

Macomb, Oakland clerks join forces to fight foreclosures

Officials work together to change law so county Register of Deeds can assist struggling homeowners

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Macomb County Clerk Carmella Sabaugh and her Oakland County counterpart, Ruth Johnson, engaged in a bipartisan push Tuesday to assist homeowners facing foreclosure.

Sabaugh and Johnson testified before a House committee in Lansing, urging passage of a bill that would make it easier for



SABAUGH

JOHNSON

struggling homeowners to find out how much they owe by contacting their Register of Deeds. The information would allow them to save their property when banks or investors are moving toward seizing the house.

Under the current system, the banks are uncooperative, Sabaugh and Johnson said, when

See FORECLOSURE, Page 7A

FORECLOSURE: Not all clerks agree

Continued from Page 1A

homeowners call. The Register of Deeds, who had performed this service for many years, had offered a neutral source of information.

Under a 2005 law, county Registers of Deeds no longer calculate the exact amount owed, which could help homeowners make last-minute provisions to stay in their home.

Michael Szandzik of Warren also appeared before the Inter-governmental and Regional Affairs Committee, where he served as a prime example of the difficulty homeowners encounter when trying to redeem their property.

Johnson, an engineer for 28 years, lost his job when his employer, an auto supplier, shut its doors. In January of this year, he received his first foreclosure notice from Citibank. Johnson then engaged in almost 10 months of haggling with the bank and their attorneys, including more than 50 phone calls, in an attempt to secure a modification loan.

At one point, Johnson, who has started his own small business, said Citibank offered him a new mortgage that would have actually raised his payments. Last Thursday afternoon, Johnson was staggered when a bank loan officer informed him that they were pulling the plug. The next morning, his home was presented at auction by the sheriff's department.

If he could have secured an exact amount needed for redemption, Johnson could have turned elsewhere — perhaps even family and friends — to pay off his home and start the process of paying back personal loans. But the law doesn't provide for quick, unbiased dissemination of information.

"It would have taken days or weeks to find out that number,"

said Johnson, who testified in Lansing on his 51st birthday. "This bill ... could help thousands of other people so they don't have to go through what I went through."

Attempts to gain redemption information can lead to corporate red tape as banks often rely on specialized law firms to handle foreclosure matters. In addition, homeowners are typically charged a fee of \$200 to \$300 for the payoff data.

Sabaugh, a Democrat, and Johnson, a Republican, are making their second attempt to revise the change in law that was quietly passed during the Legislature's "lame duck" session of December 2004.

Sabaugh and Johnson, after initially failing to reverse the law, have proposed legislation that would only affect Macomb and Oakland counties. Both clerks also serve as their respective county's Register of Deeds.

But Register of Deeds in other counties have lobbied hard against the bill, saying they don't have the resources to provide redemption figures. If only a few counties provide those services, the proposed bill could essentially hurt Register of Deeds' reputation.

Former House speaker Lewis Dodak is lobbying against the bill on behalf of the Michigan Association of Registers of Deeds. His wife, Mildred Dodak, serves

as the Saginaw County Register of Deeds.

In the wake of political pressures, Kent County Clerk/Register of Deeds Mary Hollinrake on Tuesday withdrew her bid to have her county included in the legislation.

State Rep. Fred Miller, the Mount Clemens Democrat who authored the bill, said the legislation is up against "a lot of internal politics" among Registers of Deeds. The opponents say they prefer an alternate bill, Miller said, but that legislation is still being drafted and the provisions are vague.

Johnson, a Holly Republican, said that investors sometimes intentionally skew the redemption numbers so that they have a better chance of seizing a homeowner's property.

"It's like stealing people's homes right out from under them," she said.

Sabaugh said the Legislature should allow Macomb and Oakland counties, where foreclosures have been rampant, to provide assistance that will not cost the state any money. The service would be provided quickly for a fee of about \$50.

"If this helps just 5 percent of the people in this kind of financial trouble, well, you know, we had 9,000 foreclosures last year, so that's 450 people," Sabaugh said.