



Renter Information

If you are a renter or non-owner in a property that is facing tax foreclosure, this information is for you:

Overview

Thousands of rental homes face tax foreclosure every year in Detroit when landlords do not pay property taxes. Renters are not responsible for property taxes, but they often face the harshest consequences of foreclosure.

Renters need information and deserve information about what to do. Should you withhold rent? Should you move? Will you have a chance to buy the home? Talk to an advocate at UCHC to get help through this process.

Text “**Detroit**” to **63735** to find out foreclosure and rental inspection status of your home

What Will Happen?

We don’t know in advance but we can plan for outcomes:

- Most at-risk properties will NOT be foreclosed. Most landlords make arrangements to stop foreclosure before the April deadline.
- Sometimes, properties go into foreclosure in April but the owner redeems the property later.
- However, in some cases, the property is foreclosed and the Wayne County Treasurer becomes the owner. You might have the chance to buy the home and become a homeowner. Or, someone else might buy the house and that new owner could rent, sell or evict the current resident.

Timeline

- **October-December 2018:** Properties at risk of foreclosure get a “yellow bag” on the door. Generally you should continue to pay rent as normal, seek counseling if there are some other landlord-tenant issues.
- **January 2019:** “Show cause hearings” for owners. Landlord may make arrangements to stop foreclosure. Continue to pay rent as normal.
- **April 1, 2019:** This is the legal foreclosure date but it may be extended in some cases. Find out if your property is foreclosed at UCHC (313) 405-7726 or Wayne County Treasurer (313) 224-5990
 - If the house is NOT foreclosed, keep checking until July, but it probably will NOT be foreclosed this year.
 - If the house IS foreclosed, you may withhold or continue paying rent. Seek legal advice before withholding.
- **April – June, 2019:** Residents of foreclosed homes who want to become the owner can sign up for Right of Refusal workshop with UCHC to learn about becoming the owner.
- **Mid-Late June 2019:** If the home is foreclosed, begin to withhold rent now if you have not already.
- **July- August, 2019:** Residents of foreclosed homes may have to prepare to buy their home in auction if they did not qualify for, or missed the deadline for Right of Refusal.
- **September- October 2019:** Foreclosed homes will be sold in the online auction to the highest bidder.
- **November – December 2019:** Properties sold in the auction will have new owners. The resident might buy back the home, rent it, or face eviction. They will have money saved if they withheld rent from April or June.

United Community Housing Coalition / Michigan Legal Services

2727 Second Ave., Suite 313, Detroit, MI 48201

UCHC: 313.963.3310 | MLS: 313.964.4130 | Tax Foreclosure Hotline: 313.405.7726

Free Counseling Monday, Wednesday, Friday 9am – 12pm | HPTAP Workshops “First Tuesdays” at 4-6 pm



Commonly Asked Questions- Renters

1. Should I pay or withhold rent?

Seek advice at UCHC or another legal resource before you withhold rent. The answers depends on timing and foreclosure status. April 1, 2019 is the legal foreclosure deadline, so some people start withholding then. However, some homes will be pulled from foreclosure after April, so some renters continue to through June when the foreclosure is more certain. If you withhold rent before the house is foreclosed, or if the foreclosure is later reversed, you may owe “back rent.” If the property stays in foreclosure, the withheld money is yours.

There are other situations where it may be appropriate to withhold rent, such as maintenance issues or lack of rental registration. Text Detroit to 63735 for more info.

2. How do I withhold rent?

Withholding rent means that you save it, not spend it. To withhold rent, pay the amount you owe in an escrow account on or before rent day. You can also save here at UCHC by bringing in a money order or cashier’s check. Escrow is the legal, safe way to withhold rent. You may give written notice to your landlord of the reason why you are withholding rent (if they are still the owner).

3. What will happen if I stop paying rent to my landlord?

Your landlord may do nothing if they have lost ownership of the house, or they may begin an eviction proceeding. If your landlord begins a court case, make sure you go to the hearing. If your landlord does NOT own the property (because it was foreclosed) and this is raised to the court, the case should be dismissed.

Seek legal counsel. UCHC can provide free legal counsel to Detroit residents, and Legal Aid and Defender Association or Lakeshore Legal Aid may provide counsel for other Wayne County residents.

4. Will I be evicted in this foreclosure process?

If the home is foreclosed and your landlord loses ownership, they will not have the right to evict you, but this needs to be raised to the court. The Wayne County Treasurer will become the owner from April to at least September and they will **not** evict you. But, if the landlord stops the foreclosure, they may try to evict you for unpaid rent. Withholding rent and getting free legal help are the keys to avoiding eviction.

If the home is sold in the September or October Tax Auction, the new owner may choose to evict you. You will have rights as a “holdover tenant.” For a legal eviction, the new owner must (1) get their deed, (2) give proper notice (one month for a termination), (3) get a court eviction judgment, and (4) obtain a signed order of eviction. The new owner could also rent or sell the home to you.

5. Could I become the owner?

Very possibly. In the last two years, UCHC has helped 600 residents of tax foreclosed homes buy their homes back. Find out more about our “Right of Refusal” program to see if you qualify and get the help you need to stay in your home!

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