NAP). When a property owner allows her property to fall into disrepair, neighbors may hold her accountable and have the nuisance abated by contacting Wayne County's NAP, who will then file a public nuisance suit against the property owner.

Wayne County's NAP attempts to work with property owners and encourages property rehabilitation and a return to productive use. When commercial and residential properties fall into disrepair and community members contact NAP, the property must meet certain basic requirements in order to be eligible. It must be both vacant and a nuisance. As a matter of county policy, the property must be vacant; NAP will not evict tenants. Second, the property must be a nuisance, meaning that it poses a threat to the health, safety and welfare of the community. This is often determined by factors such as a history of crime in the abandoned house, open trespass, broken windows, rodents, missing doors, overgrown lawns and garbage.

If NAP determines that there is an actionable nuisance, then a lawsuit will be filed against the property, the property owner, and all interested parties of record. Often the lawsuits are resolved out of court as the property owner prefers to work out a schedule in which she will abate the nuisance whether by fixing, selling, or demolishing the property. The timeline for this agreement can be anywhere between three and nine months.

If the property owner refuses to set up a schedule, NAP can attain the title through court action. If the property owner fails to comply with the signed schedule, the County will seize the property and put it up for public auction. [Wayne County lists auctioned properties at <http://www.waynecounty.com>.] *It is precisely this ability of Wayne County's NAP to actually acquire title to the property from a private landowner without compensation that is so innovative, unique and aggressive.*

When a purchaser buys a property at auction, the new owner is required to pay back taxes and sign the same abatement schedule. If the new owner fails to comply with the abatement schedule, the county may seize the property again.

For more information, please see Appendix I: “Wayne County Nuisance Abatement Program, additional information” at the end of this publication.

SECTION RESOURCES	
Wayne County’s Nuisance Abatement Program	
Auctioned properties	http://www.waynecounty.com
Sample Legal Briefs	Appendix I
Mailing Address	400 Monroe, Suite 680 Detroit, MI 48226
Phone Number	(313) 967-2203

C. Shortened Redemption Period

When a property goes through the foreclosure process, the law provides for a redemption period, a time during which the former owner can redeem the property. Under Michigan law, the redemption period for residential foreclosures is generally six (6) months. With a foreclosed vacant property, typically during the redemption period, the property is untouched. There is no previous owner to reclaim the property and the new owner does not feel that its rights have been settled. As a result, the property is often not properly maintained.

When a vacant property is being foreclosed and then is subsequently abandoned, it is possible to reduce the redemption period to 30 days. Such an act will reduce the amount of time the property remains vacant, without clear ownership and responsibility for its maintenance.

In order for a foreclosure by advertisement to withstand legal challenge, the requirements in the statute must be followed exactly. One has to look at MCL 600.3240(11) and MCL 600.3241a, both as amended. Section 3240(11) states:

If the property is abandoned as determined under section 3241a, the redemption period is 30 days or until the time to provide the notice required by section 3241a(c) expires, whichever is later.

The underlined language above and below represents amendments. Bold has been added for emphasis.

Section 3241a applies to residential property not exceeding 4 units and states that if foreclosure proceedings have been commenced under this statute, **“abandonment of premises shall be conclusively presumed** upon satisfaction of all the following requirements before the end of the redemption period:

- (a) The Mortgagee has made a personal inspection . . . and . . . does not reveal that the mortgagor or persons claiming under the mortgagor are presently occupying or will occupy the premises.
- (b) The Mortgagee has posted a notice at the time of . . . the personal inspection and has mailed by certified mail, return receipt requested, a notice to the mortgagor at the mortgagor’s last known address, which notices state that the mortgagee considers the premises abandoned and that the mortgagor will lose all rights of ownership 30 days after the foreclosure sale or when the time to provide the notice required by subdivision (c) expires, whichever is later,

- unless the mortgagor; the mortgagor's heirs, executor, or administrator; or a person lawfully claiming from or under 1 of them provides the notice required by subdivision (c).
- (c) Within 15 days after the notice required by subdivision (b) was posted and mailed, the mortgagor, the mortgagor's heirs, executor, or administrator; or a person lawfully claiming from or under 1 of them has not given written notice by first-class mail to the mortgagee at an address provided by the mortgagee in the notices required by subdivision (b) stating that the premises are not abandoned.

There is no requirement that an affidavit be filed since there is a conclusive presumption that the property is abandoned if the persons named in (c) do not provide the mortgagee with written notice within 15 days after the mortgagee's notice of abandonment was posted and mailed.

D. Remedy of Receivership

Receivership is an equitable remedy and can be a powerful tool in restoring abandoned properties. When a property falls into disrepair, a judge can appoint a receiver to fix-up the property. During the term of the receivership, the receiver effectively exercises all of the powers of the owner in order to restore a building to productive use or remedy the violations that led to the appointment of the receiver. While a receiver does not take title to the property, the process may in the end lead to a change in the property's ownership. In order to pay for the property's rehabilitation, the receiver can put a lien on the property to pay for the needed repairs. Problems can arise though when the property is of little value or already has multiple liens imposed on it.

In Michigan, receivership is rarely used. Primarily this is because receivership is not an independent action. Citizens in Michigan cannot directly request that a property be put into receivership as an initial step in fixing up an abandoned property. Instead, judges decide to appoint a receiver only once every other option is exhausted. Judges are hesitant to employ receivership because it is considered "a harsh remedy."

1. Current State of Receivership Law

Several statutes specify receivership as a remedy for compliance with housing codes. Furthermore, a party may avail itself to receivership where the facts of the situation warrant appointment of a receiver and other remedies have failed. The appointment of a receiver to abate public nuisances is unique, since this application of receivership derives authority from a blend of statute and common law.

a. Statutory Authority

Currently, the authority of a court to appoint a receiver originates from the Revised Judicature Act of 1961. At equity, the court may "appoint receivers in all cases pending where appointment is allowed by law."¹⁰ The phrase "allowed by law" is interpreted as "not limited to situations where appointment of a receiver is provided for by statute. It also refers to those cases where the facts and circumstances justify appointment of a receiver in order to afford equitable relief".¹¹ The court's equitable power to appoint a receiver is inherent.¹²

Of interest to cities attempting to enforce property maintenance, there are two instances in which state statutes allow for receivership. The Revised Judicature Act of 1961 allows a party to move for appointment in an attempt to enforce collection. The power to appoint a receiver may be invoked after "judgment for money has been rendered in an action in any court of this state."¹³ This is an indirect way of using receivership to enforce property maintenance laws, after a property maintenance judgment has already been entered in favor of the city.

¹⁰ MCL §600.2926.

¹¹ *Weathervane Window, Inc. v. White Lake Constr. Co.*, 192 Mich. App. 316, 322 (1991).

¹² *Weathervane Window, Inc. v. White Lake Constr. Co.*, 192 Mich. App. 316, 322 (1991).

¹³ *Attica Hydraulic Exch. v. Seslar*, 264 Mich. App. 577, 590 (2004); MCL §600.6104(4).

The Housing Law of Michigan focuses more specifically on property maintenance and explicitly provides for the appointment of receivers. A city may appoint a receiver to enforce the Housing Law.¹⁴ When the expenses of the receiver are not provided for, the court may place a lien on the property as per state law.¹⁵

b. Receivership: Abating Nuisances

Receivership is a remedy available to cities acting to abate nuisances. With regard to nuisance abatement, home rule cities have “broad powers to enact ordinances for the benefit of municipal concerns.”¹⁶ Cities also have the “right to proceed in court to abate a nuisance.”¹⁷ A receiver may be properly appointed in an action to abate violations of municipal ordinances.¹⁸

There are statutory and common law definitions of “public nuisance”. The Revised Judicature Act of 1961 defines a nuisance to include buildings used for prostitution or the manufacture of controlled substances.¹⁹ At common law, public nuisance is defined as:

... an unreasonable interference with a common right enjoyed by the general public. The term "unreasonable interference" includes conduct that (1) significantly interferes with the public's health, safety, peace, comfort, or convenience, (2) is proscribed by law, or (3) is known or should have been known by the actor to be of a continuing nature that produces a permanent or long-lasting, significant effect on these rights.²⁰

c. Current Examples in Use in Michigan: Grand Rapids

The City of Grand Rapids uses receivership, though generally as a last resort. The City imposes court orders to sell and/or assign a receiver to make repairs and charges the property owner for the costs incurred by the City. The decision to demolish structures on properties owned by non-compliant landowners is administrative. Receivership is generally a last resort.

2. Why Receiverships are Not Used More Often

A city's power to place a property into receivership is bounded by two limits, one legal and one economic. First, the imposition of a receiver is limited to those situations where “appointment is allowed by law.”²¹ Courts have interpreted “allowed by law” as “not limited to situations where appointment of a receiver is provided for by statute. It also refers to those cases where the facts and circumstances justify appointment of a receiver in order to afford equitable relief.”²² This interpretation, however, should encourage the possible use of the receivership. Even still, a court will hesitate to appoint a receiver, since receivership has historically been viewed within the law as “a harsh remedy, to be employed only where other approaches have failed.”²³ Furthermore, an action may not be initiated for the sole purpose of obtaining a court order of receivership.²⁴

¹⁴ MCL §125.535(1).

¹⁵ §125.534(7) and §125.541(6-7). MCL §211.535(5).

¹⁶ *Rental Property Owners Ass'n of Kent County v Grand Rapids*, 455 Mich. 246, 253 (1997).

¹⁷ *Saginaw v Budd*, 381 Mich. 173, 178 (1968).

¹⁸ *Ypsilanti Fire Marshal v Kircher*, 273 Mich. App. 496 (2007).

¹⁹ MCL §600.3801.

²⁰ *Cloverleaf Car Co. v. Phillips Petroleum Co.*, 213 Mich. App. 186 (1995).

²¹ MCL §600.2926.

²² *Weathervane Window, Inc. v. White Lake Constr. Co.*, 192 Mich. App. at 322 (1991).

²³ *Hofmeister v Randall*, 124 Mich. App. 443, 445 (1983).

²⁴ *Francis Martin, Inc. v. Lomas*, 62 Mich. App. 706, 710 (1975).

Otherwise, once an action has commenced, either party may move for the appointment of a receiver.²⁵ The decision of a court to appoint a receiver may only be attacked for “plain abuse of discretion.”²⁶

However, there is another hurdle facing someone seeking receivership: the costs of the receiver and his actions to abate ordinance violations. There are several ways a city can avoid incurring the costs arising out of receivership. The Housing Law of Michigan authorizes the appointment of a receiver, and also authorizes the imposition of a lien to cover the costs of abating nuisances.²⁷ More generally, expenses arising out of nuisance abatement activities shall be collected “in the same manner as damages and costs are collected upon execution.”²⁸ A crucial weakness with this provision is that it is unclear what priority the execution has in relation to any liens on the property. Otherwise, where the property under receivership is insufficient to cover the receiver’s expenses, the party moving for the appointment may be directed to pay the deficit.²⁹ Then, the appointment of a receiver may be of little use where the city will end up bearing the costs of the receivership.

3. Possible Uses of Receiverships

In other states, the receivership process operates differently with great success. Generally speaking it is a remedy that is employed more frequently in cities all across the country, though few use it as a matter of course—mainly due to restrictions in state statutes. A few prime examples of the power of effective receivership statutes on the state level include Baltimore, Boston and Chicago. These three cities pursue receivership as a matter of policy to address nuisance properties. Baltimore stands out as having thoroughly instituted receivership as an agent for neighborhood change. It is oft-cited for its model practice, and explicitly contrasted with current Michigan law. Boston’s use of receivership is also noteworthy, though it is still pursuing legislation to strengthen the role of receivership. Chicago has a freer hand with receivership, and exceptional flexibility to fund a receiver.

Currently, the CLR and the DVPC are examining other states’ laws and exploring possible ways to use and expand receivership in Michigan.

²⁵ *Id.*

²⁶ *Reed v. Reed*, 265 Mich. App. 131, 161 (2005).

²⁷ MCL §125.534(7) and §125.541(6-7). MCL §211.535(5).

²⁸ *Ypsilanti Fire Marshal v. Kircher*, 273 Mich. App. 496, 539 (2007) and MCL §600.2940(4).

²⁹ *Attica Hydraulic Exch. v. Seslar*, 264 Mich. App. 577, 590-591 (2004).

a. Baltimore

In Baltimore, the receivership process begins when the city or a community organization identifies a vacant property to be renovated as part of a development plan. It then petitions for a receivership action. (This marks a departure from Michigan receivership law, in that Baltimore allows for legal action specifically for the purpose of receivership; in Michigan, receivership is limited as a remedy ancillary to some other claim for relief, like nuisance abatement.) Baltimore’s focus isn’t to punish the property owner, but to fix the property.

Once the action is commenced, the community organization seeks the appointment of a receiver, usually Save a Neighborhood. Baltimore’s ordinances contain two provisions which help fund work done under receivership. Once a receiver is appointed, it immediately seeks to foreclose on the lien, even before rehabilitation work has begun. (This stands in contrast to Michigan, where liens are only an option if provided by state statute; the default method of recovering receivership costs is through execution, and execution’s priority among other claims is murky.) Baltimore also allows the receiver to eliminate most of his costs by allowing the receiver to immediately transfer the property to a pre-qualified developer, who then undertakes the cost of rehabilitation. Property thus conveyed has clear title. Under Baltimore’s process, a vacant property can be transferred to a developer in as little as 240 days.

http://www.vacantproperties.org/resources/ppts/Kelly_Refreshing.pdf

<http://www.baltimoremd.com/community/claw/receiver.html>

http://www.vacantproperties.org/conf/2D_Baltimore.pdf

b. Boston

Boston’s Department of Neighborhood Development (DND) takes a multi-pronged approach to abandonment. One tool at its disposal is receivership. Under current Massachusetts law, any work done by the receiver to abate a nuisance is secured with a lien with priority over all others except municipal liens. ALM Ch. 111 §127I. This lien may be assigned to lenders to secure financing. *Id.* However, the receiver must post bond, and be covered by liability insurance. *Id.* Furthermore, case law cast receivership as a “remedy of last resort” almost 30 years ago. *Perez v. Boston Housing Authority*, 379 Mass. 703, 733 (1980). With the passage of time, it is now legally unclear how readily receivership may be employed. Currently, the City of Boston is pushing for legislation to clarify and bolster the role receivership plays in nuisance abatement. Since Boston began recording statistics, as a result of a multi-pronged approach that includes receivership, vacant residential properties have dropped by 77% as of 2006.

<http://www.vacantproperties.org/resources/USCM%20Best%20Practices.pdf>

http://www.cityofboston.gov/dnd/pdfs/LTW_II_Pre-Completion_Report.pdf

c. Chicago

Chicago has several programs to address nuisance properties. One program, the Troubled Buildings Initiative, uses receivership extensively. Thanks to Illinois law, there are a variety of ways the receiver may be funded: the receiver may collect rents despite any assignment of rents to the contrary, the receiver may issue notes with lien priority superior to all prior and existing liens except taxes, and the receiver himself may obtain a lien. § 65 ILCS 5/11-31-2(a). As of 2006, “more than 1,100 units have been recovered, 1,000 units are under rehabilitation, and 600 units are currently under court-ordered receivership”.

<http://www.vacantproperties.org/resources/USCM%20Best%20Practices.pdf>

E. Land Banks

1. What is a Land Bank?

A land bank is a public authority created to efficiently acquire, hold, manage and develop tax-foreclosed property, as well as other vacant and abandoned properties, with the goal being to restore the property to productive use.

The general goal of land banks is to manage vacant properties to reduce their negative effects, while also positioning them to maximize future development.

2. Introduction to the Michigan Land Bank

The State of Michigan Land Bank Fast Track Authority ("Authority") was created under Public Act 258 of 2003 ("Act") with the mission of returning blighted tax reverted properties to productive and economically viable use. The Authority does not forcibly take property. The Authority may own, accept and hold property through gift, transfer, and conveyance. In addition, the Authority may manage, sell, exchange, lease, option, renovate, develop, and demolish properties in its inventory. The Authority may dispose of property in a manner and for an amount of consideration that is proper, fair, valuable, and in the best interest of the community. The Authority may borrow money, issue bonds, solicit grants and retain proceeds it receives from the sale or rental of property in order to execute its responsibilities.

By working with counties and municipalities throughout the State of Michigan, the Michigan Land Bank Fast Track Authority empowers local communities to control one of their most valuable resources, their land.

Arguably, one of the Land Bank Authority's most useful features is its ability to initiate an expedited quiet title action to real property held under Authority jurisdiction. Often properties that are transferred have problems with title or outstanding financial liens resulting from things like taxes and unpaid water bills. Land banks are a solution to these problems. Land banks have the ability to clear title more quickly than conventional methods. They also have the ability to extinguish financial and tax liens on property. This gives land banks a critical and unique ability to get property into the hands of owners who will put it to productive use.

3. Land Banks in Michigan

A complete listing of Michigan's County Land Banks can be found in Appendix J at the end of this publication. Here is a brief discussion of some individual examples of land banks in Michigan.

State of Michigan

- The State of Michigan Land Bank Fast Track Authority ("Authority") was created to enable the Authority to own, accept and hold tax reverted property through gift, transfer, and conveyance.
- It also allows the Authority to manage, sell, exchange, lease, option, renovate, develop, and demolish properties in its inventory.
- The Authority has broad discretion to dispose of property in a manner and for an amount of consideration that is fair and in the community's best interest.
- The Authority may borrow money, issue bonds, solicit grants and retain proceeds it receives from the sale or rental of property in order to achieve its goals, and initiate expedited quiet title actions for property in its jurisdiction.
- The Authority works with local governments and/or their land bank programs, nonprofit community and faith-based organizations and through other state initiated programs such as Cities of

Promise, Cool Cities, MSHDA / Detroit Partnership, and the Governor's Office of Community and Faith-Based Initiatives.

- For more information on the State of Michigan's Land Bank Fast Track Authority, see the chapter on "Purchasing Property from the Michigan Land Bank" on Page 42 below.

Genesee County

- 7-member board of directors;
- 10-member independent staff for sales, rehabilitation and property management;
- Land Development and Planning Teams;
- \$4.1M over 3 years in tax foreclosure fees;
- Future tax revenues;
- No funding from local governments;
- Handles all tax foreclosures;
- Provides for nonprofit transfers and market purchases on all types of property; and
- Properties are disposed of at, above, or below fair market, depending on subsequent use for, e.g., affordable housing. There is no emphasis on immediate transfers.

Some additional results of the Genesee County land bank program include:

- Foreclosure Prevention (1,350 cases since 2003);
- Housing Renovation (14 single family rehabs since 2003);
- Property Maintenance (1,300 sites maintained since 2003; 600 tons of debris removed);
- Clean & Green (550 in program);
- Demolition (455 since 2003);
- New Development (\$ 3.8M mixed-use redevelopment of 30k square feet); and
- Planning (Land Bank Brownfield Redevelopment Plan: Approved December 2004; \$5M financing; 2,500 parcels included; 330 demolitions; environmental remediation for rehabilitation; 600 major cleanups; title clearance/insurance; site preparation /infrastructure development).

Land bank programs also exist in the following Michigan counties: Berrien, Ogemaw, Ingham, Saginaw, Grand Traverse, Jackson, Calhoun and Muskegon Counties – and more are in process.

It is worth noting that the City of Detroit has entered into an Inter Governmental Agreement with the Michigan State Land Bank Fast Track Authority, and The proposed Detroit land bank has yet to be implemented and its ability to positively impact blighted and vacant properties around the City remains unknown.

VI. Purchasing Vacant Properties

A. Purchasing Property from Lenders

To reduce the amount of time a property is vacant, a neighborhood organization, faith-based organization, or CDC can negotiate with lenders to purchase properties during mortgage foreclosure process. There are two common purchase methods, short sales and purchases of real estate owned properties.

1. Short Sales and REO Sales

a. Short Sale

A “short sale” occurs when the homeowner sells his or her house to a third party buyer before the mortgage foreclosure becomes final. The lender must approve the transaction if the purchase price is less than the amount owed on the mortgage. If a neighborhood organization, faith-based organization, or CDC successfully negotiates a short sale with a homeowner, they will drastically reduce the amount of time the house remains vacant and may be able to eliminate potential damage to the home.

b. REO Sale

A property is considered “Real Estate Owned” (REO) when the lender completes the mortgage foreclosure process. At that point, the property ownership will transfer back to the lender. Typically, lenders will try to sell the property immediately. In certain cases, the lenders are unable to sell the property quickly to an individual owner due to factors such as a weak market or property condition. In these instances, a neighborhood organization, faith-based organization, or CDC could purchase the lender-owned property for a negotiated price. Lenders also sell REO properties through auction companies at private auctions.

2. Steps for Purchasing Properties from Lenders

- **Step 1: Determine property ownership.** Using the methods described in an earlier portion of this publication, first, an interested buyer will have to determine property ownership of the house. This can be particularly difficult when negotiating a short sale. With a short sale, a lender will not be listed as the owner because the mortgage foreclosure process has not been completed. To negotiate a short sale, the prospective buyer will have to be familiar with the owner and their mortgage foreclosure status.
- **Step 2: Make an offer.** Lenders often set unrealistic sale prices because they ignore market conditions, extreme disrepair or unsatisfied liens, such as unpaid property taxes or water bills. These unrealistic prices make acquisition and rehabilitation unaffordable for many community-based organizations. For these reasons, an interested buyer must complete a thorough property inspection, market research, and obtain a title commitment. The potential buyer should approach the lender with these supporting materials to help negotiate a more realistic price.

B. Purchasing Property from a local municipality, county government, or county land bank

Most local governments have a procedure to sell city-owned properties. These properties are often attractive to residents, neighborhood organizations, faith-based organizations, or CDCs, who are interested in purchasing a vacant home for rehabilitation. It is important to learn the local procedures and protocol.

Steps to purchase properties from the municipal or county government

- **Step 1: Determine property ownership.** First, an interested buyer will have to determine that the government owns a property. She can do this by using the methods described in an earlier portion of this manual, or by visiting the website listed below.
- **Step 2: Visit the property.** Not all properties are open for interior inspection. If the property is open for inspection, it is critically important that a prospective buyer attend the open house.
- **Step 3: Contact your local municipality.** Procedures for purchasing properties may vary in different municipalities. The procedure may entail submitting a bid on the property, which will require adherence to an application deadline.
- **Step 4: Close.** If the municipality agrees to sell the property the buyer will have to pay the remaining amount in full at closing. If the buyer is financing the purchase, she may have to show an approval letter. In addition, the buyer may have to pay additional fees, including, but not limited to, recording and building inspection fees. After closing, there are additional deadlines the buyer will have to make regarding the successful rehabilitation of the property. When considering submitting a proposal, it is important that a prospective buyer contact the municipality to receive a complete list of the terms and conditions of sale.

It is advisable to conduct a title search on property conveyed by the municipality. Performing a title search and obtaining a title commitment can alleviate the potential of purchasing a property with clouded title. This is especially important if the buyer is planning to make improvements to the property.

C. Purchasing Property from the Michigan Land Bank

1. Who Can Use the Michigan Land Bank

Land banks are most appropriately used by qualifying individuals or groups who wish to purchase and rehabilitate property or vacant lots within the State of Michigan and move that property back into productive use. The cost of property offered for sale varies. The Michigan Land Bank Fast Track Authority (MLBFTA) offers some properties for just a few hundred dollars while others may run into the thousands.

Individuals or groups can purchase adjacent vacant lots or other vacant lots for as little as \$250.00 plus a \$35.00 processing fee. At this time, The MLBFTA is considering lowering the price of these parcels. Look for more information in the next edition of the toolbox. For information on leasing vacant lots from the MLBFTA for gardening purposes, see section 9.2.

2. Steps to Purchase Property from the Michigan Land Bank

The State of Michigan sells state-owned property through the Michigan Land Bank Fast Track Authority (MLBFTA). A resident, neighborhood organization, faith-based organization, or CDC may want to consider purchasing a vacant home for rehabilitation. The following steps summarize how to purchase land bank property.

- **Step 1: Determine property ownership.** First, an interested buyer will have to determine that the State owns a property. He or she can do this by using the methods described in an earlier portion of this manual, or by visiting the website listed below. A user may search by keyword, parcel ID, legal description, county, city, zoning, or address.

To search for MLBFTA properties currently for sale, go to:

www.mcgi.state.mi.us/mlbfta

- **Step 2: Submit an application.** A prospective buyer must submit an application. The application should describe the planned improvements, timeline, cost and finance for the planned improvements. The applications for individuals and nonprofits are available at

To obtain an application, go to:

http://www.michigan.gov/dleg/0,1607,7-154-34176_38800---,00.html

- **Step 3: Agree upon value.** If the MLBFTA accepts the application, they will send a property transfer affidavit and an invoice with a suggested price. If an appraisal is needed, the MLBFTA may hire an appraiser, however, the purchaser will be responsible for the appraisal costs. When considering a purchase, it is important that a prospective buyer contact the MLBFTA to receive a complete list of the terms and conditions of sale.
- **Step 4: Close.** At the time of closing, the purchaser must pay the amount in full, in cash. There are additional restrictions and requirements for closing, for a complete list, contact the MLBFTA.

3. Special Programs Offered by the Michigan Land Bank

a. Side Lot Disposition Program

As part of its mission to return blighted tax reverted properties to productive and economically viable use, the MLBFTA has established the Side Lot Disposition Program. Eligible properties will be transferred for the purpose of expanding the side and/or rear lot area of the adjacent property.

For more information on this program, go to: http://www.michigan.gov/documents/dleg/Adjacent_Lot_Disposition_Program_Application_5-14-08.doc_247166_7.pdf

b. No Cost Affordable Housing Development Transfers

The MLBFTA, in partnership with the Michigan State Housing Development Authority (MSHDA), offers a limited number of state-owned, tax-reverted properties at no financial cost to eligible nonprofit organizations for the purpose of furthering MSHDA's mission to develop affordable housing.

Eligibility for no-cost transfers is not limited to MSHDA / Office of Community Development grantees or developers of MSHDA-assisted property. nonprofits should submit requests for no cost parcels to the MLBFTA for processing. The MLBFTA will discuss and review submitted applications with appropriate MSHDA / OCD staff.

For more information on this program, go to: http://www.michigan.gov/documents/cis/MLBFTA_-_MSHDA_OPPORTUNITIES_FLYER_185369_7.pdf

c. Garden for Growth

The MLBFTA welcomes communities and individuals to participate in the Garden for Growth Program to beautify, green and strengthen neighborhoods. For just \$50 a year you can lease land to garden and cultivate as you like.

The opportunity to lease and not own gives you the control to utilize vacant lots in your neighborhood without paying taxes or other financial burdens that come with ownership.

For more information on this program, go to:

<http://www.michigan.gov/dleg/0,1607,7-154-34176-200357--,00.html>

For more information please contact the Michigan Land Bank at:

Lansing Office Address:

**State Office Secondary Complex
General Office Building (GOB)
7150 Harris Drive, 1st Floor A-Wing
Lansing, MI 48909**

Detroit Office Address:

**Michigan Land Bank Fast Track Authority
3028 West Grand Avenue, Suite 4-600
Detroit, MI 48202**

SECTION RESOURCES	
Starting the Process	
Office Phone Number	(517) 636-5149
Property Search	Http://www.mcgi.state.mi.us/mlbfta
Obtain an Application	http://www.michigan.gov/dleg/0,1607,7-154-34176_38800--,00.html
Special Programs	
Side Lot Disposition Program	http://www.michigan.gov/documents/dleg/Adjacent_Lot_Disposition_Program_Application_5-14-08.doc_247166_7.pdf
No Cost Affordable Housing Development Transfers	http://www.michigan.gov/documents/cis/MLBFTA_-_MSHDA_OPPORTUNITIES_FLYER_185369_7.pdf
Garden for Growth	http://www.michigan.gov/dleg/0,1607,7-154-34176-200357--,00.html

D. Purchasing Property from National Resources

1. Purchasing Property from HUD

In order to obtain control of vacant houses, neighborhood stakeholders can purchase houses owned by the Department of Housing and Urban Development (HUD). Homes that have a FHA-insured mortgage and go through the mortgage foreclosure process become HUD owned homes. Anyone, including individuals, block clubs, neighborhood organizations, faith-based organizations, and CDCs, may purchase a house owned by HUD.

a. Process for Purchasing

- **Step 1: Find a home.** HUD posts homes available for purchase at the link listed below. Prospective buyers may search for homes by address, city, county, zip code, or price range.

To search for available HUD homes, go to:

http://www.mcbreo.com/st_mimain.htm

- **Step 2: Find a broker.** A HUD-registered broker working on behalf of the prospective purchaser must place all bids. To find a HUD-registered broker go to:
<http://hud2.towerauction.net/e7/broker/MI.htm>.
- **Step 3: Place a Bid.** To place a bid on a property, a prospective buyer must have the “earnest money deposit” and a prequalification letter or proof of funds for a cash sale. The earnest money deposit amount depends upon the sale price. For sales up to \$49,999, the deposit is \$500. For sales \$50,000 and up, the deposit is \$1,000. HUD does not offer financing for home purchases. Potential buyers must secure their own financing.

A prospective buyer that will live in the purchased HUD home as their primary residence may take advantage of a priority period during which they will have the option to purchase the home before a prospective investor. This “owner-occupant” priority period lasts for the first ten days after HUD posts the property on the website. Any other prospective buyer is considered an “investor” and may purchase a home after the first ten-day priority period.

For a winning bid, the bid must exceed the minimum acceptable amount, also known as the “threshold,” and must be the highest among the placed acceptable bids for that property.

b. Special HUD Programs

- HUD-approved nonprofits may receive an additional 10- 30% discount on home purchases. To apply for HUD-approved nonprofit status, go to http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm.
- HUD is currently offering an Owner-Occupant Sales Incentive. Through this program, owner-occupants, excluding HUD-approved nonprofits and governmental agencies, will receive \$2,500 at closing to put towards closing costs, lowering the mortgage amount, or repairing the home.
- HUD also offers the Good Neighbor Next Door Program through which officers, teachers, firefighters, and emergency medical technicians may purchase a HUD property located in a revitalization area for 50% of the listing price. For additional details, go to http://www.mcbreo.com/GNND_FAQ.pdf.

2. Purchasing Property from Fannie Mae

In order to obtain control of vacant houses, neighborhood stakeholders can purchase houses owned by the Federal National Mortgage Association (Fannie Mae). Homes that have a mortgage in which Fannie Mae is the primary investor and go through the mortgage foreclosure process become Fannie Mae owned homes. Anyone, including individuals, block clubs, neighborhood organizations, faith-based organizations, and CDCs, may purchase a house owned by Fannie Mae.

a. Process for Purchasing

- **Step 1: Find a home.** Homes available for purchase are posted on the link listed below. Prospective buyers may search for homes by city, zip code, or price range.

To search for available Fannie Mae homes, go to:
<http://www.fanniemae.com/reoSearchApplication/fanniemae/reoSearch.jsp?p=Fannie+Mae-Owned+Property+Search>

- **Step 2: Contact the listed broker.** Local brokers sell Fannie Mae homes. Fannie Mae lists the broker name and contact information in the information posted through the online listing above. Contact the broker to initiate the purchasing process

SECTION RESOURCES	
Purchasing Property from HUD	
Search available HUD homes	http://www.mcbreo.com/st_mimain.htm
Find a certified HUD-registered broker	http://hud2.towerauction.net/e7/broker/MI.htm
Special HUD Programs	
nonprofit Discount	http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm
Good Neighbor Next Door Program	http://www.mcbreo.com/GNND_FAQ.pdf
Purchasing Property from Fannie Mae	
Search available properties	http://www.fanniemae.com/reoSearchApplication/fanniemae/reoSearch.jsp?p=Fannie+Mae-Owned+Property+Search

VII. Issues Regarding the Acquisition and Maintenance of Vacant Properties

A. Introduction

There are many issues to consider before a CDC or individual decides to acquire property. Before any acquisition actually occurs, one must complete a thorough due diligence examination of the property to ensure that they know what they are getting, whether in terms of condition of the land or structures, environmental history, and quality of the title to the land. It is also important to examine future plans for the property with an understanding of how much of what resources will be needed to achieve that goal, how long will it take, and what expenses are required in the interim. Tackling these issues up-front will facilitate property ownership and ultimately the redevelopment of the property.

B. Due Diligence

1. Introduction: What is “due diligence” and why is it so important?

Due diligence is the process whereby a potential buyer investigates various background facts about a piece of property before actually purchasing the property to make sure that the buyer will be able to use and develop the property as it intends. For example, a buyer must be certain that the seller actually owns the property it claims to own and can sell it to the buyer, and conducting the right kind of due diligence will assure a buyer that the seller has the necessary rights to the property.

This section highlights some of the most important aspects of a new property that a buyer should investigate before making a purchase. The list is not exhaustive and a buyer should always seek the advice and assistance of legal counsel and other applicable professional advisers when conducting due diligence on a property that it is interested in buying.

2. Physical Investigation and Inspection of the Property

A buyer can learn some important information simply from a visual inspection of the property. For example, the buyer may notice signs that someone is living on the property. This could be a problem if the individual living on the property has rights in the property, in which case the buyer might have to negotiate with that person in addition to the seller in order to use the property as it plans to after purchasing it. Any person with rights in the property could prevent the buyer from its intended use of the property, so any sign that someone else has such rights should be investigated.

The buyer may notice other potential issues with the property. For example, if it appears that the property can only be accessed by driving over a neighboring property, the buyer would have to make sure that it could obtain permission from the neighbor to use its property to access the buyer's property.

3. Survey

In some situations, a survey of the property might also be useful for a buyer. A surveyor can create a map of the property that shows where the boundaries are and where the physical description of the property lies as well as other landmarks such as trees, power lines and roads. Having a visual representation of the property that the buyer intends to purchase can show the buyer that there are certain issues related to the property. For example, a survey might show that a piece of the property that a buyer thought it was purchasing is missing from the property description of what the seller owns. A building might be encroaching on the

property a buyer is interested in purchasing or there may not be access to a street to get to and from the property. All of these problems will affect the buyer's use of the property and should be dealt with once the buyer knows they are issues from the survey.

4. Inspection

A buyer should consider having any buildings located on the property inspected as well. A licensed home inspector might find building defects and other problems that could cost the buyer a lot of money to fix in the future. A roof inspector can tell the buyer what condition the roof is in, so that the buyer knows approximately when it may have to make potentially expensive roof repairs to buildings on the property. Knowing that certain building repairs are imminent might help the buyer negotiate a lower purchase price with the seller.

5. Utilities

As an initial matter, a buyer should find out what utilities are available at the property. The buyer should make sure that the property is served by all utilities that the buyer will require for its anticipated use of the property. Next, the buyer will want to make sure there are no outstanding utility bills that the seller or a prior owner has yet to pay that could affect service to the property for the buyer. If there are outstanding water bills on a property, new service cannot be obtained until those previous bills have been paid. To find out if there are unpaid water bills related to a property, a buyer should call the local water and sewerage department with the address of the subject property.

6. Title Issues

a. What is Title?

Other issues a buyer should investigate require more detailed research. A buyer should make sure it has all the rights that it needs to use the property. Without the proper rights, someone other than the buyer might be able to sell the property out from under the buyer or prevent or hinder the buyer's intended use of the property. The word "title" refers to the legal right to control and dispose of property and many of the potential problems that could impact a buyer are related to the status of a property's title.

b. Title Issues

When someone other than the owner of a property has or claims to have an interest in the property, the property owner's title may have a "cloud" on it. It is important that a buyer not only know about the existence of clouded title but also understand its effects. There are different types of clouds, such as liens, which are a type of interest in property held by someone other than the owner of the property. A mortgage is an example of a lien. Permitting liens to remain on property can cost a buyer money in the future and potentially hinder the buyer's intended use of the property. If a buyer purchases property that is subject to a lien, the lien will remain on the property and the buyer will be responsible for any related consequences in the future, such as having to pay off the lien. As a general rule, the goal is to get the title to the property as free from other interests as possible.

c. Title Search and Title Insurance

A good way to discover whether there are any liens or other clouds on title to a property is to hire a title company to investigate the property. The title company will examine the documents on record in the Register of Deed's office where the property is located and pull all documents that relate to the subject

property. These documents will reveal other interests in the property including liens, as most types of liens have to be filed so that other parties, such as potential buyers, have an opportunity to learn about them.

The title company will then create a title commitment which is a promise to insure the property. This promise is usually subject to certain exceptions and exclusions, some of which are based on the documents found during the title search in the Register of Deed's office. The title company will provide copies of all the relevant documents that it finds on file, such as liens, to the buyer along with the title commitment. The buyer should carefully examine the title commitment and the recorded documents provided by the title company.

The title commitment will include a variety of information about property based on the title company's search of the public records. The name of the party conveying the property and the anticipated buyer at closing will be listed on the commitment. The buyer should make sure the seller listed is the party it has been dealing with and from which it is planning on purchasing the property. Otherwise, the seller might not have the ability to sell the property to the buyer.

At the closing, the title company will provide the actual title insurance policy on the property. Title insurance is of critical importance, and a buyer would be taking potentially substantial risks in foregoing insurance on a piece of property. The title company that insures the property may pay claims related to disputes over ownership of the property, fraud and forgery and other problems with the property that impact the buyer. However, title insurance covers problems that relate to the title to the property only at the time the policy is issued and prior to that time. The title policy does not cover future problems with the property and the buyer should consider purchasing fire, flood, homeowners' and other insurance policies based on its needs. Title insurance is crucial protection that a buyer should not go without.

7. Tax Issues

a. Tax Foreclosure

It can be difficult in Michigan as in many other states to obtain title insurance for properties that have reverted to the government due to failure to pay property taxes. Thus it is very important to proceed with caution when purchasing or accepting tax-reverted property.

The most common problem with tax-reverted properties stems from the State or other governmental unit failing to provide adequate notice of tax foreclosure to those interests entitled to notice. The due process provisions of the Michigan and United States Constitutions require that everyone with a documented interest in a property be notified in a specific way before the property can be foreclosed upon. This usually means that each person or holder, also known as an "interest," must be notified in writing by the governmental unit taking the property and must be informed of their right to redeem the property. If someone has an interest in a piece of property and did not receive proper notice of tax foreclosure proceedings, he or she could potentially bring a lawsuit asserting rights to the property long after the property has been tax-reverted and bought by a new purchaser. It is important, therefore, that a buyer research and receive expert advice on notice issues when dealing with a tax-foreclosed property.

b. Tax Liens

A tax lien for failure to pay property taxes 'attaches' to the property on which the tax is owed and the property owner will be responsible for paying the tax or risk having the government foreclose on the property and take it away from the owner to pay the taxes owed. Once a tax lien attaches to the property, it is effective against all interests in the property, including those generally exempted from tax. In other words, a tax-exempt entity does not take a property free from the past tax lien even if its future use of the property is tax-

exempt. The only way to remove a property tax lien is to pay the taxes. A nonprofit buyer can approach a governmental unit to seek an alternative payment plan or petition to have penalties, interest and other costs forgiven, while still paying the actual back taxes owed.

The title company will list unpaid taxes from past years on the title commitment. During its search of the filings related to the property, the title company will also learn if there are any tax liens against the property and provide the buyer with this information. The buyer will want to make sure that all the applicable property taxes due as of the most recent payment period have been paid, because both federal and state taxing authorities can record liens against a property for unpaid taxes.

If there are unpaid property taxes on a property, the buyer should also check with the local jurisdiction to make sure that tax forfeiture proceedings have not been initiated against the property by the county treasurer. If the local treasurer has initiated foreclosure proceedings, as long as a final court judgment of foreclosure has not been entered yet against the current owner, the property may be redeemed at any time and foreclosure proceedings stopped by paying all delinquent taxes, fees and penalties.

8. Encumbrances

There are issues, questions and restrictions impacting a property that are called encumbrances. Encumbrances can cause potential complications for the buyer of a property, so it is critical that the buyer learn about them as soon as possible to deal with them appropriately. The following are types of encumbrances that a buyer may encounter and should investigate thoroughly when doing due diligence on a property.

a. Easements and Licenses

Easements and licenses are specific rights to use someone else's land for a specified purpose. Property can have easements that burden it and benefit another piece of property or easements that benefit it and burden another piece of property. For example, the buyer's property may depend on an easement over the neighboring property for access to a public road. Other entities can also have easements such as a utility company with an easement to build telephone polls or install pipes on property.

The title company will find recorded easements during the title search and provide documents evidencing easements to the buyer, although not all easements and few licenses are typically recorded. Easements can also be displayed on the survey. A buyer should carefully examine the location and recordings that indicate an easement is present on the property and learn the terms of each easement.

A buyer may want to seek to alter or amend an easement or license by negotiating a new agreement with the easement or license holder, though this could require financial compensation. Most types of easements, such as utility easements, will not be negotiable.

b. Mortgage Liens

A mortgage is a common form of lien with which a lender (normally a bank or mortgage company) secures its loan. A mortgage almost always must be paid when the property is sold unless the buyer is assuming the mortgage. If a mortgage lien is discovered on property, the buyer will be responsible for either assuming payments on the mortgage or negotiating a discharge of the lien with the lender.

It is possible that a mortgage may be paid off but no discharge of the lien appears on the record. In this case, the property owner should contact the lender to obtain a discharge of lien and then record it at the local Register of Deeds.

c. Construction Liens

A construction lien is a lien on real estate that secures payments due to persons who perform labor services or furnish materials for construction of buildings and improvements on real property. A construction lien could exist or arise in the future against a property that has had recent construction work performed on it. The best thing a buyer can do is to take a careful look at the property and determine if any work has been done recently. While the existence of recent work does not mean there are unpaid laborers, it can give the buyer an idea of items to examine further.

d. Lis Pendens or Judgment Liens

Judgment liens or *lis pendens* liens arise as a result of litigation against a property owner. A judgment lien must be filed and should be discoverable in the property records. A buyer may want to have the court records searched to discover whether there is any pending litigation related to the property or the current property owner. The buyer will want to have any judgment lien or *lis pendens* removed because if they remain, the buyer could be responsible for paying the judgment against the former property owner the property could be taken away to satisfy the judgment. A seller can have the lien removed by settling the matter or provide a written guarantee to the buyer that it will not be held responsible for the judgment.

9. Zoning and Other Restrictions

Michigan law permits local governmental bodies to establish land use rules and regulations that restrict use of property, including the size and types of structures that can be located on property. Restrictions may prevent certain contemplated uses of the property. For example, property may be zoned for residential use only, commercial use only, mixed use or some other type of use. Often, the title company will be able to insure against the costs of compliance with a restriction such as a requirement that an air conditioning unit must be at least 5 feet from a neighboring property line. Other restrictions, however, are more problematic, such as a setback requirement that a building must be at least 10 feet from a public street. If a house on the subject property is currently 5 feet from the street and the relevant governing body decides to enforce the setback restriction, it could cause serious issues and expense for the owner of the property.

If the buyer has ordered a survey, it can instruct the surveyor to display zoning and other restrictions on the survey visually so that the buyer can see what portion of the property or buildings on the property are affected by the various restrictions. Potential buyers should also review the local jurisdiction's relevant ordinances to determine what zoning restrictions apply to the subject property.

Often restrictions will have expired or be otherwise inapplicable to a particular property, but a buyer will want to investigate the status and applicability of any potentially troublesome restrictions with the local authorities. Sometimes, the governing body that imposed the restriction will be willing to issue a variance to the buyer that the restriction does not apply to the property. A buyer should make sure that the property is currently not in violation of applicable restrictions and also that any intended future use of the property would not be in violation either.

10. Environmental Matters

Potential contamination and other liabilities can make the use or redevelopment of a property impossible. If a buyer is concerned about environmental contamination or related issues, it should retain a competent environmental consultant to perform a Phase I environmental assessment of the property, which includes an inspection of public records regarding the environmental condition of the property and surrounding properties and conversations with current owners and operators about past and present environmental

practices. Common environmental problems include leaking or abandoned underground storage tanks, contaminated soil, contaminated groundwater, asbestos, lead paint, radon and poor air quality. If there is contamination present, a property owner may be liable under federal laws that may require clean up and remediation in certain circumstances. Additional measures can be taken depending on what is found during the initial investigation by the consultant.

11. Conclusion

Due diligence is the best method for a buyer to learn invaluable information about a property before it closes on the purchase. This section is by no means exhaustive and each property will require different due diligence. It is the only way the buyer can discover certain potential problems with a piece of property in time so that the seller will assist to remedy the issues. A buyer should not skip over due diligence or cut corners. It is recommended that a buyer seek professional assistance where necessary in the due diligence process to make sure its interests are adequately protected.

C. Carrying Costs – Please see accompanying Carrying Costs Worksheet in Appendix K

Carrying Costs	
ACQUISITION COSTS	Acquisition costs will only occur once per purchase of property.
Appraisal Fee	There is a fee for an appraisal in order to determine the value (purchase price) of the property.
Purchase Price	The actual price to be paid for a piece of property.
Title Search and Title Insurance	A title search is very important when purchasing property to ensure that you will have good and clear title at the end of the purchase. Title insurance is worth having to protect against encumbrances on the title.
Extinguishing Liens (federal tax, utilities, demo)	It may be necessary to pay-off existing liens on a property in order to obtain full, unencumbered title.
Clear Title Action	A clear title action is a legal suit to rid a property of past encumbrances and cloudy title.
Environmental Assessment	The environmental history of a particular site is a very important consideration in purchasing property. An extensive title search may provide helpful information regarding past uses and possible pollution. The most secure way, however, is to pay for an environmental assessment.
Environmental Remediation	If a site has an environmental legacy or history of pollution, this needs to be addressed and the pollution has to be cleaned up to meet the local, state, and federal requirements.
Attorney Fees	Attorney assistance may necessary with a clear title action or negotiating a complicated lease. Please contact Community Legal Resources regarding potential assistance from a pro-bono attorney.
Site Improvements	Site improvements may include the installation of alleyways, drains, or other infrastructure investments.
Fees, Miscellaneous	Many municipalities require an inspection fee by the local building department.
HOLDING COSTS	
Securing the Property (boarding, etc.)	Property owners must secure their property both to protect the asset and also to abide by laws protecting community interests.
Alarm System / Security System	Vacant properties are often the targets of vandalism and theft. Many community groups rely on a security system to protect their property while renovating it.
Utilities (Water, Heat, Electricity)	As a general rule, basic utilities need to be kept on while a property is vacant, particularly during the winter so that the water pipes do not burst from the cold. Depending on how long the property is expected to remain vacant and off-the-market, it may make sense to winterize the property and turn the water off. Even then, it is a good idea to leave the electricity on to support an alarm system and also to allow the use of lights to deter vandalism.
Maintaining the Property (mowing, re-boarding, picking-up garbage)	Regular mowing and maintenance is helpful in reducing its appearance as a vacant property. Such maintenance deters vandalism because it is not clear that the property is vacant, and also because the property is being cared for.
Property Taxes	Whether a property is vacant or in productive use, property taxes must be paid or else the property risks tax foreclosure.
Insurance, Property	Property insurance is necessary to protect one's investment in the land and assets on the property.
Insurance, Liability	Liability insurance is crucial for a property owner to protect herself against any injuries that might occur on the property.
SOURCES of FINANCIAL ASSISTANCE	
Subsidies, Grants	Free or reduced land from a local or state government to a nonprofit community group is one example of a common subsidy or grant.
Tax Abatements	Tax abatements are sometimes available to certain geographic areas around the state in an effort to encourage development. Check with your local taxing jurisdiction.

D. Liability and Insurance Associated with Owning Vacant Properties

Neighborhood organizations should take necessary measures to avoid dangerous conditions and accidents at the property and limit their liability as it pertains to owning vacant property. Vacant property owners may get sued for a myriad of reasons, so it is imperative that vacant property owners (a) properly secure and maintain their vacant property,³⁰ (b) own the vacant property in separate, subsidiary companies, and (c) adequately insure their vacant property. Item (a) (security and maintenance) is discussed elsewhere [see section IV, Stabilizing Vacant Properties, above]. Below we discuss limitation of liability through ownership structuring and insurance coverage.

1. Creating a Layer of Protection through Separate Ownership Entities³¹

A neighborhood organization should not own vacant properties in its own name. Instead it should form one or more special purpose companies, generally in the form of a limited liability company ("LLC"), to own the properties. Ideally, there would be a different LLC for each vacant property owned, and as a simple approach, this could be a single member LLC, with the neighborhood organization itself acting as the single member of the LLC (akin to a single shareholder of a corporation). The advantage to this structure is that if someone obtains a legal judgment pertaining to the property, the judgment could be collected only out of the assets of the LLC that owns the property, and the assets of the parent neighborhood organization, as well as the other vacant property owning LLCs, would not be exposed to collection.

For instance, if the neighborhood organization plans to acquire three vacant properties: 61 Main Street, 63 Cross Street and 65 Ash Street, the neighborhood organization might acquire each vacant property under the name of a separate LLC. For instance, prior to acquiring 61 Main Street, the neighborhood organization would form 61 Main Street LLC to own the property. Prior to acquiring 63 Cross Street, the neighborhood organization would form 63 Cross Street LLC to own the property. Lastly, prior to purchasing 65 Ash Street, the neighborhood organization would form 65 Ash Street LLC to own the property. Or, all three of the properties could be owned by the same LLC so long as it was a different entity from the neighborhood organization itself.

Note, however, that if there are many vacant properties, it may be too cumbersome to form a host of LLCs, one for each property, and keep books and records, and maintain annual state filings, for each of them. For the sake of simplicity, it might be an acceptable tradeoff to have an LLC own, say, three to five properties, and another LLC own another set of properties, and so on.

Additionally, the neighborhood organization should have each LLC operate its own vacant property. So, in the case of 61 Main Street, 61 Main Street LLC would contract with service providers to maintain the vacant property. Also, 61 Main Street LLC would purchase the insurance for the vacant property. 63 Cross Street LLC and 65 Ash Street LLC would do the same for their respective properties. Alternatively (this is often done in the commercial world), each of the LLC's could sign a simple management agreement with a management company (which could be the neighborhood organization itself, a separate corporation or LLC formed by the neighborhood organization or a private unrelated management company) to manage its property. In that case, the separate management company might be responsible for contracting for service providers (lawn maintenance, snow and ice removal, etc.) and carrying out other management functions for each property.

³⁰ A discussion of ways to make your vacant property look less "vacant" is more fully explored in the "Individual Response" section above.

³¹ There are numerous issues concerning properly forming such an entity, properly structuring such an entity, and properly operating such an entity. The neighborhood organization should consult an attorney for advice concerning the neighborhood organization's specific issues. The following discussion is not exhaustive.

2. Obtaining Financial Protection through Adequate Insurance

At the end of the day, a property owner that suffers damage to the property (such as a fire) or is the subject of a claim by someone injured on the property will rely on insurance coverage. Neighborhood organizations should carry (i) adequate fire and casualty insurance on dwellings or other structures on the property (if applicable), and (ii) liability insurance, which protects against the costs of getting sued for negligence or other claims in the event of personal injury or damage to a person's property which they allege is caused by a condition at the vacant property. Liability coverage is a must regardless of whether the vacant property has any buildings or other improvements on it.

Vacancy increases the risk of vandalism to such property because there is no human presence on the property as a deterrent. Vandals are emboldened by vacancy because there is a diminished fear of getting caught. Vacancy also lends itself to dumping on such property. In addition to vandals, squatters may take residence in vacant property. Squatters may also cause damage. So there is an increased likelihood of fire, graffiti and destruction with vacant property. Furthermore, there is the added concern of personal injury to the vandals or the squatters on the vacant property.

Moreover, crimes can occur on the vacant property—including violent crimes such as rape and arson. Whatever the crime, victims or victims' families may be angry for their loss. Victims or family members of victims may look to the vacant property owner for retribution for their loss. Therefore, it is imperative that neighborhood organizations and the LLCs owning each vacant property obtain insurance to protect themselves.

a. Fire and Casualty Insurance

Fire and casualty (and related) insurance covers damage to (if applicable) the dwelling, other structures, and the vacant property owners' personal property at the property. This coverage generally relates to a fire, wind damage, water damage, or some other form of casualty to the vacant property. Typically, such insurance will cover the replacement value of any structures (over a deductible amount), and liability coverage should be in amounts that are reasonable under the circumstances (this is a judgment call, and your insurance agent should be able to advise).

b. Liability Protection

Liability insurance covers the vacant property owner against claims by others for bodily injury or damage to their property due to the alleged negligence of the owner (for example, not securing the property or leaving it in a dangerous condition). This coverage is generally used if the vacant property owner is being sued by an injured vandal or squatter on the property, the afore-mentioned crime victim, or anyone else who brings a claim against the vacant property owner because of some bodily injury occurring on the vacant property. Additionally, the insurance should provide legal expenses to defend the vacant property owner against any such claims up to the amount of the policy limit.

Notwithstanding the foregoing, it can be difficult to obtain the desired insurance coverage for vacant property because insurers believe that there is a greater risk insuring vacant property. Neighborhood organizations should shop insurers to find the desired coverage that provides the best coverage for the lowest premium. It may also be possible to insure all vacant properties and their owners through a so-called "blanket" policy held by the neighborhood organization. Again, it is best to discuss the most appropriate and economical ways of structuring insurance coverage with a reliable insurance agent.

Appendix A – Foreclosure Prevention Resources

A. Designing Client Workouts

1. Workout Options

Loss mitigation is the term that describes the various “loan workouts” that borrowers have available to them to prevent the foreclosure of their home. These options need to be accessed through the mortgage company and your needs. They usually require that an application be completed. This application can be done via paper, which is mailed, faxed, or over the phone.

Remember these options are made available, in part to assist the borrower, but mainly to lessen or prevent the financial loss for the investor. This is “business” to them and needs to be approached as such. What you are asking for has to make good financial sense. Additionally, servicers may charge fees and/or are paid fees by investors/insurers for completing some of these workouts. So, do not feel as if this is a “favor,” again it is “business.”

Loss mitigation can be divided into two categories: (1) options that retain homeownership and (2) options that do NOT retain homeownership.

2. Options to Retain Homeownership

a. Repayment Plan

This is a standard option that lenders will offer to borrowers who are behind. This plan will take the amount of the delinquency and spread it out for the next 3-18 months, increasing the current monthly payment. At the end of the plan, if the payments have been maintained, the client will be current. However during this time it is important to understand a couple of key things:

- The client is still reported as delinquent to the credit bureaus until the loan is “officially” current.
- In many cases late charges are still being incurred each month.
- There is no grace period. If the borrower is late with a payment the collection or foreclosure action can resume where it left off.
- A down payment may be required to enter into a repayment plan.

b. Special Forbearance

This is not offered in all investor/insurer’s guidelines, but many of the mainstream ones do, such as Fannie Mae, Freddie Mac, VA and FHA. This plan allows for an approved suspension or reduction in payment for a set period of time. However, the delinquent amount is not forgiven. At the end of the forbearance the borrower must bring themselves current or qualify for another type of workout that will bring them current.

A Special Forbearance can also be approved in conjunction with a Loan Modification or Partial Claim. In these cases the lender uses the Special Forbearance to have the borrower return to making monthly payments for three to four months, therefore demonstrating that they can afford their mortgage payments. After this period, if all payments have been made on time, the lender will complete the final workout of a Loan Modification or Partial Claim.

c. Loan Modification

This is one of the most utilized forms of loss mitigation. With this option the lender takes the delinquent amount owed (minus attorney and other foreclosure fees) and adds it on to the principal balance of the loan. The new principal balance is then re-amortized over the remaining years. At this time, if the budget warrants it, the lender may adjust the interest rate and/or extend the terms of the loan. *(Many investors require that a loan be at least 12 months old to pursue this option and allow the servicers to charge a fee. Also FHA requires that an adjustable rate loan become a fixed rate.)*

You may see a variation of this with some subprime investors, especially with mobile homes. This variation will be called a “deferment.” It is similar to a modification, except instead of adding the payments onto the principal balance and re-amortizing, they add the delinquent payments onto the end of the loan. This creates a balloon payment. It is still a viable workout, but the difference needs to be understood by your client.

d. Partial Claim (FHA and PMI Insured loans)

This option is available with only FHA or PMI insured loans. If no other workout option fits the situation, the FHA or Private Mortgage Insurance may permit a second loan be granted to the borrower in the amount needed to bring the loan current (minus attorney and other foreclosure fees). This is considered a “silent” second. It does not require repayment until the current mortgage is paid off and does not incur interest.

***FHA requires: Borrower must be at least 4 months behind, but not more than 12 and the total amount of the partial claim cannot exceed 12 times the PITI.*

e. Moratorium (RHS Direct Loans)

The borrower may be able to receive a suspension of their payments, when they have had an uncontrollable decrease in income or increase in expenses, until the financial situation recovers, for up to two years. At the end of this the loan will be re-amortized and the borrower is expected to resume payments.

f. Refunding (VA Loans)

The VA has the authority to purchase the loan from the servicer in order to assume the servicing themselves. Every VA loan is reviewed for this option before foreclosure, although it is rare for it to be approved.

3. Options to NOT Retain Homeownership

a. Pre-foreclosure Sale

The mortgage company may be willing to work with the borrower while they attempt to sell their home before the sheriff sale. This may mean postponing a foreclosure date if time is needed to close on a deal.

b. Short Sale

This option involves the investor and/or insurer accepting less than the total amount owed to them and releasing the lien. As part of this arrangement the mortgage company agrees to not pursue the borrower for any deficiency. The home must be listed with a realtor and those fees must be paid as part of the “loss” incurred by the lender. Any offer that is submitted as a short sale, must be presented to the lender for approval or denial.

c. Assumption

Some investors will allow qualified applicants to assume the mortgage obligation and property from a delinquent borrower. (Requirements and stipulations to this will vary from investor to investor)

d. Deed-In-Lieu

If the home has been listed for usually 30-90 days, but unable to sell then the investor may accept a return of deed as satisfaction of the debt. This option is viewed as a “last resort”.

4. Creating Plans of Action

To apply for any of these workouts the borrower or counselor needs to speak with the Loss Mitigation Department. An application can be requested or income and expense information may be allowed over the phone.

The financial information provided will play a key role in determining which of the above options a borrower may qualify for. If the information provided demonstrates that the client can afford to make their regular monthly payments, then they will be considered for options to keep the home. However, if the financials show that the home is no longer affordable, then options to not keep the home apply (with the exception of the special forbearance and moratorium programs).

Additionally, the following information will usually be requested:

- Financial Worksheet
- 1-2 year Tax Returns
- 1-2 months pay stubs
- 1-2 months bank statements
- Letter of Hardship
- Documentation of Hardship

If the financial situation changes after an application has been submitted the borrower can contact the mortgage company and possibly submit updated information for a different workout.

B. Specific Lender Information

1. Mortgage Basics

One of the first steps when assisting a client who is delinquent on their mortgage is to understand the mortgage company's world. To begin, you must know who you are speaking with and what assistance, or lack of assistance, they can provide you. The following are the different departments you will encounter when contacting a lender and their roles. Understand that these are just generalizations. The departments and job duties will vary from lender to lender and may be combined depending upon size of the mortgage company.

a. Customer Service

This is usually a high turnover position. These people generally have very basic knowledge about the delinquency guidelines of their mortgages. This person is best suited to answer simple questions regarding the current delinquency amount, payment history, and type of loan. All of this information is easily accessible to them via their computer. Beyond this, you will need assistance from other departments.

b. Collections

This is the department you are most likely to reach when calling the mortgage company after providing the account number of a delinquent loan. This area is also good for answers to basic questions. They too can provide the delinquency amount, payment history, and type of loan. In addition, they should be able to inform you of the status of the loan (i.e. has it been referred to foreclosure or is it being reviewed). This department will attempt to resolve the delinquency; however their basic tool for doing that is a short-term repayment plan (which for lower-income borrowers is usually not affordable). These representatives may also be the “gate-keepers” to the Loss Mitigation Department (Loss Mit.). Therefore, you may be able to request a Loss Mit. application from them. Mostly likely, this department will not be of much service to you in helping resolve your client’s delinquency.

c. Loss Mitigation

This is the department that specializes in preventing foreclosures, and therefore, has people who are trained in assisting you with the options your clients need. However, due to the current high delinquency rates and work volumes, they are sometimes difficult to reach. **Persistence and insistence** may be necessary. Additionally, understand they are there, in part, to help your client, but their true job is to lessen or prevent the loss to their company/investor.

d. Foreclosure

This is the department that is actually handling the foreclosure of the mortgage. It is their job to make sure investor/insurer timelines are followed, along with state foreclosure laws. These representatives can be helpful if you have specific questions about the foreclosure, such as, who are the attorneys involved, has a sheriff sale been scheduled, or what is the reinstatement amount. This department will continue pursuing foreclosure until Loss Mitigation contacts them and states that a workout has **been approved**.

2. Investor/Mortgage Insurance Information

The actions taken by lenders during a delinquency are determined through guidelines established by the company who holds the greatest financial stake in the loan. Below are the different roles you will need to understand.

a. Servicer

This is the company that you and the borrower will work directly with. They will send out the monthly statements, call the borrower, and handle the loan from beginning through foreclosure. (Understand that

servicing does get sold regularly, so the company in this role can change multiple times over the life of a loan. Example: Chase, Countrywide...etc).

b. Investor

This company has purchased the loan on the secondary market and establishes guidelines for how they want the loan to be serviced from origination through foreclosure. (Example: Fannie Mae, Freddie Mac...).

c. Insurer

The Mortgage Insurance or Private Mortgage Insurance Company is the group that insures a percentage of the loan in case of a foreclosure. They do this to protect the investor. Their guidelines and the investors' usually coincide and their approval is necessary on some loan workouts. (Example: FHA, MGIC).

Investors and Insurers of mortgages establish criteria for servicers to follow in the event that a borrower becomes delinquent and loss mitigation is pursued. However, discretion is given to the servicer to determine the feasibility of these options applying to each individual borrower's scenario. Financial incentives exist in the form of payments per workout and tier servicing rankings that encourage servicers to do loss mitigation. If a housing counselor does not feel as though the servicer is providing loss mitigation options or if there is a problem with communication the investor and/or insurer can be contacted for assistance.

C. Resources

1. Tips for Counselors

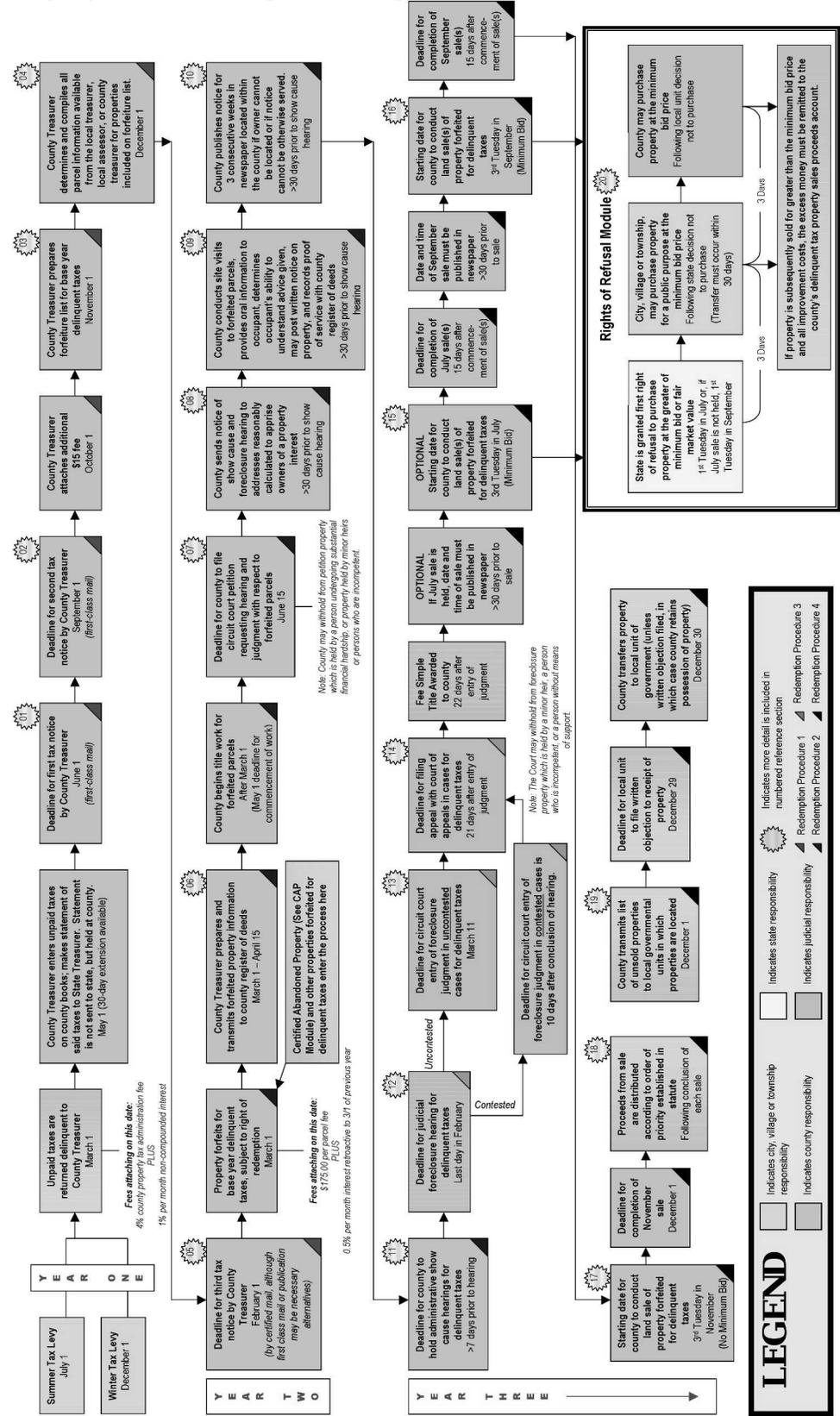
- a. Check the Numbers: Remember to compare initial disclosures to final documents to ensure consistency of the mortgage numbers.
- b. Release of Information: Fax this ASAP to the servicer to establish your ability to communicate. This will undoubtedly get lost at least once per client, so be prepared to refax it at any time.
- c. Timelines: Be aware of where your client is in the foreclosure process. One of the first questions you want to ask a servicer is: "How does your system reflect this accounts status...default, pre-foreclosure, or foreclosure?". Do not rely on your clients to know this or make an assumption based upon how far behind they are.
- d. Be Prepared: When you call a servicer be prepared with the clients address, loan number, and social security number. These will all be used for security purposes. Also, be ready to explain who you are and why you are calling to EVERYONE you speak with.
- e. Ask about Previous Loss Mitigation attempts: During an intake be sure to ask whether or not your client has ever done a workout with their mortgage company before, or has attempted one with this current delinquency. This is not information you want to be surprised with when you call the servicer, it can damage your credibility.

SECTION RESOURCES	
Foreclosure Prevention Resources	
Michigan State Foreclosure Task Force	http://www.cedam.info/foreclosure.htm
Michigan State Housing Development Authority (MSHDA) “Save the Dream”	Phone Number: 866-946-7432 http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-177801--,00.html
State Emergency Relief Program – Department of Human Services	http://www.michigan.gov/dhs/0,1607,7-124-5453_5531---,00.html
Association of Community Organizations for Reform Now (ACORN) – Foreclosure Campaign	http://www.acorn.org/index.php?id=12067

Appendix B – Tax Reversion Process for Opt-In Counties

The flow chart below is available through the state of Michigan website at: http://www.michigan.gov/documents/optin_2589_7.pdf

TAX REVERSION PROCEDURE FOR OPT-IN COUNTIES ESTABLISHED BY P.A. 123 OF 1999



Appendix C – Michigan County Treasurers

A
<p>Alcona County Treasurer P.O. Box 158 Harrisville, MI 48740 Phone Number: (989) 724-9400 Website: http://www.alconacountymi.com/content/section/10/61/</p>
<p>Alger County Treasurer 101 Court Street Munising, MI 48962 Phone Number: (906) 387-4535 Website: http://www.infomi.com/county/alger/gov.php</p>
<p>Allegan County Treasurer County Courthouse 113 Chestnut St. P.O. Box 259 Allegan, MI 49010 Phone Number: (269) 673-0260 Website: http://www.allegancounty.org/Government/TR/Index.asp?pt=Government</p>
<p>Alpena County Treasurer 720 W. Chisholm St., Ste. 3 Alpena, MI 49707 Phone Number: (989) 354-9534 Website: http://www.alpenacounty.org/co_treasurer.htm</p>
<p>Antrim County Treasurer P.O. Box 544 Bellaire, MI 49615 Phone Number: (231) 533-6720 Website: http://www.antrimcounty.org/treasurer.asp</p>
<p>Arenac County Treasurer 120 North Grove Road P.O. Box 747 Standish, MI 48658 Phone Number: (989) 846-4106 Website: http://www.infomi.com/county/arenac/gov.php</p>

B
<p>Baraga County Treasurer County Building 16 North 3rd Street L'Anse, MI 49946 Phone Number: (906) 524-7773 Website: http://www.baragacounty.org/CountyOfficials.htm</p>
<p>Barry County Treasurer 220 W. State St. Hastings, MI 49058 Phone Number: (269) 945-1287 Website: http://www.barrycounty.org/county-departments/treasurer/</p>
<p>Bay County Treasurer Bay County Building, Suite 103 515 Center Avenue Bay City, MI 48708 Phone Number: (989) 895-4285 Website: http://www.baycounty-mi.gov/Treasurer/</p>
<p>Benzie County Treasurer Upper Level Government Center 448 Court Place Beulah, MI 49617 Phone Number: (231) 882-0011 Website: http://benzieco.net/dept_treasurer.htm</p>
<p>Berrien County Treasurer 701 Main Street St. Joseph, MI 49085 Phone Number: (269) 983-7111, ext. 8569 Website: http://www.berriencounty.org/?dept=25</p>
<p>Branch County Treasurer Courthouse 31 Division St. Coldwater, MI 49036 Phone Number: (517) 279-4321 Website: http://www.co.branch.mi.us/dept.taf?dept_id=126</p>

C

Calhoun County Treasurer
 Calhoun County Building
 315 W. Green St.
 Marshall, MI 49068
 Phone Number: (269) 781-0803
 Website:
<http://www.calhouncountymi.org/Departments/Treasurer/OverviewTreasurer.htm>

Cass County Treasurer
 Cass County Building
 120 N. Broadway
 Cassopolis, MI 49031
 Phone Number: (269) 445-4468
 Website:
<http://www.casscountymi.org/DepartmentsandCourts/Treasurer/tabid/145/Default.aspx>

Charlevoix County Treasurer
 Charlevoix County Building
 301 State Street
 Charlevoix, MI 49720
 Phone Number: (231) 547-7202
 Website:
<http://www.charlevoixcounty.org/treasurer.asp>

Cheboygan County Treasurer
 Cheboygan County Building
 870 South Main Street
 Cheboygan, MI 49721
 Phone Number: (231) 627-8855
 Website:
http://www.cheboygancounty.net/pages/county_treasurer/

Chippewa County Treasurer
 319 Court Street
 Sault Ste. Marie, MI 49783
 Phone Number: (906) 635-6300
 Website: <http://www.infomi.com/county/chippewa/gov.php>

Clare County Treasurer
 225 West Main Street
 P.O. Box 438
 Harrison, MI 48625
 Phone Number: (989) 539-7801
 Website:
<http://www.clareco.net/>



Clinton County Treasurer
 100 E. State Street, Suite 2400
 St. Johns, MI 48879-0435
 Phone Number: (989) 224-5280
 Website:
<http://www.clinton-county.org/treasurer/treasurer.htm>

Crawford County Treasurer
 200 W. Michigan Ave.
 Grayling, MI 49738-1741
 Phone Number: (989) 344-3204
 Website:
<http://www.crawfordco.org/treasurer/treasurer.htm>

D

Delta County Treasurer
 310 Ludington Street
 Escanaba, MI 49829
 Phone Number: (906) 789-5100
 Website:
<http://www.deltacountymi.org/treasurer.php>

Dickinson County Treasurer
 300 East D St.
 P.O. Box 725
 Iron Mountain, MI 49801
 Phone Number: (906) 774-8130
 Website:
<http://www.dickinsoncountymi.gov/?treasurer>

E

Eaton County Treasurer
 1045 Independence Blvd.
 Charlotte, MI 48813
 Phone Number: (517) 543-7500
 Website:
http://www.eatoncounty.org/Home_Page.htm

Emmet County Treasurer
 200 Division Street
 Petoskey, MI 49770
 Phone Number: (231) 348-1715
 Website:
<http://www.co.emmet.mi.us/treasurer/>

G

Genesee County Treasurer
1101 Beach Street
Flint, MI 48502-1475
Phone Number: (810) 257-3059
Website:
<http://www.co.genesee.mi.us/treasurer/>

Gladwin County Treasurer
401 W. Cedar Avenue
Gladwin, MI 48624
Phone Number: (989) 426-7251
Website:
<http://www.gladwinco.com/treasurer.htm>

Gogebic County Treasurer
200 N. Moore St.
Bessemer, MI 49911
Phone Number: (906) 663-4517
Website:
<http://www.gogebic.org/treas.htm>

Grand Traverse County Treasurer
Government Center
400 Boardman Avenue
Traverse City, MI 49684
Phone Number: (231) 922-4735
Website:
<http://www.co.grand-traverse.mi.us/departments/Treasurer.htm>

Gratiot County Treasurer
Gratiot County Courthouse
214 East Center Street
Ithaca, MI 48847
Phone Number: (989) 875-5220
Website:
<http://www.co.gratiot.mi.us/treasurer/index.htm>

H

Hillsdale County Treasurer
Courthouse, Room 2
29 N. Howell St.
Hillsdale, MI 49242
Phone Number: (517) 437-4700
Website:
<http://www.co.hillsdale.mi.us/hc-treasurer.htm>

Houghton County Treasurer
Houghton County Courthouse, 2nd Floor
401 E. Houghton Avenue
Houghton, MI 49931
Phone Number: (906) 482-0560
Website:
<http://www.houghtoncounty.net/directory-hctreas.shtml>

Huron County Treasurer
County Building
250 E. Huron Ave., Room #204
P.O. Box 69
Bad Axe, MI 48413
Phone Number: (989) 269-9238
Website:
http://www.co.huron.mi.us/departments_treasurers.asp

I

Ingham County Treasurer
Ingham County Courthouse
P.O. Box 215
Mason, MI 48854
Phone Number: (517) 676-7220
Website:
<http://www.ingham.org/TR/TRINDEX.HTM>

Ionia County Treasurer
100 Main Street
Ionia, MI 48846
Phone Number: (616) 527-5329
Website:
<http://www.ioniacounty.org/treasurer/home.asp>

Iosco County Treasurer
422 W. Lake Street
P.O. Box 538
Tawas City, MI 48764
Phone Number: (989) 362-4409
Website:
<http://iosco.m33access.com/treasurer.htm>

Iron County Treasurer
 Courthouse Annex First Floor
 2 S. Sixth Street, Suite 12
 Crystal Falls, MI 49920
 Phone Number: (906) 875-3362
 Website:
<http://www.iron.org/edc/gov-treasurer.php>

Isabella County Treasurer
 200 N. Main St.
 Mt. Pleasant, MI 48858
 Phone Number: (989) 772-0911, ext. 258
 Website:
<http://www.isabellacounty.org/contact.html>

J

Jackson County Treasurer
 120 West Michigan
 Jackson, MI 49201
 Phone Number: (517) 788-4418
 Website:
<http://www.co.jackson.mi.us/departments/treasurers/treasurers.asp>

K

Kalamazoo County Treasurer
 201 W. Kalamazoo Ave., Rm. 104
 Kalamazoo, MI 49007
 Phone Number: (269) 384-8124
 Website:
<http://www.kalcounty.com/treasurer/index.htm>

Kalkaska County Treasurer
 605 North Birch Street
 Kalkaska, MI 49646
 Phone Number: (231) 258-3310
 Website:
<http://www.kalkaskacounty.net/treasurer.asp>

Kent County Treasurer
 County Administration Building
 300 Monroe Avenue NW
 Grand Rapids, MI 49503
 Phone Number: (616) 632-7500
 Website:
<http://www.accesskent.com/YourGovernment/Treasurer/default.htm>

Keweenaw County Treasurer
 5095 4th Street
 Eagle River, MI 49950
 Phone Number: (906) 337-1625
 Website:
<http://www.lwvccmi.org/keweenaw.html>

L

Lake County Treasurer
 911 Michigan Avenue, Box 130
 Baldwin, MI 49304
 Phone Number: (231) 745-4622
 Website:
<http://www.lakecountymichigan.com/pages/services.html>

Lapeer County Treasurer
 255 Clay Street
 Lapeer, MI 48446
 Phone Number: (810) 667-0239
 Website:
<http://www.county.lapeer.org/Treasurer/index.html>

Leelanau County Treasurer
 Leelanau County Government Center
 8527 E. Government Center Drive, Suite 104
 Suttons Bay, MI 49682-9718
 Phone Number: (231) 256-9838
 Website:
<http://www.leelanaucounty.com/cotreasurer.asp>

Lenawee County Treasurer
 301 N. Main Street
 Old Court House, 1st Floor
 Adrian, MI 49221
 Phone Number: (517) 264-4554
 Website:
http://www.lenawee.mi.us/treasurer_s_department/index.html

Livingston County Treasurer
 Court House
 200 E. Grand River Avenue
 Howell, MI 48843
 Phone Number: (517) 546-7010
 Website:
<http://www.co.livingston.mi.us/treasurer/>

Luce County Treasurer
 East Court Street
 Newberry, MI 49868
 Phone Number: (906) 293-5521
 Website:
<http://www.infomi.com/county/luce/gov.php>

M

Mackinac County Treasurer
 100 Marley Street
 St. Ignace, MI 49781
 Phone Number: (906) 643-7300
 Website:
<http://www.infomi.com/county/mackinac/gov.php>

Macomb County Treasurer
 Macomb County Administration Building
 1 South Main Street, 2nd Floor
 Mt. Clemens, MI 48043
 Phone Number: (586) 469-5190
 Website:
<http://www.macombcountymi.gov/TREASURER/index.htm>

Manistee County Treasurer
 415 Third Street
 Manistee, MI 49660
 Phone Number: (231) 398-3500
 Website:
http://www.manisteecountymi.gov/index.php?option=com_content&task=view&id=55&Itemid=94

Marquette County Treasurer
 Courthouse
 234 W. Baraga Avenue
 Marquette, MI 49855
 Phone Number: (906) 225-8425
 Website:
<http://www.co.marquette.mi.us/Treasurer/TreasMain.html>

Mason County Treasurer
 Mason County Courthouse, Suite 104
 304 E. Ludington Avenue
 Ludington, MI 49431-2121
 Phone Number: (231) 843-8411
 Website:
<http://www.masoncounty.net/content.aspx?departmentid=11&page=home>

Mecosta County Treasurer
 400 Elm Street, Room 133
 Big Rapids, MI 49307
 Phone Number: (231) 592-0169
 Website:
<http://www.co.mecosta.mi.us/treasurer.asp>

Menominee County Treasurer
 Courthouse – Second Floor
 839 10th Avenue
 Menominee, MI 49858
 Phone Number: (906) 863-5548
 Website:
<http://www.menomineecounty.com/departments/?department=5cc190e2b20f>

Midland County Treasurer
 220 W Ellsworth St.
 Midland, MI 48640
 Phone Number: (989) 832-6850
 Website:
<http://www.co.midland.mi.us/departments/home.php?id=27>

Missaukee County Treasurer
 111 South Canal
 P.O. Box 800
 Lake City, MI 49651
 Phone Number: (231) 839-2169
 Website:
<http://www.missaukee.org/treasdept.htm>

Monroe County Treasurer
 51 South Macomb St.
 Monroe, MI 48161
 Phone Number: (734) 240-7365
 Website:
<http://www.co.monroe.mi.us/monroe/default.aspx?Pageid=35>

Montcalm County Treasurer
 Administration Building, 2nd Floor
 211 W. Main St.
 P.O. Box 368
 Stanton, MI 48888
 Phone Number: (989) 831-7334
 Website:
<http://www.montcalm.org/countytreasurer.asp>

Montmorency County Treasurer
 12265 M-32
 P.O. Box 789
 Atlanta, MI 49709
 Phone Number: (989) 785-8086
 Website:
<http://www.montmorencycountymichigan.us/Treasurer's%20Office.html>

Muskegon County Treasurer
 Michael E. Kobza Hall of Justice
 990 Terrace St., 2nd Floor
 Muskegon, MI 49442
 Phone Number: (231) 724-6261
 Website:
<http://www.co.muskegon.mi.us/treasurer/>

N

Newaygo County Treasurer
 1087 E Newell
 P.O. Box 885
 White Cloud, MI 49349
 Phone Number: (231) 689-7230
 Website:
<http://www.countyofnewaygo.com/Treasurer/TreasurerHome.htm>

O

Oakland County Treasurer
 1200 North Telegraph Road
 Building 12 East
 Pontiac, MI 48341-0480
 Phone Number: (248) 858-0611
 Website: <http://www.oakgov.com/treasure/>

Oceana County Treasurer
 P.O. Box 227
 Hart, MI 49420
 Phone Number: (231) 873-3980
 Website:
<http://www.co.oceana.mi.us/treasurer/>

Ogemaw County Treasurer
 806 West Houghton Ave., Room 103
 P.O. Box 56
 West Branch, MI 48661
 Phone Number: (989) 345-0084
 Website:
<http://www.ogemawcountymi.gov/treasurer/contact.php>

Ontonagon County Treasurer
 Ontonagon County Courthouse
 725 Greenlane Road
 Ontonagon, MI 49953
 Phone Number: (906) 884-4665
 Website:
<http://www.lwvccmi.org/ontonag.html>

Osceola County Treasurer
 301 W. Upton
 Reed City, MI 49677
 Phone Number: (231) 832-6107
 Website:
<http://www.osceola-county.org/County%20Departments/treasurer.htm>

Oscoda County Treasurer
 311 Morenci
 P.O. Box 399
 Mio, MI 48647
 Phone Number: (989) 826-1113
 Website:
<http://www.oscodacountymi.com/Treasurer.htm>

Otsego County Treasurer
 225 West Main St., Rm. 107
 Gaylord, MI 49735
 Phone Number: (989) 731-7560
 Website:
<http://www.otsegocountymi.gov/treasurer/treasurer.htm>

Ottawa County Treasurer
 12220 Fillmore Street
 West Olive, MI 49460-0310
 Phone Number: (616) 994-4501
 Website:
<http://www.co.ottawa.mi.us/CoGov/Treasurer/>

P

Presque Isle County Treasurer
 P.O. Box 110
 Rogers City, MI 49779
 Phone Number: (989) 734-4075
 Website:
<http://www.presqueislecounty.org/treasurer.htm>

R

Roscommon County Treasurer
 500 Lake St.
 Roscommon, MI 48653-7690
 Phone Number: (989) 275-5823
 Website:
<http://www.roscommoncounty.net/treasurer.htm>

St. Joseph County Treasurer

125 W. Main St.
 P.O. Box 220
 Centreville, MI 49032
 Phone Number: (269) 467-5525
 Website:
<http://www.stjosephcountymi.org/treasurer.htm>

S

Saginaw County Treasurer
 111 South Michigan Avenue
 Saginaw, MI 48602
 Phone Number: (989) 790-5225
 Website:
<http://www.saginawcounty.com/>

T

Tuscola County Treasurer
 440 N. State Street
 Caro, MI 48723
 Phone Number: (989) 672-3890
 Website:
<http://www.tuscolacounty.org/treasurer/>

Sanilac County Treasurer
 Courthouse
 60 West Sanilac
 P.O. Box 286
 Sandusky, MI 48471
 Phone Number: (810) 648-2127
 Website:
<http://www.sanilacounty.net/PublicPages/Entity.aspx?ID=233>

V

Van Buren County Treasurer
 219 E. Paw Paw St., Suite 101
 Paw Paw, Michigan 49079
 Phone Number: (269) 657-8228
 Website:
<http://www.vbco.org/government085957.asp>

Schoolcraft County Treasurer
 300 Walnut Street
 Manistique, MI 49854-1495
 Phone Number: (906) 341-5532
 Website:
<http://www.infomi.com/county/schoolcraft/gov.php>

W

Washtenaw County Treasurer
 200 N. Main St., Suite 200
 P.O. Box 8645
 Ann Arbor, MI 48107
 Phone Number: (734) 222-6600
 Website: <http://www.ewashtenaw.org/government/treasurer/>

Shiawassee County Treasurer
 208 North Shiawassee Street
 Corunna, MI 48817
 Phone Number: (989) 743-2224
 Website:
<http://www.infomi.com/county/shiawassee/gov.php>

Wayne County Treasurer
 International Center
 400 Monroe Street, 5th Floor
 Detroit, MI 48226
 Phone Number: (313) 224-5990
 Website: <http://www.waynecounty.com/treasurer/>

St. Clair County Treasurer
 200 Grand River, Suite 101
 Port Huron, MI 48060
 Phone Number: (810) 989-6915
 Website:
<http://www.stclaircounty.org/Offices/treasurer/>

Wexford County Treasurer
 437 E. Division Street – 2nd Floor
 P.O. Box 293
 Cadillac, MI 49601
 Phone Number: (231) 779-9475
 Website: [http://www.wexfordcounty.org/Services/Treasurer /tabid/4278/Default.aspx](http://www.wexfordcounty.org/Services/Treasurer/tabid/4278/Default.aspx)

Appendix D – Michigan County Register of Deeds

A
<p>Alcona County Register of Deeds P.O. Box 269 Harrisville, MI 48740 Phone Number: (989)724-9450 Website: http://www.alconacountymi.com/content/section/12/58/</p>
<p>Alger County Register of Deeds 101 Court Street P.O. Box 538 Munising, MI 48962 Phone Number: (906)387-2076 Website: http://www.infomi.com/county/alger/gov.php</p>
<p>Allegan County Register of Deeds 113 Chestnut Street Allegan, MI 49010 Phone Number: (616)673-8471 Website: http://www.infomi.com/county/allegan/gov.php</p>
<p>Alpena County Register of Deeds 720 W. Chisholm Street Alpena, MI 49707 Phone Number: (989)354-9547 Website: http://www.alpenacounty.org/co_deeds.htm</p>
<p>Antrim County Register of Deeds P.O. Box 376 Bellaire, MI 49615 Phone Number: (231)533-6683 Website: http://www.antrimcounty.org/rod.asp</p>
<p>Arenac County Register of Deeds 120 N. Grove Street P.O. Box 296 Standish, MI 48658 Phone Number: (989)846-9201 Website: http://www.infomi.com/county/arenac/gov.php</p>

B
<p>Baraga County Register of Deeds County Building 12 N. 3rd Street L'Anse, MI 49946 Phone Number: (906)524-6183 Website: http://www.baragacounty.org/CountyOfficials.htm</p>
<p>Barry County Register of Deeds 220 W. State Street P.O. Box 7 Hastings, MI 49058 Phone Number: (269)945-1289 Website: http://www.barrycounty.org/county-departments/register-of-deeds/</p>
<p>Bay County Register of Deeds 515 Center Avenue Bay City, MI 48708 Phone Number: (989)895-4228 Website: http://www.baycounty-mi.gov/</p>
<p>Benzie County Register of Deeds 448 Court Place P.O. Box 377 Beulah, MI 49617 Phone Number: (231)882-0016 Website: http://www.benzieco.net/dept_register_of_deeds.htm</p>
<p>Berrien County Register of Deeds 701 Main Street St. Joseph, MI 49085 Phone Number: (269)983-7111, ext 8562 Website: http://www.berriencounty.org/?dept=24</p>
<p>Branch County Register of Deeds 23 E. Pearl Street Coldwater, MI 49036 Phone Number: (517)279-4320 Website: http://www.countyofbranch.com/dept.taf?dept_id=118</p>

C

Calhoun County Register of Deeds
315 W. Green
Marshall, MI 49068
Phone Number: (269)781-0717
Website: <http://www.co.calhoun.mi.us/>

Cass County Register of Deeds
120 N. Broadway
P.O. Box 355
Cassopolis, MI 49031
Phone Number: (269)445-8621
Website: <http://casscountymi.org/>

Charlevoix County Register of Deeds
301 State Street
Charlevoix, MI 49720
Phone Number: (231)547-7204
Website:
<http://www.charlevoixcounty.org/rod.asp>

Cheboygan County Register of Deeds
870 S. Main
P.O. Box 70
Cheboygan, MI 49721
Phone Number: (231)627-8820
Website:
http://www.cheboygancounty.net/pages/county_clerk/

Chippewa County Register of Deeds
319 Court Street
Sault Ste. Marie, MI 49783
Phone Number: (906)635-6312
Website:
<http://www.chippewacountymi.gov/rod.htm>

Clare County Register of Deeds
255 W. Main Street
P.O. Box 438
Harrison, MI 48625
Phone Number: (989)539-7131
Website:
<http://www.clareco.net/Clerk/Clerk%20Home.htm>

Clinton County Register of Deeds
P.O. Box 435
St. Johns, MI 48879-0435
Phone Number: (989)224-5270
Website:
http://www.clinton-county.org/rod/register_of_deeds.htm

Crawford County Register of Deeds
200 W. Michigan
Grayling, MI 49783
Phone Number: (989)348-2841
Website:
<http://www.crawfordco.org/clerk/clerk.htm>

D

Delta County Register of Deeds
310 Ludington Street
Escanaba, MI 49829
Phone Number: (906)789-5116
Website:
<http://www.deltacountymi.org/deeds.php>

Dickinson County Register of Deeds
P.O. Box 609
Iron Mountain, MI 49801
Phone Number: (906)774-0955
Website:
<http://www.dickinsoncountymi.gov/?deeds>

E

Eaton County Register of Deeds
1045 Independence Blvd.
Charlotte, MI 48813
Phone Number: (517)543-7500, ext 232
Website:
http://www.eatoncounty.org/Departments/Eaton_County_Register_of_Deeds.htm

Emmet County Register of Deeds
200 Division Street
Petoskey, MI 49770
Phone Number: (231)348-1761
Website:
<http://emmetrecycling.org/deeds/>

G

Genesee County Register of Deeds
1101 Beach Street, Room 138
Flint, MI 48502
Phone Number: (810)257-3060
Website:
<http://www.co.genesee.mi.us/rod/>

<p>Gladwin County Register of Deeds 401 W. Cedar Ave. Gladwin, MI 48624 Phone Number: (989)426-7551 Website: http://www.infomi.com/county/gladwin/gov.php</p>
<p>Gogebic County Register of Deeds 200 N. Moore Street Bessemer, MI 49911 Phone Number: (906)667-0381 Website: http://www.gogebic.org/deeds.htm</p>
<p>Grand Traverse County Register of Deeds 400 Boardman Traverse City, MI 49685-0552 Phone Number: (231)922-4748 or (231)922-4754 Website: http://www.co.grand-traverse.mi.us/departments/Register_of_Deeds.htm</p>
<p>Gratiot County Register of Deeds P.O. Box 5 Ithaca, MI 48847 Phone Number: (989)875-5217 Website: http://www.co.gratiot.mi.us/r_of_deeds/index.htm</p>

H
<p>Hillsdale County Register of Deeds County Courthouse Hillsdale, MI 49242 Phone Number: (517)437-2231 Website: http://www.co.hillsdale.mi.us/deeds/</p>
<p>Houghton County Register of Deeds 401 E. Houghton Ave. Houghton, MI 49931 Phone Number: (906)482-1311 Website: http://www.houghtoncounty.net/directory-hcdeeds.shtml</p>
<p>Huron County Register of Deeds 250 E. Huron Avenue, Room 203 Bad Axe, MI 48413 Phone Number: (989)269-9941 Website: http://www.co.huron.mi.us/departments_rdeeds.asp</p>

I
<p>Ingham County Register of Deeds P.O. Box 195 Mason, MI 48854 Phone Number: (517)676-7216 Website: http://www.ingham.org/rd/rodindex.htm</p>
<p>Ionia County Register of Deeds P.O. Box 35 Ionia, MI 48846 Phone Number: (616)527-5320 Website: http://www.ioniacounty.org/rod/rod_home.asp</p>
<p>Iosco County Register of Deeds P.O. Box 367 Tawas City, MI 48764 Phone Number: (989)362-2021 Website: http://iosco.m33access.com/register.htm</p>
<p>Iron County Register of Deeds 2 South 6th Street, Suite 11 Crystal Falls, MI 49920 Phone Number: (906)875-3321 Website: http://www.iron.org/edc/gov-register-of-deeds.php</p>
<p>Isabella County Register of Deeds 200 N. Main Street Mt. Pleasant, MI 48858 Phone Number: (989)772-0911, ext 251 Website: http://www.isabellacounty.org/deeds/</p>

J
<p>Jackson County Register of Deeds 120 W. Michigan Avenue Jackson, MI 49201 Phone Number: (517)788-4350 Website: http://www.co.jackson.mi.us/rod/</p>

K

Kalamazoo County Register of Deeds
 201 W. Kalamazoo Avenue
 Kalamazoo, MI 49007
 Phone Number: (269)383-8970
 Website:
<http://www.kalcounty.com/clerk/index.htm>

Kalkaska County Register of Deeds
 605 N. Birch St.
 Kalkaska, MI 49646
 Phone Number: (231)258-3315
 Website:
<http://www.kalkaskacounty.net/regdeeds.asp>

Kent County Register of Deeds
 300 Monroe Avenue, NW
 Grand Rapids, MI 49503
 Phone Number: (616) 632.7610
http://www.accesskent.com/YourGovernment/RegisterofDeeds/deeds_index.htm

Keweenaw County Register of Deeds
 5095 4th St.
 Eagle River, MI 49950
 Phone Number: (906)337-2229
 Website:
<http://www.keweenawcountyonline.org/department-clerk.php>

L

Lake County Register of Deeds
 800 10th Street, Suite 200
 Baldwin, MI 49304
 Phone Number: (231)745-4641
 Website:
<http://www.infomi.com/county/lake/gov.php>

Lapeer County Register of Deeds
 279 N. Court Street
 Lapeer, MI 48446
 Phone Number: (810)667-0211
 Website:
<http://www.county.lapeer.org/Deeds/index.html>

Leelanau County Register of Deeds
 8527 E. Government Center Drive
 Suite 105
 Suttons Bay, MI 49682-9718
 Phone Number: (231)256-9682
 Website:
<http://www.leelanaucounty.com/coROD.asp>

Lenawee County Register of Deeds
 Lenawee County Courthouse
 Adrian, MI 49221
 Phone Number: (517)263-8831
 Website: http://www.lenawee.mi.us/register_of_deeds/index.html

Livingston County Register of Deeds
 200 E Grand River
 Howell, MI 48843
 Phone Number: (517)546-0270
 Website: <http://www.co.livingston.mi.us/RegisterofDeeds/>

Luce County Register of Deeds
 County Government Building
 Newberry, MI 49868
 Phone Number: (906)293-5521
 Website: N/A

M

Mackinac County Register of Deeds
 100 Marley Street
 St. Ignace, MI 49781
 Phone Number: (906)643-7306
 Website: <http://www.mackinacounty.net/content/view/84/189/>

Macomb County Register of Deeds
 10 N. Gratiot
 Mt. Clemens, MI 48043
 Phone Number: (586)469-7953
 Website:
<http://www.macombcountymi.gov/clerksoffice/Index.htm>

Manistee County Register of Deeds
 415 Third Street
 Manistee, MI 49660
 Phone Number: (231)723-2146
 Website:
http://www.manisteecountymi.gov/index.php?option=com_content&task=view&id=53&Itemid=92

Marquette County Register of Deeds
 232 W. Baraga Avenue
 Marquette, MI 49855
 Phone Number: (906)225-8415
 Website:
<http://www.co.marquette.mi.us/register.htm>

<p>Mason County Register of Deeds 304 E. Ludington Ave. Ludington, MI 49431 Phone Number: (231)843-4466 Website: http://www.masoncounty.net/content.aspx?departmentid=10&page=home</p>
<p>Mecosta County Register of Deeds P.O. Box 718 Big Rapids, MI 49307 Phone Number: (231)592-0145 Website: http://www.co.mecosta.mi.us/deeds.asp</p>
<p>Menominee County Register of Deeds 839 10th Avenue Menominee, MI 49858 Phone Number: (906)863-2822 Website: http://www.menomineecounty.com/departments/?department=4a30b23c515d</p>
<p>Midland County Register of Deeds 220 W. Ellsworth Street Midland, MI 48640 Phone Number: (989)832-6820 Website: http://www.co.midland.mi.us/departments/home.php?id=25</p>
<p>Missaukee County Register of Deeds 111 South Canal Street P.O. Box 800 Lake City, MI 49651 Phone Number: (231)839-4967 Website: http://www.missaukee.org/regdept.htm</p>
<p>Monroe County Register of Deeds 106 E. First Street Monroe, MI 48161 Phone Number: (734)240-7390 Website: http://www.co.monroe.mi.us/egov/landrecords/regdeeds.aspx</p>
<p>Montcalm County Register of Deeds P.O. Box 368 Stanton, MI 48888 Phone Number: (989)831-5226, ext. 237 Website: http://www.montcalm.org/registerofdeeds.asp</p>

<p>Montmorency County Register of Deeds P.O. Box 789 12265 M-32 West Atlanta, MI 49709 Phone Number: (989) 785-8079 Fax: (989) 785-8080 Website: http://www.montmorencycountymichigan.us/RegisterofDeeds.html</p>
<p>Muskegon County Register of Deeds County Building Muskegon, MI 49442 Phone Number: (231)724-6271 Website: http://www.co.muskegon.mi.us/deeds/</p>

N
<p>Newaygo County Register of Deeds P.O. Box 885 White Cloud, MI 49349 Phone Number: (231)689-7246 Website: http://www.countyofnewaygo.com/ROD/RODHome.htm</p>

O
<p>Oakland County Register of Deeds 1200 N. Telegraph, Dept. 480 Pontiac, MI 48341-0480 Phone Number: (248)858-0608 Website: http://www.oakgov.com/clerkrod/</p>
<p>Oceana County Register of Deeds P.O. Box 111 Hart, MI 49420 Phone Number: (231)873-4158 Website: http://www.oceana.mi.us/regdeeds/</p>
<p>Ogemaw County Register of Deeds 806 W. Houghton Avenue, Room 104 West Branch, MI 48661 Phone Number: (989)345-0728 Website: http://www.ogemawcountymi.gov/register/facts.php</p>

Ontonagon County Register of Deeds
 725 Greenland Road
 Ontonagon, MI 49953
 Phone Number: (906)884-4255
 Website:
http://publicrecords.onlinesearches.com/MI_Ontonagon.htm

Osceola County Register of Deeds
 301 W. Upton
 Reed City, MI 49677
 Phone Number: (231)832-6113
 Website:
http://www.osceola-county.org/County%20Departments/register_of_deeds.htm

Oscoda County Register of Deeds
 P.O. Box 399
 Mio, MI 48647
 Phone Number: (989)826-3241
 Website:
<http://www.oscodacountymi.com/Register%20of%20Deeds.htm>

Otsego County Register of Deeds
 225 W. Main Street
 Gaylord, MI 49735
 Phone Number: (989)732-6484
 Website:
<http://www.otsegocountymi.gov/rod/rod.htm>

Ottawa County Register of Deeds
 P.O. Box 265
 Grand Haven, MI 49417
 Phone Number: (616)846-8240
 Website:
<http://www.co.ottawa.mi.us/>

P

Presque Isle County Register of Deeds
 151 E. Huron Street
 Rogers City, MI 49779
 Phone Number: (989)734-2676
 Website:
<http://www.presqueisle.mi.govern.com/parcelquery.php>

R

Roscommon County Register of Deeds
 500 Lake St., #1
 Roscommon, MI 48653-7664
 Phone Number: (989)275-5931
 Website:
<http://www.roscommoncounty.net/clerk.htm>

S

Saginaw County Register of Deeds
 111 S. Michigan Avenue
 Saginaw, MI 48602
 Phone Number: (989)790-5270
 Website:
<http://www.saginawcounty.com/rod/>

Sanilac County Register of Deeds
 60 W. Sanilac
 P.O. Box 168
 Sandusky, MI 48471
 Phone Number: (810)648-2313
 Website:
<http://www.sanilacounty.net/>

Schoolcraft County Register of Deeds
 300 Walnut Street, Room 164
 Manistique, MI 49854
 Phone Number: (906)341-3618
 Website:
<http://www.manistique.com/gov/clerks.htm>

Secretary of State
 Uniform Commercial Code Section
 7064 Crowner Drive
 Lansing, MI 48918-1900
 Phone Number: (517)322-1144
 Website:
http://www.michigan.gov/sos/0,1607,7-127-1631_8851---,00.html

Shiawassee County Register of Deeds
 208 N. Shiawassee Street
 P.O. Box 103
 Corunna, MI 48817
 Phone Number: (989)743-2374
 Website:
<http://www.shiawassee.net/dirnoframe.htm>

St. Clair County Register of Deeds
200 Grand River Blvd.
Ste. 103
Port Huron, MI 48060
Phone Number: (810) 989-6930
Website: http://www.stclaircounty.org/Offices/register_of_deeds/

St. Joseph County Register of Deeds
P.O. Box 388
Centreville, MI 49032
Phone Number: (269) 467-5552
Website:
<http://www.stjosephcountymi.org/deeds.htm>

T

Tuscola County Register of Deeds
440 N. State Street
Caro, MI 48723
Phone Number: (989)672-3840, ext. 672
Website:
<http://www.tuscolacounty.org/deeds/>

V

Van Buren County Register of Deeds
219 Paw Paw Street, Suite 102
Paw Paw, Michigan 49079
Phone Number: (269) 657-8242
Website:
<http://www.vbco.org/government0104.asp>

W

Washtenaw County Register of Deeds
200 North Main St.
Ann Arbor, MI 48104
Mailing Address: P.O. Box 8645
Ann Arbor, MI 48107
Phone Number: (734)222-6710
Website:
http://www.ewashtenaw.org/government/clerk_register/cr_clkdeeds.html

Wayne County Register of Deeds
International Center
400 Monroe, 7th Floor
Detroit, MI 48226
Phone Number:
Real Property (313)224-5854
Personal Property (313)224-5860
Website:
<http://www.waynecounty.com/register/default.htm>

Wexford County Register of Deeds
437 E. Division
Cadillac, MI 49601
Phone Number: (231)779-9455
Website:
<http://www.wexfordcounty.org/Services/RegisterofDeeds/tabid/4275/Default.aspx>

Appendix E – Template ‘Notice Letter’ to Property Owner

FORM OF LETTER TO OWNER

[Letterhead of Community Group]

[_____, 20__]

VIA [CERTIFIED AND FIRST-CLASS MAIL]

[Insert Name & Address of Property Owner]

**Re: *Failure to Maintain Property in Accordance with the
 [City / Village / Township / County of ...]’s Blight Ordinance***

Dear [_____]:

We have become aware that the property located at [*insert street address of subject property*] (the "Property"), of which you are the legal owner, is in violation of the [*City / Village / Township / County of ...*]'s Blight Ordinance because [INCLUDE ALL APPLICABLE ITEMS FROM THE FOLLOWING: the lawn is not being maintained, the sidewalks are not being cleared of snow and ice, and trash and debris is located around the exterior of the Property]. These violations are creating a nuisance for the neighborhood. The [*insert name of Community Group*] cannot allow this to continue any longer, and the remainder of this letter will spell out how it will be curtailed – at your ultimate expense, if necessary.

You have ten (10) days after the date of this letter to correct the violations described above. Should you fail to do so, we will consider all other available rights and remedies we have at law, including, without limitation, bringing a private nuisance action against you.

The [*City / Village / Township / County of ...*]'s Blight Ordinance exists for the benefit of all homeowners and not only helps maintain property values throughout the neighborhood, but also protects the safety, welfare and peace of mind of all homeowners. Your actions not only serve to defeat these ends, but further show a lack of respect for the neighborhood and the community. For the benefit of everyone, your prompt compliance with the property maintenance requirements of the Blight Ordinance will be greatly appreciated. You will not receive another request.

If you have any questions about this notice, please call [_____] at (____) ____-____.

Sincerely,

[Insert Name of Community Group Representative]

Appendix F – Mortgage Bankers Association’s Property Preservation Contact List

[Available at <http://www.mortgagebankers.org/files/PropertyPreservationList.pdf>]

PROPERTY PRESERVATION CONTACTS



Company Names	Mailing Information	Key Contacts	Title / Department	Phone
Am Trust Bank aka Ohio Savings Bank	1111 Chester Ave. Cleveland, OH 44114	Jacques Hawkins jhawkins@amtrust.com	Property Preservation Specialist	(216) 588-5936 Fax: (216) 588-2060
American Home Mortgage Servicing, Inc. (AHMSI) (formerly Option One Mortgage Corp.)	4600 Regent Blvd., Suite 200 Irving, TX 75063	Gary Johnson gary.johnson@fieldassets.com Krystl Lewis krystl.lewis@fieldassets.com		(512) 539-4300 Fax: (866) 802-6836 (512) 539-4020 Fax: (866) 802-6836
Aurora Loan Services (ALS)/ Lehman Brothers	327 Inverness Dr. South Englewood, CO 80112	R. Brandon McGill richard.mcgill@alservices.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Property Services Manager Field Service Contact	(720) 945-4775 Fax: (720) 945-4994 (800) 852-8306, ext. 1261
Bank of America, N.A. aka NationsBank Barnett Bank Boatmen's Bank	475 Cross Point Pkwy. Getzville, NY 14068-9000 (716) 635 2000	Barbara Komisarof barb.komisarof@bankofamerica.com Rhonda Weston rhonda.weston@bankofamerica.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com		(716) 635-2970 (716) 635-2978 (800) 852-8306, ext. 1261
Beal Bank LLP Mortgage Ltd.				(469) 467-5917
Carrington Mortgage Services, LLC	1610 E St. Andrew Santa Ana, CA 92705	Nick Rogers nicholas.rogers@carringtonms.com Tom Croft tom.croft@carringtonms.com		(949) 517-5335 Vice President, REO (949) 517-5087
Central Mortgage Company	801 John Barrow Rd., Ste. 1 Little Rock, AR 72205	Jan Davis jkdavis@arvest.com	Default Asset Manager	(501) 716-5614
Chase Home Finance LLC	800 Brookside Blvd. Westerville, OH 43081 Attn: OH1-8021 High Risk Department	High.Risk.Violations@Chase.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com Mortgage Contracting Services codeviolations@mcsnow.com Michelle Hickman michelle.hickman@mcsnow.com		(888) 310-1506 Field Service Contact (800) 852-8306, ext. 1261 (813) 387-1100 Field Service Representative (813) 387-1100
Chevy Chase Bank		Debbie Graham djgraham@chevychasebank.net		(301) 939-4059
CitiFinancial Mortgage Company, Inc. ABN Amro	1111 Northpoint Dr. Attn: Property Preservation Coppell, TX 75019	Susan Stroud David Mazanek, Safeguard david.mazanek@safeguardproperties.com		(800) 423-8158, ext. 13456 Field Service Contact (800) 852-8306, ext. 1261

PROPERTY PRESERVATION CONTACTS



Company Names	Mailing Information	Key Contacts	Title / Department	Phone
Citi Residential Lending Ameriquest Mortgage Services AMC Mortgage Services	10801 6th St., Suite 130 Rancho Cucamonga, CA 91730	Olivia Barton obarton@amcmortgageservices.com Joisy Rodriguez joisy.rodriguez@amcmortgageservices.com Kim Guevara kguevara@amcmortgageservices.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(909) 484-2952, ext. 38535 (909) 484-2952, ext. 38678 (909) 484-2952, ext. 38458 (800) 852-8306, ext. 1261
Countrywide Field Services	301 E. Vanderbilt Way, Ste. 350 San Bernardino, CA 92408	CFSC Escalation Team CFSC_Escalation@Countrywide.com	Property Preservation	(866) 515-9759
Countrywide Home Loans	7105 Corporate Dr. PTX A 274 Plano, TX 75024	Community Advocacy Team communityadvocate@countrywide.com Escalation Damage Team John Hund john_hund@countrywide.com Anjelica Williams anjelica_b_williams@countrywide.com REMSViolationsDesk@countrywide.com	REO / Marketing Violations Notice Desk	(888) 200-5872 Fax: (972) 781-4158 (972) 526-1635 (972) 526-3127
EMC Mortgage Corporation	800 State Highway 121 Bypass Lewisville, TX 75067-4180	Barbara Christy bchristy@bear.com Lesley Hicks lesley.p.hicks@jpmorgan.com Donna Daniels donna.k.daniels@jpmorgan.com	Code Violation/Preservation Specialist Property Preservation Specialist Property Preservation Supervisor	(214) 626-2645 (214) 626-2580 (214) 626-4841
Everhome	8100 Nations Way Jacksonville, FL 32256	Vacant-blight@everhomemortgage.com LPS Field Service Jerod Kildoo		(800) 767-8674 (option 2)
Fifth Third Bank	5050 Kingsley Dr. MD: 1MOC20 Cincinnati, OH 45263	Theresa Schrand theresa.schrand@53.com Helen Carson helen.carson@mcsnow.com	Property Preservation Specialist Field Service Contact	(513) 358-1827 Fax: (513) 358-9120 (813) 387-1100
First Commonwealth Bank	4750 Clairton Blvd. Pittsburgh, PA 15236	Jack B. Furtney jfurtney@fcbanking.com	Loan Workout Officer	(412) 881-3347
First Niagara Bank	6950 S. Transit Rd. P.O. Box 514 Lockport, NY 14095-0514	Trish Harris trish.harris@fnfg.com		(716) 625-7689
GMAC Mortgage Corporation	3451 Hammond Ave. Waterloo, IA 50702-5345	Patrick F. McCool pat_mccool@gmacm.com Shelley Petersen shelley.petersen@gmacm.com Chelle Adkins chelle.adkins@gmacm.com	Manager, Property Preservation Team Lead	(319) 236-4733 Fax: (319) 236-4647 (319) 236-4784 (319) 236-5147

PROPERTY PRESERVATION CONTACTS



Company Names	Mailing Information	Key Contacts	Title / Department	Phone
HSBC Mortgage Services, Inc. Beneficial Ohio Inc. Household Realty Corp.	HSBC Mortgage Services 636 Grand Regency Blvd. Brandon, FL 33510	Property Preservation Department us.inspectionrequest@us.hsbc.com		(866) 411-3810, option 2
	HSBC Mortgage Corporation 2929 Walden Ave. Depew, NY 14073	Barbara Willard Ann Lewis David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(716) 651-6779 (716) 651-6776 (800) 852-8306, ext. 1261
HUD Pyramid Real Estate Services, LLC (KS, MO, OK, KY, TN)	4500 S. Garnett Rd., Ste. 250 Tulsa, OK 74146	Sylvia Belitz code@pyramidrealestate.com	Manager, Property Operations Division	(918) 660-0800, ext. 323
Chapman Law Firm (OH, IL)		Burrell Jackson mc@clfes.com	Mortgage Compliance Manager	(918) 622-3690, ext. 237 (800) 434-1567
Michaelson, Connor & Boul, Inc. (AZ, CO, MT, NV, UT, WY)		LuAnn Kogler luann.kogler@mcbreo.com	Director, Mortgage Relations	(714) 230-3628
Kentucky Housing	1231 Louisville Rd. Frankfort, KY 40601	J. Derek Smith dsmith@kyhousing.org	Default/Liquidation Manager	(502) 564-7630, ext. 316 Fax: (800) 341-5622, ext. 316
LoanCare Servicing Center		Tim Hayes hayest@loancare.net		(757) 893-1300, ext. 203
		Jamese Bennett-Pate bennett-patej@loancare.net		(757) 893-1300, ext. 243
M & T Bank	One Fountain Plaza, 6th Floor Buffalo, NY 14203	Preservation Manager propertypreservation@mandtbank.com		(800) 724-1633
		David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852-8306, ext. 1261
Midland Mortgage Co. MidFirst Bank	999 NW Grand Blvd. Oklahoma City, OK 73118	property.preservation@midfirst.com		(800) 852-8306, ext. 1261
		David Mazanek Safeguard Properties, Inc.	Field Service Contact	(800) 852-8306, ext. 1261
National City Bank National City Mortgage Co. dba Commonwealth United Mortgage dba Accubanc Mortgage dba MidAmerica Bank National City Mortgage Inc. National City Mortgage Services	Attn: Property Preservation 3232 Newmark Dr. Miamisburg, OH 45342	Property Preservation Team Megan Wessell Kim Burchett Delbert Thompson hazard.loss@ncmc.com	Processor Processor Processor	(937) 910-4953 (800) 367-9305, ext. 54953
		Gail Klein gail.klein@ncmc.com	Process Leader	(937) 910-4563
		Michael Ferguson michael.ferguson@ncmc.com	Process Manager	(937) 910-1220
		David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852-8306, ext. 1261
National City Consumer Loan Services	6750 Miller Road Brecksville, OH 44141	Kathy Prorock kathy.prorock@nationalcity.com		(440) 546-6979

Note: If unable to identify which National City entity is servicing a property, contact the Miamisburg team which will identify which entity is servicing the loan and provide contact information. Any escalated complaint or concerns can be directed to Deborah Oakley no matter which National City entity is involved or you may call the Property Preservation Team at National City Mortgage, (937) 910-4953.

PROPERTY PRESERVATION CONTACTS



Company Names	Mailing Information	Key Contacts	Title / Department	Phone
Ocwen Loan Servicing, LLC Ocwen Financial Corporation Ocwen Federal Bank FSB	1661 Worthington Rd., Suite 100 West Palm Beach, FL 33409	Kavita Parekh kavita.parekh@ocwen.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(561) 682-8000, ext. 6412 (800) 852-8306, ext. 1261
PHH Mortgage Mortgage Contracting Services		Frankie Potter frances.potter@mcsnow.com Jonathan Turner jonathan.turner@mcsnow.com	Field Service Contact	(813) 387-1100 (813) 387-1100
Plaza Home Mortgage				(858) 346-1208, ext. 208
Popular Mortgage Servicing Inc.	121 Woodcrest Road Cherry Hill, NJ 08003 Safeguard Properties, Inc. 650 Safeguard Plaza Brooklyn Heighs, OH 44131	Edwina Fisher Edwina.Fisher@popularms.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Safeguard Properties Client Liasion Field Service Contact	(800) 556-1425, ext. 5802 (800) 852-8306, ext. 1261
Regions Mortgage AmSouth Bank Union Planters Magnolia Federal Magna Bank	215 Forrest St. P. O. Box 18001 Hattiesburg, MS 39401	Denise McLaurin Denise.Mclaurin@Regions.com Paula Gilliland paula.gilliland@regions.com	Legal Claims Processor	(601) 554-2386 (601) 554-2463
Saxon Mortgage Services Inc.	4708 Mercantile Dr. North Fort Worth, TX 76137	Renee Tello TelloR@saxonmsi.com	Property Preservation Manager	(817) 665-7966 Fax: (817) 665-7967
SC State Housing	300C Outlet Pointe Blvd.	Lisa E. Rivers Columbia, SC 29210	Director, Mortgage Servicing lisa.rivers@schousing.com	(803) 896-9384
Suntrust Mortgage, Inc	Foreclosure Dept. RWV3064 1001 Semmes Ave. 4th floor Richmond VA 23224	Lorrie Pond lorrie.pond@suntrust.com Tammi Stubbs tammi.stubbs@suntrust.com David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Foreclosure Claims Manager Foreclosure Department Field Service Contact	(804) 319-4797 (804) 291-2515 (800) 852-8306, ext. 1261
US Bank Home Mortgage US Bank NA Leader Mortgage	4801 Frederica St. Owensboro, KY 42301	Christina Hall David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(270) 852-5644 (800) 852-8306, ext. 1261
U.S. Department of Veterans Affairs		wscopm@va.gov		
Washington Mutual		Property Preservation gmp-pescalated@wamu.net		(877) 488-5453 Fax: (904) 462-2194
Wells Fargo Home Mortgage WFHM	1 Home Campus Des Moines, IA 50328	codeviolations@wellsfargo.com Andrew Hohensee andrew.d.hohensee@wellsfargo.com First American Field Services wellsinquiries@firstam.com Fidelity National Field Services High risk email: field.servcies.highrisk@fnis.com Mortgage Contracting Services codeviolations@mcsnow.com	Violation Specialist Field Service Contact Vendor Team	(414) 214-4383 High risk phone: (440) 424-0045 (813) 387-1100

PROPERTY PRESERVATION CONTACTS



Company Names	Mailing Information	Key Contacts	Title / Department	Phone
Wilshire Credit Corporation/ Merrill Lynch	14523 SW Milikan Way Suite 200 Beaverton, OR 97005	Property Preservation Department preservation@wcc.mi.com		(888) 265-0562
		Safeguard Properties Code Violations Department code.enforcement.violations@safeguardproperties.com		(800) 852-8306, ext. 2173
World Savings		Rose Ann Robles RoseAnn.Robles@Wachovia.com	Department Manager, Asset Management and Project Loan Servicing	(210) 543-4571 (866) 259-7731, ext. 34571

Appendix G – Vacant Property Registration Ordinances in Michigan

Dearborn, MI Neighborhood Services Division, (313) 943-2161
VPR Ordinance: http://www.safeguardproperties.com/pub/pdf/dearborn_vpro.pdf
VP Registration Form: http://www.safeguardproperties.com/pub/pdf/dearborn_vacant_reg.pdf

AMENDED 04/30/08
SEE SEC. 11-304

ORDINANCE NO. 08 – 1148

**AN ORDINANCE TO AMEND THE HOUSING CHAPTER
(CHAPTER 11) OF THE CODE OF THE CITY OF DEARBORN BY
RENAMING THE CHAPTER AND ADDING ARTICLE IV**

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 11 of the Code of the City of Dearborn by adding Article IV,
to read as follows:

Chapter 11

OCCUPANCY AND BUILDING STANDARDS

HOUSING STANDARDS

ARTICLE IV. VACANT AND NEGLECTED PROPERTIES

11-300. Purpose.

The purpose of this article is to help protect the health, safety and welfare of the citizens by preventing blight, protecting property values and neighborhood integrity, avoiding the creation and maintenance of nuisances and ensuring safe and sanitary maintenance of dwellings, commercial and industrial buildings. The City normally inspects properties upon a change of ownership or use and, in the case of non-owner occupied residential property, every three years, and annually in the case of commercial properties. Due to economic conditions, mortgage fraud, and increased bankruptcies, many homes and buildings have become vacant and unsupervised. This has caused properties to become attractive nuisances for minors and criminal activity. Vacant properties have a negative impact on surrounding properties and neighborhoods. Potential buyers are deterred by the presence of nearby vacant abandoned buildings. There is an increased instance of unsecured or open doors and windows, broken water pipes, theft of metals and other materials, overgrowth of grass, weeds, shrubs, and bushes, illegal dumping, and rat and vermin activity at vacant structures. Such neglect devalues properties and causes deterioration in neighborhoods and commercial areas. The City also needs to be able to contact owners for fire safety and police reasons.

AMENDED 04/30/08
SEE SEC. 11-304

11-301. Scope.

The provisions of this article shall apply to all existing residential, commercial and industrial structures and all vacant land.

11-302. Definition of vacant property.

A vacant property is defined as a lot, building, or structure that is not legally or currently occupied.

Evidence of vacancy shall include any condition that on its own, or combined with other conditions present, would lead a reasonable person to believe that the property is vacant. Such conditions include, but are not limited to: overgrown and/or dead vegetation; accumulation of newspapers, circulars, flyers and/or mail; past due utility notices and/or disconnected utilities; accumulation of trash, junk and/or debris; boarded up windows; abandoned vehicles, auto parts or materials; the absence of window coverings such as curtains, blinds and/or shutters; the absence of furnishings and/or personal items consistent with habitation or occupancy; statements by neighbors, passersby, delivery agents, or government employees that the property is vacant.

11-303 Registry of vacant properties.

There is hereby created in the Department of Building and Safety a registry of vacant properties.

11-304. Vacant properties to be registered.

Owners and/or owner's agents of real property are required to register all vacant properties within ~~30~~ 180 days of the vacancy. Commercial structures that are vacant at the time of the enactment of this ordinance must register within ~~30~~ 90 days and obtain and pay for an inspection in accordance with Section 11-308.

11-305. Owner's affidavit.

Owners who are required to register their properties pursuant to this article shall submit a copy of a driver's license and an affidavit containing the following information:

1. The name of the owner of the property.
2. A mailing address where mail may be sent that will be acknowledged as received by the owner. If certified

AMENDED 04/30/08
SEE SEC. 11-304

mail/return receipt requested is sent to the address and the mail is returned marked "refused" or "unclaimed," or if ordinary mail sent to the address is returned for whatever reason, then such occurrence shall be prima facie proof that the owner has failed to comply with this requirement.

3. The name of an individual responsible for the care and control of the property. Such individual may be the owner, if the owner is an individual, or may be someone other than the owner with whom he/she has contracted.
4. A current address, phone number, fax, and email address (if fax and email addresses are available) where communications may be sent that will be acknowledged as received by the individual responsible for the care and control of the property. If certified mail/return receipt requested is sent to the address and the mail is returned marked "refused" or "unclaimed," or if ordinary mail sent to the address is returned for whatever reason, then such occurrence shall be prima facie proof that the owner has failed to comply with this requirement.

11-306. Registration fee.

There shall be a \$25 fee. In addition, in the case where the owner has failed to register, there shall be assessed the added costs of the City's expenses in having to determine ownership which may include, but are not limited to, title searches. There shall be a \$25 fee for the filing of any additional or new owner's affidavit.

11-307. Requirement to keep information current.

If at any time the information contained in the affidavit is no longer valid, the property owner has ten days to file a new affidavit containing current information. There shall be no fee to update the current owner's information.

11-308. Annual inspections required.

Owners of vacant or unoccupied buildings who are required to file an owner's affidavit under this Article must immediately obtain and pay for a City safety and maintenance inspection of the building and property; obtain necessary permits; make required repairs; and obtain inspections from the City of Dearborn annually thereafter to ensure the building is safe, secured, and well-maintained. The owner or the owner's agent shall demonstrate that all water, sewer, electrical, gas, HVAC, plumbing systems; exterior finishes and walls, concrete surfaces, accessory buildings, roofing,

AMENDED 04/30/08
SEE SEC. 11-304

structural systems, foundation, drainage systems, gutters, doors, windows, parking areas, signage, driveway apron(s), service walk(s), sidewalk(s), and other public areas are sound, operational, or properly disconnected. No Certificate of Occupancy will be issued until all code requirements are met.

11-309. Maintenance and security requirements.

Properties subject to this section shall be kept free of weeds, grass more than 6 inches high, dry brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspapers, circulars, flyers, notices, except those required by federal, state or local law, discarded items including, but not limited to, furniture, clothing, large and small appliances, printed material, signage, containers, equipment, construction materials, or any other items that give the appearance that the property is abandoned.

The property shall be maintained free of graffiti, tagging or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior of the structure.

All visible front and side yards shall be landscaped and properly maintained. Landscaping includes, but is not limited to, grass, ground covers, bushes, shrubs, hedges or similar plantings, decorative rock or bark designed and maintained in an appropriate manner. Landscaping does not include weeds, gravel, broken concrete, asphalt, decomposed materials, plastic sheeting, indoor-outdoor carpet or any similar material. Maintenance includes, but is not limited to, regular watering, irrigation, cutting, pruning and mowing of required landscaping and removal of all trimmings.

Pools, spas, and other water features shall be kept in working order so the water remains clear and free of pollutants and debris or drained and kept dry and free of debris. In either case, properties with pools and/or spas must comply with the minimum security fencing and barrier requirements of the Michigan building, construction, and maintenance codes.

Properties subject to this section shall be maintained in a secure manner so as not to be accessible to unauthorized persons. Secure manner includes, but is not limited to, the closure and locking of windows, doors (walk-through, sliding and garage), gates and any other opening of such size that it may allow a child to access the interior of the property and/or structure(s). Broken windows must be repaired or replaced within seven (7) days. Boarding up of open or broken windows is prohibited except as a temporary measure.

AMENDED 04/30/08
SEE SEC. 11-304

If the property is owned by a corporation and/or the beneficiary/trustee/owner is located more than 30 miles away, a local property management company shall be contracted to perform weekly inspections to verify that the requirements of this section, and any other applicable laws, are being met.

The property shall be posted with name and 24-hour contact phone number of a property management company located within 30 miles of the subject property. The posting shall be no less than 18" x 24" and shall be of a 72 point arial font and shall contain along with the name and 24-hour contact number, the words "THIS PROPERTY MANAGED BY" and "TO REPORT PROBLEMS OR CONCERNS, CALL". The posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is visual from the street to the front of the property but not readily accessible to vandals. Exterior posting must be constructed of and printed with weather resistant materials.

The local property management company shall inspect the property at least on a weekly basis to determine if the property is in compliance with the requirements of this chapter.

11-310. Fire damaged property

If a building is fire damaged, the owner has 90 days from the date of the fire to apply for a permit to start construction or demolition. The Director of Building and Safety may grant additional 90 day extensions, provided the owner can demonstrate substantial progress towards completing repairs. Failure to do so will result in the property being deemed vacant and subject to the requirements of this Article

11-311. Criminal Penalties.

Violations of this chapter shall be treated as a strict liability offense regardless of intent. Any person, firm and/or corporation that violates any portion of this section shall be subject to prosecution and/or administrative enforcement under Section 1-9 of this Code. Registration of property under this ordinance is in addition to, and not in lieu of, the requirements of MCL 125.539 (i), which allows for demolition of vacant structures, or nuisance abatement by the City.

Failure to obtain an annual inspection, failure to file the required affidavit, or failure to maintain an affidavit containing current information shall be a civil infraction and subject to a \$100 fine. Each day that a

AMENDED 04/30/08
SEE SEC. 11-304

required affidavit is not on file and each day that an owner and/or owner's agent fails to maintain current information in an affidavit on file shall be considered a separate offense.

Failure to make required repairs, or a second offense of any other requirement herein, shall be a misdemeanor subject to prosecution and penalties under Section 1-9 of this Code.

JTanner/Ordinances/Amend Chapter 11 Housing Standards



CITY OF DEARBORN . DEPARTMENT OF BUILDING AND SAFETY . 4500 Maple • Dearborn, MI 48126

VACANT PROPERTY REGISTRATION FORM

Pursuant to City of Dearborn Ordinance 08-1148, vacant property must be registered. The purpose of this ordinance is to help protect the health, safety and welfare of the citizens by preventing blight, protecting property values and neighborhood integrity, avoiding the creation and maintenance of nuisances and ensuring safe and sanitary maintenance of dwellings, commercial and industrial buildings.

- Vacant property is defined as a lot, building or structure that is not legally or currently occupied.
- Registration fee is \$25 per property, payable to "City of Dearborn."

Vacant Commercial Property

- Commercial/industrial structures must be registered within 90 days of vacancy.
- Inspections are required for all vacant commercial/industrial on a yearly basis.
- Inspection fees are based on square footage (\$200 up to 5,000 square feet).

Vacant Residential Property

- Residential property must be registered within 180 days of vacancy.
- Vacant residential property intended for sale or for rent must be inspected on a yearly basis.
- Inspection fee is \$150.

First Notification

Revised Information

PROPERTY ADDRESS			
_____		Dearborn, MI	<input type="checkbox"/> 48120 <input type="checkbox"/> 48124 <input type="checkbox"/> 48126 <input type="checkbox"/> 48128
PROPERTY TYPE			
<input type="checkbox"/> One or Two Family Residential <input type="checkbox"/> Multi-family Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial			
PROPERTY OWNER			
NAME _____			
CONTACT NAME (if business) _____			
ADDRESS _____			
CITY _____	STATE _____	ZIP _____	
PHONE NUMBER _____		E-MAIL ADDRESS _____	
PROPERTY MANAGER			
NAME _____			
CONTACT NAME (if business) _____			
ADDRESS _____			
CITY _____	STATE _____	ZIP _____	
PHONE NUMBER _____		E-MAIL ADDRESS _____	
EMERGENCY CONTACT			
<input type="checkbox"/> Property Owner <input type="checkbox"/> Property Manager <input type="checkbox"/> Other -- Name _____ Phone Number _____			
AUTHORIZATION			
By signing and submitting this document, I am authorizing the City of Dearborn to utilize this information and certifying that I have the legal authority to do so.			
SIGNATURE _____			
PRINT NAME _____			
DRIVER'S LICENSE # _____			DATE _____

Grand Rapids, MI Neighborhood Imp. / Housing Inspection, (616) 456-3053
 VPR Ordinance: http://www.grand-rapids.mi.us/download_upload/binary_object_cache/ni_24A-05.pdf
 VP Registration Form: http://www.safeguardproperties.com/pub/Grand_Rapids_VPRO.doc



CITY OF GRAND RAPIDS

RENTAL DWELLING REGISTRATION FORM

This form is to be completed by the owner or manager of the residential rental property or residential vacant property.

Registration #:
 Reg. Type:
 Print Date:
 PPN:

PROPERTY INFORMATION

1. Property Address			
2. Total # of Dwelling Units	3. Total # of Hotel Rooms (Hotels/Motels Only)	4. Total # of Rooms (Rooming House Only)	7. Is this a vacant building? (if yes, complete reverse side)
5. Apartment # Occupied by Owner or Manager	6. Unit(s) not to be occupied		

OWNER INFORMATION (all ownership information below must be completed)

1. Owner's Full Name*			
If Corporation or Joint Ownership, give name of principal officer or Resident Agent including birth date and address of residence			
2. Business Name			
3. Address of Owner's Residence* (cannot be a P.O. Box)		Number and street name (cannot be P.O. Box)	
		City	State Zip
4. Owner's Birth Date* (mo/day/yr)	/ /	5. Telephone*	Home () -
			Work () -
6. E-Mail Address			Mobile () -
			Fax () -
7. Mail Delivery Address (if different from residence)	Number and street name		City State Zip

MANAGER INFORMATION (complete if manager is different from owner)

1. Manager Name			
2. Business Name			
3. Address of Manager's Residence		Number and street name	
		City	State Zip
4. Manager's Birth Date	(mo/day/year)	5. Telephone	Home () -

Kalamazoo, MI Code Administration Division, (269) 337-8026
VP Registration Form: http://www.safeguardproperties.com/pub/pdf/Kalamazoo_ARS.pdf

ARTICLE VIII Abandoned Residential Structures [Adopted 1-6-2003 by Ord. No. 1753]

§ 9-351. Abandoned residential structure.

- A. For purposes of this article an "abandoned residential structure" shall be any structure located within the City of Kalamazoo which is intended, in whole or in part, for residential use and which, for more than 30 days, is both unoccupied and to which one or more of the following applies:
- (1) Is open to casual entry;
 - (2) Has one or more windows boarded;
 - (3) Has utilities disconnected;
 - (4) Is a dangerous building, as defined by Article VII of Chapter 9 of the City Code of Ordinances;
 - (5) Is under notice for being in violation of Chapter 17 of the City Code of Ordinances;
 - (6) Is the subject of an indebtedness to the City for more than one year; or
 - (7) Because of disrepair or lack of maintenance, is in a condition that makes it apparent to the public that the structure is in fact unoccupied.

§ 9-352. Duty to register.

- A. Every owner of an abandoned residential structure shall register said structure by completing and filing with the City an abandoned residential structure registration form. The duty to register shall not require notice by the City. The form shall require the name, address and telephone number of each owner; the date the home became vacant and the reasons for said vacancy; plans, if any, to have the home occupied; and any other information reasonably deemed necessary by the City.
- B. For purposes of this article, an "owner" shall be any person with a legal or equitable ownership interest in the structure.

§ 9-353. Late registration; fee.

An owner who fails to timely register an abandoned residential structure shall pay to the City a late fee, the amount of which shall be established by City Commission resolution.

§ 9-354. Monthly administrative fee.

- A. The owner of an abandoned residential structure, whether registered or not, shall pay an abandoned residential structure monthly administrative fee, the amount of which shall be established by City Commission resolution, for the time during which such structure remains an abandoned residential structure.
- B. The monthly administrative fee shall be paid so that it is received by the City on or before the seventh day of each month following each month during which the home was an abandoned residential structure. The amount due for any month during which the status was less than the entire month shall be prorated to reflect the period the structure was abandoned.

- C. A late fee, in an amount to be established by City Commission resolution, shall also be payable by the owner of an abandoned residential structure when a monthly administrative fee is not timely paid.

§ 9-355. Recovery of fees.

- A. If all or a part of the required fees established by this article are not paid, the City may recover said sum by:
- (1) Directing the Assessor to add the amount due to the next tax roll of the City such that said sum is collected in the same manner as provided by law for collection of taxes; or
 - (2) Filing suit against the owner for the entry of civil money judgment; or
 - (3) Any other means available by law.

§ 9-356. (Reserved)

§ 9-357. Right to inspect.

The City may access the interior of an abandoned residential structure for purposes of inspection once said home has been abandoned for more than 30 days if either § 9-351A(4), (5), or (7) applies to the structure.

§ 9-358. Certificate of occupancy.

A structure which has been an abandoned residential structure for more than 30 days and to which either § 9-351A(4), (5), or (7) applies shall not be occupied unless it first receives a certificate of occupancy.

§ 9-359. Penalty.

A person who fails to timely register an abandoned residential structure, or who fails to allow an inspection, or who allows occupancy when a required certificate has not been first obtained shall be guilty of a misdemeanor.



ABANDONED RESIDENTIAL STRUCTURE REGISTRATION

Community Planning & Development Department
 445 W. Michigan Avenue, Suite 101
 Kalamazoo, MI 49007
 Phone: 269-337-8026
 Fax: 269-337-8513
 cpd@kalamazoocity.org

This form is provided pursuant to Chapter 9, Article VIII, Section 9-352 of the City of Kalamazoo Code of Ordinances, and must be completed by the owner or other responsible person and returned to the address above within ten (10) days

PROPERTY ADDRESS: _____ Parcel ID #: _____

RESPONDENT: Name _____ Date of birth: ____/____/____

Address _____

City, State, Zip _____

Phone _____ Cell _____

Fax _____ Email _____

If respondent is the property owner, please initial here: _____

If there are any other parties with a known ownership interest, please complete the following:

Name _____ Name _____

Address _____ Address _____

City, State, Zip _____ City, State, Zip _____

Phone: _____ Phone: _____

Nature of property interest: _____ Nature of property interest: _____

CHECKLIST:

Number of units/apartments in this structure during its most recent occupancy: _____

End date of most recent occupancy:
 • On or about ____/____/____
 • Reason: _____

Circle your plan(s) for future use of this property: **Sell Repair Reuse Demolish**
 • If you circled Demolish, you must obtain a Permit to Wreck within 45 days from the date of your Abandoned Residential Structure Notice
 • If you circled Sell, may we give prospective buyers your contact information? Yes No
 • Would you consider donating this property to a non-profit entity? Yes No Unsure
 (For more information about donation, please contact us using the information above.)

If you are aware of any liens on this property, please list the nature and approximate amount(s) below:

If there is any other information about this property that you want us to know, please note it below:

By my signature, I affirm that the representations made above are true to the best of my knowledge

SIGNED: _____ Date: _____

Appendix H – Blight Ordinances in Michigan

Berlin Township, Michigan

Blight Ordinance: <http://www.berlintwpstclair.org/blightordinance.htm>

For more information, contact Berlin Township at:

13892 Hough Road

Allenton, Michigan 48002

(586) 784-9969

Fax: (586) 784-9717

Berlin Township Anti-Blight Ordinance Number 5

An ordinance to prevent, reduce or eliminate blight, blighting factors or causes of blight within Berlin Township, St. Clair County, Michigan The Township Ordains:

Section 1. Purpose

Consistent with the letter and spirit of Act No. 344 of the Public Acts of 1945, as amended it is the purpose of this Ordinance to prevent reduce or eliminate blight or potential blight in Berlin Township by the prevention or elimination of certain environmental causes of blight or blighting factors which exist or may exist in the future in said township.

Section 2. Causes of Blight or Blighting

It is hereby determined that the following uses, structures and activities are causes of blight or blighting factors, which allowed to exist will tend to result in blighted and undesirable neighborhoods. On and after the effective date of this Ordinance, no person, firm or Corporation of any kind shall maintain or permit to be maintained any of these causes of blight or blighting factors upon any property in Berlin Township owned, leased, rented or occupied by such person, firm or corporation.

A. In any area zoned for residential or agricultural purposes, the storage upon any property of junk automobiles, except in a completely enclosed building. For the purpose of this Ordinance, the term junk automobile shall include any motor vehicle which is not licensed for use upon the highways of the State of Michigan for a period in excess of sixty days and shall also include, whether so licensed or not, any motor vehicle which is inoperative for any reason for a period in excess of one hundred eighty days.

B. In any area zoned for residential or agricultural purposes, the storage upon a property of building materials unless there is in force a valid building permit issued by the Township for construction upon said property and said materials are intended for use in connection with such construction. Building materials shall include but shall not be limited to lumber, brick, concrete or cinder blocks, plumbing materials, electrical wiring or equipment, heating ducts or equipment, shingles, concrete or cement, nails, screws or other materials used in constructing any structures.

C. In areas zoned for residential or agricultural purposes, the storage or accumulation of junk, trash, rubbish or refuse of any kind, except domestic refuse stored in such a manner as not to create a nuisance for a period of not to exceed thirty days. The term "junk" shall include inoperative machinery or motor vehicles, un-used stoves or other appliances stored in the open, remnants of woods, metal or any other materials or other castoff material of any kind whether or not same could be put to any reasonable use.

D. In any area of the Township, the existence of any structure or part of any structure which because of fire, wind or other natural disaster, or physical deterioration is no longer habitable, if a dwelling, nor useful for any other purpose for which it may have been intended.

E. In any area zoned for residential or agricultural purposes, the existence of any vacant dwelling, garage or

other outbuilding unless such buildings are kept securely locked, windows kept glassed or neatly boarded up and otherwise protected to prevent entrance thereto by vandals.

F. In any area of the Township, the existence of any partially completed structure is in the course of construction in accordance with a valid and subsisting building permit issued by the Township and unless such construction is completed within a reasonable time.

Section 3. **Enforcement and Penalties**

A. This Ordinance shall be enforced by such persons who shall be so designated by the Township Board.

B. The owner, if possible, and the occupant of any property upon which any of the causes of blight or blighting factors set forth in Section 2 hereof is found to exist shall be notified in writing to remove or eliminate such causes of blight or blighting factors from such property within ten days after service of the notice upon him. Such service may be served personally or by registered mail, return receipt requested. Additional time may be granted by the enforcement officer where bonafide efforts to remove or eliminate such causes of blight or blighting factors are in progress.

C. Failure to comply with such notice within the time allowed by the owner and/or occupant shall constitute a violation of this Ordinance.

D. Violation of this Ordinance shall be a misdemeanor which shall be punishable upon conviction thereof by a fine not exceeding One hundred dollars (\$100.00) or by imprisonment for not exceeding thirty (30) days or by both such fine and imprisonment in the discretion of the court.

Section 4. **Effective Date**

This Ordinance shall become effective 30 days after passage and adoption

Passed and adopted, August 14, 1967

Wm. F. Dobbyn, Township Clerk

Amendment to the Berlin Township Anti-Blight Ordinance Number 5

Amendment No. 1

The Township of Berlin, In St. Clair County, Michigan Ordains:

Article 1. Amend Section 3 (B): Seventh sentence to read:
from such property within fourteen days after service of the notice upon him.

Article 2. Amend Section 3 (C) Amend C to add the following sentences at the beginning of the existing paragraph:

Upon non-compliance of this ordinance the property owner and/ or occupant is subject to payment of a fine of \$50.00. If said property owner and or occupant remains in non-compliance, fourteen days from the date of the first fine, he/she will be subject to payment of a second fine of \$100.00. If the property owner and/or occupant is in non-compliance fourteen days from the date of the second fine he/she is subject to a third fine of \$150.00. If said property owner and /or occupant remains in non-compliance after the third fine the violation of said ordinance will be turned over to the court.

Article 3. Amend Section 3 (D) Amend D Fourth sentence to read: Five Hundred Dollars (\$500.00).

Detroit, Michigan

Blight Ordinance: <http://www.municode.com/resources/gateway.asp?pid=10649&sid=22>

For more information, contact the city of Jackson at:

City of Detroit

Buildings & Safety Engineering Department

Coleman A. Young Municipal Center

2 Woodward Avenue, Suite 401

Detroit, Michigan 48226

(313) 224-2733

Fax: (313) 224-1467

bsed@detroitmi.gov

ARTICLE III. ADMINISTRATIVE HEARINGS

DIVISION 1. HEARINGS DEPARTMENT

Sec. 8.5-3-1. Bureau established; name.

(a) As authorized by Section 4q(1) of the Michigan Home Rule Cities Act, being MCL 117.4q(1), the City hereby establishes a bureau for administrative hearings.

(b) The name of the bureau for administrative hearings shall be the "City of Detroit Department of Administrative Hearings."

(Ord. No. 23-04, § 1, 7-2-04)

Sec. 8.5-3-2. Jurisdiction of the department.

(a) Pursuant to Sections 4q(1) and 4q(11) of the Michigan Home Rule Cities Act, being MCL 117.4q(1) and MCL 117.4q(11), and Section 8313(2) of the Michigan Revised Judicature Act, being MCL 600.8313(2), the Department shall have jurisdiction:

(1) To hold adjudicatory hearings by hearings officers, who shall make blight violation determinations pursuant to blight violation notices issued under this chapter;

(2) To accept admissions of responsibility for blight violation notices;

(3) To impose fines, costs, and other sanctions for violations of this Code designated as blight violations and impose reasonable and proportionate sanctions consistent with this Code and in accordance with Section 4q(11) of the Michigan Home Rule Cities Act, being MCL 117.4q(11) concerning blight violations;

(4) To collect fines, fees, and costs for blight violations as prescribed by this Code;

(5) To impose a justice assessment in the amount of ten dollars (\$10.00) for each blight violation determination pursuant to Section 4q(13) of the Michigan Home Rule Cities Act, being MCL 117.4q(13);

(6) To issue a final decision and order concerning whether one (1) or more blight violation exists, including any fines, fees, costs, or other sanctions for the violation, in accordance with this Code, which shall constitute a final decision and order for purposes of judicial review and enforceable in the same manner as a judgment entered by a court of competent jurisdiction pursuant to Section 4q(16) of the Michigan Home Rule Cities Act, being MCL 117.4q(16); and

(7) To issue a final decision and order which may contain any action that, as a result of the blight violation, the violator must comply with under this Code.

(b) Pursuant to Section 4q(3) of the Michigan Home Rule Cities Act, being MCL 117.4q(3), the Department shall not have jurisdiction over criminal offenses, traffic civil infractions, municipal civil infractions or state civil infractions.

(c) Pursuant to Section 4q(3) of the Michigan Home Rule Cities Act, being MCL 117.4q(3), the Department and its hearings officers shall not have authority to impose a penalty of incarceration or a civil fine in excess of ten thousand dollars (\$10,000).

(Ord. No. 23-04, § 1, 7-2-04)

Sec. 8.5-3-3. Employees.

The Department may employ persons necessary to administer the Department.

(Ord. No. 23-04, § 1, 7-2-04)

Sec. 8.5-3-4. Rules and procedures.

In accordance with section 2-111 of the 1997 Detroit City Charter, the Director of the Department shall adopt rules and procedures for the adjudication of blight violation notices, including rules and procedures to set aside the entry of a decision and order of default.

(Ord. No. 23-04, § 1, 7-2-04)

Sec. 8.5-3-5. Fees.

(a) The Department hearings officers shall be authorized to impose a justice system assessment fee in the amount of ten dollars(\$10.00) for each blight violation determination.

(b) The Director of the Department shall establish a fee schedule, subject to approval of City Council, for the processing and adjudication of blight violation notices.

(Ord. No. 23-04, § 1, 7-2-04; Ord. No. 41-04, § 1, 11-30-04)

Sec. 8.5-3-6. Equitable action not precluded by blight violation proceeding.

The City shall not be precluded from bringing an equitable action against an alleged violator to restrain, to prevent, or to abate any violation of this Code.

(Ord. No. 23-04, § 1, 7-2-04)

Secs. 8.5-3-7--8.5-3-20. Reserved.

Jackson, Michigan

Blight Ordinance: <http://www.municode.com/resources/gateway.asp?pid=10240&sid=22>

For more information, contact the city of Jackson at:

City of Jackson
Community Development Department
161 W. Michigan, 3rd Floor
Jackson, MI 49201
(517) 788-4060

Or go here for a contact and information request form:

<http://www.cityofjackson.org/departments/communitydevelopment/economicdevelopment/contact.asp>

ARTICLE I. IN GENERAL

Sec. 2.5-1. Purpose.

The city finds that the current zoning and housing related ordinances have operated in a manner that has been less than efficient and effective in obtaining compliance among our neighborhoods. This chapter is designed to define, prevent, reduce, and eliminate blight, factors, and causes of blight and address other quality of life violations in the city that negatively impact the public health, safety, and welfare of the residents of the city. Consistent with the State Statute, MCL 117.41, 117.4q and 117.4r, authorizing the creation of an administrative hearings bureau, the city finds that changing zoning, building or property maintenance, solid waste and illegal dumping, disease and sanitation, noxious weeds, and vehicle abandonment, and inoperative vehicles from criminal misdemeanor or civil infraction offenses to blight violations punishable by a civil fine as determined following a hearing in the city administrative hearings bureau is a potentially more efficient and effective way of gaining compliance.

(Ord. No. 2004.18, 11-9-04)

Sec. 2.5-2. Definitions.

[The following words and phrases as used in this chapter shall have the meaning set forth in this section unless a different meaning is clearly required by the context:]

Blight means a condition that impairs, destroys, or deteriorates the property because of its decay, improper storage, or effect on property or quality of life including but not limited to such things as garbage, junk, noxious weeds, inoperative vehicles, and waste. The proper storage of materials or equipment incidental to and necessary for the carrying out of any business or occupation lawfully being carried out on the property in question is not the cause of blight or a blighting factor if all applicable city ordinances are satisfied. The piling and storage of firewood in a neat orderly manner for consumption by the property residents is not blight.

Blight violation means a violation of any provision of this Code, regarding zoning, building or construction, building or property maintenance or condition in buildings or on the premises; fire prevention; illegal dumping, disposal of solid waste; noxious weeds, abandoned vehicles or inoperative vehicles.

Building materials means any material or equipment used in the restoration, renovation or construction of any structure or surface, including but not limited to lumber, bricks, concrete or cinder blocks, plumbing materials, electrical wiring or equipment, heating ducts and equipment, shingles, mortar, concrete, cement, nails, screws, ladders, scaffolding, or tools.

Garbage includes all animal and vegetable wastes resulting from the handling, preparation, cooking, consumption, or decomposition of food.

Junk includes any abandoned, discarded, stored, unused object or equipment, regardless of viability of use or value, stored in the open, including but not limited to motor vehicle parts, machinery, furniture, appliances, bottles, boxes, cartons, crates, or remnants of cloth, wood, metal, rubber, or other cast-off materials.

Refuse includes garbage, rubbish, trash, debris, junk, ashes, incinerator ash or residue, street cleaning, industrial sludge, solid commercial and industrial waste, animal waste, inoperable household appliances, or broken or damaged stuffed furniture, but does not include human body waste, liquid or other waste regulated by statute, or ferrous or nonferrous scrap possessed by a commercial scrap metal processor or a commercial re-user of ferrous or nonferrous products.

Waste includes any litter, garbage, trash, rubbish, or refuse that is a useless or worthless by-product of any industrial, biological, or other such process and tends to create a danger to public health, safety, and welfare. (Ord. No. 2004.18, 11-9-04)

Sec. 2.5-3. Exclusions.

This chapter does not address any civil infraction under the Michigan Vehicle Code, the Uniform Traffic Code, provisions that allow for control of traffic in parking areas, or a similar municipal ordinance. Nothing in this chapter affects the jurisdiction of the planning commission, the zoning board of appeals, the building code board of examiners and appeals, the historic district commission, or the sign board. (Ord. No. 2004.18, 11-9-04)

Sec. 2.5-4. Severability.

The sections and provisions of this chapter are severable and any portion declared invalid or against public policy will not affect the validity of the remaining sections or provisions of this chapter. (Ord. No. 2004.18, 11-9-04)

Sec. 2.5-5. Chapter not inconsistent.

The provisions of this chapter apply to administrative adjudication proceedings conducted by the administrative hearings bureau to the extent that they are not inconsistent with the provisions of this Code, which set forth specific procedures for the administrative adjudication of particular code provisions. (Ord. No. 2004.18, 11-9-04)

Sec. 2.5-6. Repealer.

Any ordinances or part of an ordinance in conflict herewith is hereby repealed; however, such repeal does not effect any existing litigation and does not abate any action or proceeding pending under or by virtue of any repealed or amended ordinance so long as such litigation or proceeding was filed before December 31, 2004. (Ord. No. 2004.18, 11-9-04)

Secs. 2.5-7--2.5-10. Reserved.

ARTICLE III. VIOLATIONS

Sec. 2.5-51. General violations.

Established violations of Chapter[s] 5, 10, 12, 14, 17, 21, 26, and 28 are blight violations and are subject to the procedures and penalties outlined in this chapter. Each of those violations is considered as if more full set forth here. (Ord. No. 2004.18, 11-9-04)

Sec. 2.5-52. Specific violations.

In addition to section 2.5-51, the following violations are blight violations subject to the procedures and penalties outlined in this chapter:

- (1) *Raw building materials*. Except as may be permitted by a specific business license or other city ordinance, it is a blight violation for any person to store raw building materials on any property unless there is a valid building permit issued according to this Code, and these materials are intended for use in connection with the construction occurring on the property.
- (2) *Junk waste*. It is a blight violation for any person to store, accumulate, or permit the storage or accumulation of any junk or waste on property owned, leased, rented, or occupied by him.

(3) *Littering.* It is a blight violation for any person to knowingly, without the consent of the public authority having supervision of public property or the owner of private property, dump, deposit, place, throw, or leave, or cause or permit the dumping, depositing, placing, throwing, or leaving of litter on public or private property other than property designated and set aside for such purposes.

(4) *Abandoned refrigerators.*

a. It is a blight violation for any person to leave outside of any building or dwelling in a place accessible to children, any abandoned, unattended, available or discarded icebox, refrigerator or any other container of any kind which has an airtight door or lock which may not be easily released for opening from the inside of such icebox, refrigerator, container, or compartment.

b. It is a blight violation for any person to leave outside of any building or dwelling in a place accessible to children, any abandoned, unattended or discarded icebox, refrigerator or any container of any kind, or compartment of any kind, which has a snap lock or other device thereon, without first removing the snap lock or the doors of such icebox, refrigerator, container or compartment, unless the doors thereto are securely fastened by the use of chains, locks or other devices adequate to prevent the opening of such doors.

(Ord. No. 2004.18, 11-9-04)

Sec. 2.5-53. Penalties.

All blight violations under this Code are subject to enforcement by the procedures and penalties outlined in this chapter. The city council will establish a schedule for the potential fines for violations by resolution, and as amended from time to time.

(Ord. No. 2004.18, 11-9-04)

Appendix I – Wayne County Nuisance Abatement Program, additional information

NUISANCE ABATEMENT AS A VACANT PROPERTY TOOL

Nuisance abatement has traditionally been a government tool for responding to crime and blight. Within the last decade, Wayne County has pioneered an innovative use of nuisance abatement actions to attack the vacant property crisis in our neighborhoods. In an effort to expand the impact of this tool, the Wayne County Nuisance Abatement Program, operated by Wayne County's Corporation Counsel, is sharing information with communities on how to initiate private nuisance abatement actions.

Wayne County's Nuisance Abatement Program (NAP), utilizing the common law theory of public nuisance, has been combating the problem of vacant and abandoned properties since 1999. A governmental agency employing public nuisance can invoke the broad police power of the state to promote health, wellness and safety by abating the nuisance created by abandoned and vacant properties.

NAP files public nuisance claims against all interest holders in the properties (lien holders, owners, spouses, heirs, devisees, assignees or successors in interest) arguing that the current condition of the property at issue is in such disrepair that it constitutes a blight and hazard and poses an unreasonable interference with the common rights of the community at large.

In 2006, NAP initiated 1,100 lawsuits against interest holders; in 2007, NAP filed 800; and in 2008, NAP filed approximately 500 lawsuits. Two competing forces, the increasing volume of abandoned and vacant properties in Wayne County and the decrease in capacity due to budgetary constraints and reduction in staff, have created new opportunities and challenges for the program.

In light of the current economic downturn and the record number of foreclosures and abandoned properties, NAP is longer capable of keeping pace with the need for their services.

For this reason, NAP is assisting community partners, other governmental agencies and individual community residents to creatively and effectively combat these issues.

Community partners, including CDCs, law firms, neighborhood associations and block clubs, are considering filing private nuisance claims against interest holders including lenders, financial institutions and mortgage companies. In preparation for filing private nuisance claims, Wayne County's NAP has assembled the following guide of legal issues that must be taken into consideration.

STANDING – Who Can Bring a Lawsuit?

Standing is the legal right to bring a lawsuit. To allege sufficient facts for **standing** in a private nuisance action, a plaintiff must prove:

- (a) personal stake in the outcome of the lawsuit;
- (b) that the plaintiff is the proper party to bring the lawsuit; and
- (c) that the nuisance sought to be abated affects the plaintiff in a way that is distinctly different from the community in general.

In addition to meeting the requirements articulated by the Michigan Supreme Court for standing, a plaintiff must also articulate the specific requirements for standing in a private nuisance cause of action. Therefore, the proper party must have a personal stake and be the proper party bringing the suit in addition to meeting

the exception to the general prohibition of private citizens bringing a nuisance claim that would generally be categorized as public. As a general rule, a public nuisance gives no right of action to any individual, but must be abated by a proceeding instituted in the name of the State, or at the suit of some proper officer or body as its authorized representative.

Except where the rule has been changed by statute, an individual may bring an action on account of a public nuisance when, and only when, he can show that he has sustained damage of a special character, distinct and different from the injury suffered by the public generally.³² Creating another exception to the general prohibition on the right of individuals to bring nuisance claims, it has also been ruled that when there is failure of the proper public official to take action to abate a public nuisance, any person having an interest in the problem greater than that of the community at large may institute proceedings to abate the public nuisance.

The relevant case law, coupled with the specified court rules for private nuisance actions, seemingly grant standing to almost any private individual who can meet the requirements. Generally speaking, **any party capable of proving sufficient interest in the issue of abating a particular nuisance property will have standing as delineated by case law.**

The critical stumbling block faced by any plaintiff in a private nuisance cause of action is proving that the harm suffered by that individual is different from the community at large.

The principal obstacle that potential plaintiffs must overcome in bringing private nuisance abatement lawsuits against a vacant and/or abandoned property is showing a harm that is “greater than that of the community at large.” The first difficulty presumably would be how to define the harm, and it would seem essential to define the harm in each case on an individual basis. That is, the harm suffered by each plaintiff would be different depending on the subject property. Second, the plaintiff would need to show how that harm is significantly different from the harm suffered by the community at large. This is a potential tightrope walk considering the types of harms created by these vacant and abandoned properties.

Diminution of the quality of life, increased crime rates and fear of increased crime appear to be harms that are shared by the community at large. **The Michigan courts have said that depreciation in value of the home due to vacant and abandoned properties would not be sufficient for a cause of action in private nuisance.**³³ Depreciation in property values has been found to be insufficient to confer standing on a plaintiff in a private nuisance action. It has been indicated that something more, i.e. another harm, would be needed to establish standing but the “something more” has not been determined.

Plaintiffs should be careful not to define the specialized harm too narrowly. Narrowly defining the harm may, if an unfavorable ruling were to come down, limit future causes of action in private nuisance lawsuits. Additionally, plaintiffs in these cases may have difficulty demonstrating why they are the best and proper party to bring the suit. It may be too difficult to define a harm that is not shared by the community at large. Defendants would have a very strong argument that the proper party to bring the lawsuit is a governmental entity or a statutorily defined group, not private individuals.

Based on the analysis of Supreme Court cases that articulate the standing requirements for plaintiffs and the particularized requirements to bring private nuisance abatement lawsuits, a private individual and/or group, under the right circumstances, may bring a cause of action against owners and interest holders of vacant and abandoned properties.

³² *Morse v. Liquor Control Comm’n*, 319 Mich. 52 (1947).

³³ *Adkins v. Thomas Solvent Company*, 440 Mich. 293 (1992).

Neighborhood Associations

There is no relevant case law directly on point regarding the issue of neighborhood association standing. However, courts have provided some guidance. It has been held that the purpose of the association and/or organization must be the same as the interest of the individuals in the litigation, and should be applicable in the private nuisance abatement cases that neighborhood associations could bring in court.³⁴

Additionally, it has been established that neighborhood associations are able to bring nuisance abatement lawsuits as long as the association is created for the purpose of representing the individual homeowners and for protecting the interests related to owning homes in the area that the neighborhood association represents.

As discussed previously, a private nuisance action is one where the harm that is caused to the plaintiff must be different from the harm suffered generally by the public. It may be difficult for an organization that represents a collective group to prove this distinct injury in fact and how it differs from the harm suffered by the community. This difficulty may be overcome by choosing carefully, on a case by case basis, the properties against which a neighborhood association would like to bring suit. A case by case approach is best for private nuisance suits brought by neighborhood associations as grouping properties together to show a similar, yet distinct harm, begins to look more like a public nuisance claim than the individualized harm needed to prove private nuisance actions.

An unincorporated organization, registered with the City of Detroit as a block club, should have standing to bring a nuisance abatement action.

Michigan's Pleading and Practices identifies a rule applicable to the rights generally of a partnership and unincorporated entity to bring a lawsuit on behalf of its members. “Partnership, partnership association, or unincorporated voluntary association that has a distinguishing name may sue or be sued in its partnership or association name, in the names of any of its members so designated, or both.”³⁵

The abovementioned rule is a straightforward requirement for unincorporated associations. To appropriately determine the right to sue, the unincorporated association should look to the two basic elements of the rule. First, the association should have a distinguishing name. Second, it must sue in that name. Most, if not all, unincorporated organizations would meet the requirement of having a distinguished name which only requires that the name not be shared by another organization. **The requirement to sue in that name is easily met when the organization files the lawsuit on behalf of the organization and names itself as the plaintiff.** There is no direct case law on point regarding the need to be registered with the City of Detroit.

For more information or assistance:

NUISANCE ABATEMENT PROGRAM
Wayne County Corporation Counsel
International Building
400 Monroe, Suite 680
Detroit, MI 48226
313-967-2203

³⁴ Mich. License Beverage Ass'n v. Behnan Hall, Inc., 82 Mich. App. 325 (1978).

³⁵ 1A Mich. Pl. & Pr. § 15:63 (2d ed.)

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

ROBERT A. FICANO, Wayne County Executive,
COUNTY OF WAYNE, a municipal corporation,
KENNETH V. COCKREL, JR., Mayor, City of Detroit,
CITY OF DETROIT, a municipal corporation,
KYM L. WORTHY, Wayne County Prosecuting Attorney,

Plaintiffs,

Case No CH
Honorable William J. Giovan

PROPERTY ADDRESS, DEFENDANT(S), and any Unknown
or Unnamed Claimants, Owners, Spouses, Heirs,
Devisees, Assignees, or Successors in Interest, of
PROPERTY ADDRESS, DEFENDANT(S), DETROIT, MI ZIP CODE
individually, jointly and severally,

Defendants.

EDWARD M. THOMAS (P 21371)
Wayne County Corporation Counsel
ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorneys for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

KATHLEEN LEAVEY (P 32678)
Corporation Counsel for the City of
Detroit Law Department
Co-Counsel for Plaintiffs City of Detroit,
and Kenneth V. Cockrel, Jr.
1650 First National Building
660 Woodward Avenue
Detroit, Michigan 48226

COMPLAINT

AND

REQUEST FOR EX PARTE ORDER FOR ALTERNATIVE SERVICE

AND

REQUEST FOR EX PARTE ORDER RESTRICTING TRANSFER OF PROPERTY

There is no other civil action between these parties arising out of the same transaction or occurrence alleged in this complaint pending in this court, nor has any such action previously been filed and dismissed or transferred after having been assigned to a judge.

NOW COMES Plaintiffs, ROBERT A. FICANO, in his capacity as Wayne County Executive; the COUNTY OF WAYNE, a home rule charter county; KENNETH V. COCKREL, JR., in his capacity as Mayor of the City of Detroit; the CITY OF DETROIT, a municipal corporation; and KYML. WORTHY, in her capacity as the Wayne County Prosecuting Attorney, by and through their attorneys, EDWARD M. THOMAS, Wayne County Corporation Counsel, KATHLEEN LEAVEY, Corporation Counsel for City of Detroit, and ERIC R. SABREE, Chief Assistant Corporation Counsel, and hereby bring this action.

THE PARTIES

1. Plaintiff, ROBERT A. FICANO, is the Wayne County Executive.
2. Plaintiff, COUNTY OF WAYNE, is a home-rule charter county existing under Michigan's Charter Counties Act, MCL 45.501 et seq. ("County")
3. Plaintiff, KENNETH V. COCKREL, JR., is the Mayor of the City of Detroit.
4. Plaintiff, CITY OF DETROIT, is a home rule city existing under Michigan's Home Rule Cities Incorporation Act, MCL 117.1, et seq.
5. Plaintiff, KYM L. WORTHY, is the Wayne County Prosecuting Attorney.

6. Defendant(s), is/are the owner(s) or interest holders of real estate including a vacant building located in the City of Detroit, County of Wayne, State of Michigan, with a common address of PROPERTY ADDRESS. (See Exhibit A, Legal Description of Property).

JURISDICTION AND VENUE

Jurisdiction of this court is based upon Article 6, Section 13 of the Michigan Constitution and MCL 600.601 and 600.751. Venue is appropriate under MCL 600.162.

JUDICIAL NOTICE

On April 25, 2000, this court took judicial notice of the dangers caused by blighted, abandoned and vacant buildings to the residents of the County of Wayne. (See Common Evidence Exhibit J, Edward H. McNamara, et al. v Sally Wynn, et al., Court Case No. 99-939528 CM, Transcript of Plaintiffs' Motion for Entry of Default Judgment, April 25, 2000. This Abandoned Properties Project common evidence exhibit can be reviewed at Wayne County Circuit Court Clerk's Office, B-61, Case No. 01-103481, Coleman A. Young Municipal Center.)

NATURE OF CLAIMS

Plaintiffs seek equitable and compensatory relief from Defendants and any unknown or unnamed claimants, owners, spouses, heirs, devisees or assignees, successors in interest who have created and maintain a nuisance by permitting a vacant, deteriorated and/or dangerous building, premises or structure to exist on Defendants property posing harm to the health, safety and welfare of the community. ("vacant property") (**Exhibit B, Photograph(s) of Building**)

COUNT I
NUISANCE
(CONDITION OF PROPERTY)

1. Defendants own and/or control a vacant, deteriorated and/or dangerous building, premises or structure within the County of Wayne and the City of Detroit with some of the following conditions, in whole or in part: **(Exhibit B, Photograph(s) of Building)**
 - a. Defendants' vacant property has accumulated solid waste, or debris, garbage, litter or rubbish, and is not in a clean, safe, secure and sanitary condition so as not to cause a blighting problem, or adversely affect the public health, safety or welfare.
 - b. Defendants' vacant property has exterior peeling paint.
 - c. The doors and windows of Defendants' vacant property are not properly secured and barricaded and present security and health and safety risks by allowing trespassers and other unlawful users to frequent the premises.
 - d. Driveways, parking spaces and lots, sidewalks, stairs, walkways, and similar areas of traverse of Defendants' vacant property has not been kept in good repair and contain hazardous conditions, thereby allowing stagnant water to accumulate posing a risk to pedestrians.
 - e. Parking lots and parking areas of Defendants' vacant property have cracks and holes.
 - f. Defendants' vacant property has noxious weeds and plant growth.
 - g. Defendants' vacant property has rodent harborage and infestation.
 - h. Defendants' vacant property has graffiti and other defacement.
 - i. Defendants' vacant property is not in good repair or structurally sound and sanitary so as not to pose a threat to the public health, safety and welfare.
 - j. Defendants' vacant property has not been maintained so that the foundation walls are plumb and free from open cracks and breaks, and has not been kept in such condition as to prevent the entry of rodents and other pests.
 - k. The exterior walls of Defendants' vacant property have breaks, holes, and loose or rotting materials, and have not been maintained as weatherproof to prevent deterioration, and compromise the structural integrity of the building.

2. Defendants have not had a Certificate of Occupancy for this vacant property for at least the past 180 days.

(PUBLIC HARM)

3. In its current condition, Defendants' vacant property is in such disrepair as to constitute a blight and hazard and poses an unreasonable interference with the common law rights of the community at large, including Plaintiffs.
4. Defendants' failure to maintain their vacant property significantly interferes with the public's health, safety, peace, comfort and convenience including but not limited to the following:
 - a. Increased fire risk thereby causing an increased likelihood of harm to firefighters and other public safety officials and adjacent properties;
 - b. Increased crime thereby causing an increased risk of harm to surrounding neighbors and citizens;
 - c. increased danger to public health because the condition of Defendants' vacant property provides harborage for rodent and insect populations; and
 - d. The physically deteriorated condition of Defendants' vacant property has a direct and negative impact on Defendants' property valuation, as well as creating economic obsolescence that negatively impacts the valuation of surrounding properties in the neighborhood. This diminishes the community's property tax base and corresponding local property taxes, decreasing the tax-based resources that would otherwise be available to public agencies such as Wayne County and the City of Detroit to provide essential services such as police and fire protection services, detention services, prosecutorial services, indigent health care services, probation services, medical examiner services, juvenile justice services, public health services, road provisions and maintenance, lighting, refuse

collection, street sweeping, and public transportation

5. Defendants, through their actions or inactions, and by virtue of the neglect of their vacant property, have created both a common law and public nuisance on their property.
6. This nuisance is a nuisance per se under MCL 600.3801.
7. The nuisance caused by the condition of Defendants' vacant property is subject to forced abatement because it interferes with the public's health, safety, welfare, peace, comfort and convenience.
8. Defendants' have a duty to maintain that vacant property in a manner that does not constitute a nuisance.
9. Defendants' have breached this duty by maintaining their vacant property in its current condition.
10. Defendants' breach of this duty has proximately caused the public harm as set forth above.

WHEREFORE, Plaintiffs' request that this court grant judgment in their favor as follows:

- (a) Declare Defendants' vacant property to be both a public nuisance and a common law nuisance per se.
- (b) Declare Defendants' vacant property to be an unreasonable interference with a common right enjoyed by the general public, including conduct that significantly interferes with the public's health, safety, peace, comfort and convenience, including that of Plaintiffs.

- (c) Declare Defendants' vacant property to be a blight on the surrounding neighborhood, city and county.
- (d) Order Defendants to secure the vacant building from open trespass and the elements within seven (7) business days.
- (e) Order Defendants to immediately abate the nuisance by:
 - (1) Renovation, pursuant to a renovation agreement with the County, not to exceed a 180 day period; or
 - (2) Demolition of the vacant building within sixty days, and require Defendants to improve the vacant property within 180 days from the date of demolition.
- (f) If Defendants fail to abate the nuisance within the time specified by order, grant the County or a designee, including but not limited to any local unit of government, the authority and immediate right to enter and secure the vacant property, following entry of an order of this court, along with an order for reimbursement of all costs incurred with respect to Plaintiffs' abatement of the nuisance.
- (g) Upon Defendants' failure to abate the nuisance as set forth above, transfer title to the County, or its designee, in fee simple in order to abate the nuisance in accordance with Wayne County Enrolled Ordinance 2007-271 and equitably defray the costs of abating the declared nuisance, together with their actual attorney fees, court costs, and expenses.
- (h) Enter an order in favor of the County and against Defendants for all property taxes, liens, obligations, special assessments, or levies due upon or pertaining to the vacant

property including, but not limited to, utility charges including water bills, and tax delinquencies up to and including the effective date of transfer of title to the County, or its designee, if any;

(i) Enter an order in favor of the County and against Defendants for any deficiency remaining from the costs, expenses and fees incurred by Plaintiffs in abating the nuisance, including actual attorney fees and court costs, administrative costs, and property taxes, liens, obligations and levies due and owing by Defendants as pertaining to the vacant property, including but not limited to utility charges, renovation or demolition permit fees, costs of demolition, costs to secure the vacant property, environmental clean up costs, delinquent taxes in addition to any other expenses.

(j) Order that no mortgages, equity loans or other encumbrances may be sought by Defendants or their agents against the vacant property during the pendency of this action without leave of court or stipulation of the parties;

(k) Award Plaintiffs all damages to which they are entitled, including any fines due to Plaintiffs.

(l) Order all other legal or equitable relief to which Plaintiffs may be entitled under the circumstances, including costs, interest and attorney fees.

REQUEST FOR EX PARTE ORDER FOR ALTERNATIVE SERVICE

Plaintiffs request the issuance of an Ex Parte Order for Posting. In support of their request, Plaintiffs set forth the following allegations:

1. Plaintiffs have made the following minimum diligent inquiry and service of process efforts with respect to each Defendant, claimant owner and/or interest holder:

- a. Completion of a title search of the records of the Wayne County Register of Deeds, as well as a search of Wayne County Treasurer property tax records, to identify and locate owners or interested parties of record in the subject property and their last known address.
 - b. Utilization of electronic investigative tools available on the internet and other available tracking database services such as those provided by Lexis, Westlaw, Choicepoint (Auto Track XP) or other similar database services to identify the last known address of the owners or interested parties of record in the subject property.
 - c. Service of process by certified mail at the last known address of owners or interested parties of record, as ascertained through diligent inquiry efforts described above.
 - d. Posting a copy of the complaint on each of the subject properties identified in the action, and in accordance with MCR 2.106
2. The described and proposed manner of service of process is reasonably calculated to give each Defendant, claimant owner and interest holder actual notice of the proceedings and an opportunity to be heard.

WHEREFORE, Plaintiffs request that this Honorable Court order that Plaintiffs may complete sufficient alternative service as outlined above.

REQUEST FOR EX PARTE ORDER RESTRICTING TRANSFER OF PROPERTY

Plaintiffs request the issuance of an Ex Parte Order Restricting Transfer of Property. In support of their request, Plaintiffs set forth the following allegations:

1. Blighted properties throughout Wayne County often remain a nuisance because of a large number of unrecorded interests and assignments, fraudulent transfers, encumbrances and other conveyances by interest holders to avoid responsibility for the building's condition.

2. The proposed Ex Parte Order Restricting Transfer of Property is reasonably calculated to limit the interest holders' ability to transfer the property and avoid abating the nuisance, without an order of this court or agreement of the parties.

WHEREFORE, Plaintiffs request that this Honorable court order that Defendants be restricted from transferring or encumbering the subject property without further order from this Court or stipulation of the parties.

Respectfully submitted,

EDWARD M. THOMAS (P21371)
Wayne County Corporation Counsel

Dated:

BY:

ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorney for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

ROBERT A. FICANO, Wayne County Executive,
COUNTY OF WAYNE, a municipal corporation,
KENNETH V. COCKREL, JR., Mayor, City of Detroit,
CITY OF DETROIT, a municipal corporation,
KYM L. WORTHY, Wayne County Prosecuting Attorney,

Plaintiffs,

v

Case No: CH
Honorable William J. Giovan

PROPERTY ADDRESS, DEFENDANT(S), and any Unknown
or Unnamed Claimants, Owners, Spouses, Heirs,
Devisees, Assignees, or Successors in Interest, of
PROPERTY ADDRESS, DEFENDANT(S), DETROIT, MI ZIP CODE
individually, jointly and severally,

Defendants.

EDWARD M. THOMAS (P 21731)
Wayne County Corporation Counsel
ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorneys for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

KATHLEEN LEAVEY (P 32678)
Corporation Counsel for the City of
Detroit Law Department
Co-Counsel for Plaintiffs City of Detroit
and Kenneth V. Cockrel, Jr.
1650 First National Building
660 Woodward Avenue
Detroit, Michigan 48226

**PLAINTIFFS' FIRST SET OF INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS TO DEFENDANTS**

PLEASE TAKE NOTICE that Defendant(s) are required to render answers to the following
interrogatories and request for production of documents, in writing and under oath, in accordance
with the provisions of MCR 2.309 and 2.310 . These interrogatories and request for documents shall

be deemed continuing, and supplemental answers shall be required immediately upon receipt thereof if Defendant(s) directly or indirectly, obtains further or different information from the time these answers are served to the time of trial.

These interrogatories and production request call for the knowledge of the Defendant(s) and the knowledge of their attorney and investigators.

INTERROGATORIES

1. Identify all persons or entities, other than yourself, that have a legal and/or equitable interest in the subject property. (i.e., spouse, former spouse, relative, business, business partner, lien holder, lessee, land contract vendee, mortgage holder). Please provide the name, address and telephone number for each person or entity identified.

ANSWER

2. Is the property subject to any divorce decree, bankruptcy proceeding, levy, collection proceeding, court action, tax action, or court order? If so, please identify all persons, by name address and telephone number, that are subject to the said action or proceeding.

ANSWER

REQUEST FOR PRODUCTION OF DOCUMENTS

As required by MCR 2.310, please provide the following documents:

Please attach a copy of any divorce decree, bankruptcy proceeding, tax action, lien, court proceeding or court order identified in answer to interrogatory 2.

RESPONSE

Respectfully submitted,

EDWARD M. THOMAS (P 21371)
Wayne County Corporation Counsel

Dated:

ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorneys for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

EXHIBIT A

LEGAL DESCRIPTION

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Ward: WARD NO. Item: ITEM NO.

Commonly Known As: PROPERTY ADDRESS, DETROIT, MICHIGAN ZIP CODE

EXHIBIT B

PHOTOGRAPH OF PROPERTY

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

ROBERT A. FICANO, Wayne County Executive,
COUNTY OF WAYNE, a municipal corporation,
KENNETH V. COCKREL, JR., Mayor, City of Detroit,
CITY OF DETROIT, a municipal corporation,
KYM L. WORTHY, Wayne County Prosecuting Attorney,

Plaintiffs,

Case No: CH
Honorable William J. Giovan

v

PROPERTY ADDRESS, DEFENDANT(S), and any Unknown
or Unnamed Claimants, Owners, Spouses, Heirs,
Devisees, Assignees, or Successors in Interest, of
PROPERTY ADDRESS, DEFENDANT(S), DETROIT, MI ZIP CODE
individually, jointly and severally,

Defendants.

EDWARD M. THOMAS (P 21731)
Wayne County Corporation Counsel
ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorneys for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

KATHLEEN LEAVEY (P 32678)
Corporation Counsel for the City of
Detroit Law Department
Co-Counsel for Plaintiffs City of Detroit
and Kenneth V. Cockrel, Jr.
1650 First National Building
660 Woodward Avenue
Detroit, Michigan 48226

APPEARANCE OF COUNSEL AND NOTICE OF APPEARANCE

TO: CLERK OF COURT
COUNSEL OF RECORD

PLEASE TAKE NOTICE and enter the appearance of EDWARD M. THOMAS, Wayne County Corporation Counsel, ERIC R. SABREE, Chief Assistant Corporation Counsel as counsel for Plaintiffs Robert A. Ficano, Wayne County and Kym L. Worthy in this matter.

FURTHER, all the counsel for Plaintiffs, designate, ERIC R. SABREE, Chief Assistant Corporation Counsel, as the attorney to receive all further papers filed in this action.

Respectfully submitted,

EDWARD M. THOMAS (P21371)
Wayne County Corporation Counsel

BY: _____

ERIC R. SABREE (P 57231)
Chief Assistant Corporation Counsel
Attorneys for Plaintiffs Robert A. Ficano,
County of Wayne and Kym L. Worthy
400 Monroe, Suite 660
Detroit, Michigan 48226
(313) 224-5757

DATED:

Appendix J – Michigan County Land Banks

Michigan Land Bank Fast Track Authority

State Office Secondary Complex
 General Office Building (GOB)
 7150 Harris Drive
 Lansing, MI 48909
 Website: <http://michigan.gov/dleg/0,1607,7-154-34176---,00.html>
 (517) 636-5149

Arenac County Land Bank

120 N. Grove St., Suite 102
 P.O. Box 637
 Standish, MI 48658
 Phone: (989) 846-4106
 Fax: (989) 846-9194

Berrien County Land Bank

701 Main Street
 St. Joseph, MI 49085
 Phone: (269) 982-8645
 Fax: (269) 982-8651

Calhoun County Land Bank

315 West Green St.
 Marshall, MI 49068
 Phone: (269) 781-0809
 Fax: (269) 781-8303

Cass County Land Bank

120 North Broadway Street
 Cassopolis, MI 49031
 Phone: (269) 445-4421
 Fax: (269) 445-8978

Detroit Land Bank Authority – coming soon

Genesee County Land Bank

452 South Saginaw Street, 2nd Floor
 Flint, MI 48502
 Website: <http://www.thelandbank.org>
 Phone: (810) 257-3088
 Fax: (810) 257-3090

Gladwin County Land Bank

401 West Cedar Avenue
 Gladwin, Michigan 48624
 Phone: (989) 426-7251
 Fax: (989) 426-6903

Grand Traverse County Land Bank

400 Boardman Avenue
 Traverse City, MI 49684
 Phone: (231) 922-4740
 Fax: (231) 922-4658

Ingham County Land Bank

422 Adams Street
 Lansing, MI 48906
 Website: <http://www.inghamlandbank.org>
 Phone: (517) 267-5221
 Fax: (517) 267-5224

Jackson County Land Bank

120 West Michigan Avenue
 Jackson, MI 49201
 Phone: (517) 768-6724
 Fax: (517) 788-4642

Lapeer County Land Bank

255 Clay Street
 Lapeer, Michigan 48446
 Phone: (810) 667-0239

Leelanau County Land Bank

8527 East Government Center Drive
 Suttons Bay, Michigan 49682
 Phone: (231) 256-9838
 Fax: (231) 256-7850

Muskegon County Land Bank

990 Terrace Street
 Muskegon, MI 48442
 Phone: (231) 724-6217
 Fax: (231) 724-6549

Ogemaw County Land Bank

506 West Houghton Avenue
 West Branch, MI 48661
 Phone: (989) 345-0084
 Fax: (989) 345-4939

Saginaw County Land Bank

111 South Michigan Avenue

Saginaw, MI 48602

Phone: (989) 297-1480

Fax: (989) 790-5229

Sanilac County Land Bank

60 West Sanilac Avenue

Sandusky, Michigan 48471

Phone: (810) 648-2127

Fax: (810) 648-5479

Wayne County Land Bank Corporation

International Center Building

400 Monroe Street

Detroit, MI 48226

Phone: (313) 224-6673

Fax: (313) 967-3841

Appendix K – Cost Worksheet For Holding and Managing Vacant Properties

Carrying Costs Worksheet			
ACQUISITION COSTS			
Appraisal Fee	+		
Purchase Price	+		
Title Search and Title Insurance	+		
Extinguishing Liens (federal tax, utilities, demo)	+		
Clear Title Action	+		
Environmental Assessment	+		
Environmental Remediation	+		
Attorney Fees	+		
Site Improvements	+		
Fees, Miscellaneous	+		
Acquisition Costs Sub-Total	=		
Subsidies, Grants	-		
Total Acquisition Costs	=		
HOLDING COSTS			
	Monthly	Annual	# of Years
Securing the Property (boarding, etc.)	+	x 12 =	x ___ =
Alarm System / Security System	+	x 12 =	x ___ =
Utilities (Water, Heat, Electricity)	+	x 12 =	x ___ =
Maintaining the Property (mowing, re-boarding)	+	x 12 =	x ___ =
Property Taxes	+	x 12 =	x ___ =
Insurance, Property	+	x 12 =	x ___ =
Insurance, Liability	+	x 12 =	x ___ =
Other, Miscellaneous	+	x 12 =	x ___ =
Holding Costs Sub-Total	=	x 12 =	x ___ =
Tax Abatements	-	x 12 =	x ___ =
Total Holding Costs	=	x 12 =	x ___ =
TOTAL COSTS			
	First Year		
TOTAL ACQUISITION COSTS			
(Plus) TOTAL HOLDING COSTS	+		
TOTAL COSTS	=		



The *Vacant Property Legal Manual* was made possible through the generous support of the **Michigan State Housing Development Authority (MSHDA)**.*



Vacant Property Legal Manual

a product of Community Legal Resources

** The Michigan State Housing Development Authority's funding for this project does not constitute an endorsement of any content or opinion expressed in it.*



Community
Legal
Resources

*Community Legal Resources
615 Griswold, Suite 1400
Detroit, MI 48226
Phone: 313-962-3171
Fax: 313-962-0797
www.clronline.org*