

## Wisconsin's foreclosure process

- Once a borrower is in default and any necessary notices of default have been given (usually 90 days or more late in paying scheduled mortgage payments, failure to pay taxes, etc.), the lender files a summons and complaint at the circuit court level and a notice of foreclosure with the county register of deeds. No judgment may be granted for 20 days, giving homeowners a chance to work with the lender.
- After a court hearing is held, a judgment of foreclosure may be entered in favor of the lender into the records of the court.
- The law provides the borrower with additional time to work out a plan with the lender. If the lender seeks a deficiency judgment, and the property is a 1-to-4 family, owner-occupied residence, the home may not be sold for 12 months—giving the homeowner additional time to avoid losing the home.
- After one year, a formal legal notice of a pending sheriff's sale must be printed in that county's officially designated newspaper for six consecutive weeks, announcing the date and time the property will be sold and identifying the property. [Note: The notice can be printed before the running of the one-year redemption period.]
- Following a public sheriff's sale at a county courthouse, the sheriff's office mails or delivers a notice to all involved parties with the details of the sale.
- The court then conducts a public hearing to confirm the sale. This cannot take place until at least the fifth day after the notice is served.
- Once the sale is confirmed by the court, a sheriff's deed is provided to the successful bidder — often the lender.

Source: Wisconsin Department of Financial Institutions, [www.wdfi.org](http://www.wdfi.org)

## Resources for homeowners

Several agencies provide free, third-party services to help homeowners negotiate new loan terms or even to find assistance with utility and heating bills, job re-training and more:

- Wisconsin Housing and Economic Development Authority (WHEDA) 1-800-334-6873, [www.wheda.com](http://www.wheda.com) or [www.wisconsinforeclosureresource.com](http://www.wisconsinforeclosureresource.com)
- Wisconsin Community Action Program Association (608) 244-4422 or [www.wiscap.org](http://www.wiscap.org)
- Hope NOW 1-888-995-HOPE or [www.995hope.org](http://www.995hope.org)
- U.S. Department of Housing and Urban Development 1-800-569-4287 or [www.hud.gov/foreclosure](http://www.hud.gov/foreclosure)

## Produced by

- Wisconsin Bankers Association
- Wisconsin Mortgage Bankers Association
- Wisconsin REALTORS® Association
- Wisconsin Credit Union League

Get the Help You  
Need to Avoid  
**FORECLOSURE**  
and Stay in Your Home



**Have you experienced  
unemployment or income  
reduction, a divorce, medical  
condition, an interest rate reset  
or another problem that has left  
you behind on your mortgage?**

**Many homeowners are facing  
difficulties – but you can get help  
to avoid foreclosure.**

**Find out how you can get started today.**

## What to do if . . .

### You may not be able to make a scheduled mortgage payment

- Call the customer service number of your lender or loan servicer immediately to make alternate arrangements and avoid having a late payment recorded on your credit report.
- Prioritize your spending. Are there areas where you can cut back, such as cable television, cell phone service or gym memberships? Can you find extra work to add income?
- Contact credit card companies to reduce or delay payments so you can pay your mortgage first.

### You've missed one or more payments

- Take action right away. Your lender can offer options such as loan modifications or mortgage workouts that may result in a lower payment or reduced interest rate.
- Open and respond to all mail from your lender. The notices you receive will offer advice on avoiding foreclosure.

*More than 50 percent of borrowers that lost their home through foreclosure had not contacted their lender.*

— Freddie Mac, 2008

### You cannot reach your lender or comply with a loan agreement

- If your loan carries an unusually high interest rate or requires a “balloon payment,” you may have been the victim of predatory lending. Contact a local financial institution to see if you qualify for a refinanced, fixed-rate mortgage.
- If you still cannot make reduced mortgage payments, call your lender again.
- Stay away from companies that promise to help you work with your lender for a fee — these are often scams.
- If you need additional assistance, contact a housing counselor in your area.

*From January through September 2008, Wisconsin foreclosure cases were up 31 percent from the same period in 2007.*

— University of Wisconsin-Extension, 2008

### You've received a foreclosure notice

- Understand that your financial institution wants to help you keep your home. Foreclosures cost lenders tens of thousands of dollars, drive down property values, and damage the credit of homeowners for years to come, making it difficult to rent or buy another home.
- Don't give up. The Wisconsin foreclosure process gives homeowners extra time to work with lenders to halt the process. (See reverse side.)

*Wisconsin has 12.7 subprime loans per 1,000 housing units. Nearly 73 percent are adjustable-rate mortgages, at least one-fourth of which will reset this year.*

— Federal Reserve Bank of New York, 2008

### Your home is worth less than you owe

- Walking away from a home because you are “upside down” or “under water” is a drastic move that can have a devastating impact on your credit and leave your family with few housing options.
- Know that the only way to regain the value of your home is to stay. Home values will recover, and in the meantime, you will have earned equity by making your payments.
- Talk to a lender or housing counselor about your options.

*At least 14 percent of Wisconsin homeowners have negative equity, which puts the state 17th among the 44 states for which sufficient data was available.*

— First American CoreLogic, 2008