

Tenant Information- Tax Foreclosed Home

If you received a yellow bag from the Wayne County Treasurer's office on your door, your home is at risk of tax foreclosure because the owner has unpaid property taxes. Read this to learn more.

Quick Facts

- "Tax Foreclosure" happens when a property owner loses ownership due to unpaid taxes.
- The foreclosure deadline is March 31, 2021. If there are taxes owing back to 2018 or prior, the property may be foreclosed. (Note: Wayne County Treasurer may extend foreclosure deadline.)
- You can look up the foreclosure status online at pta.waynecounty.com.
- If the house is foreclosed in April, you may be able to withhold rent at that time but not sooner unless there are other legal reasons to do so. Seek counsel before withholding rent.
- Tenants are not responsible for the property taxes. Paying taxes will not make you the owner.
- Tenants are generally not responsible for home repairs. Repairing the home will not make you the owner. If there are urgent repair issues that you decide to fix, that is your decision.

If the house is not foreclosed -- If the landlord stops the foreclosure by paying the taxes or entering a payment plan, they are still the owner. You can continue to live in your home and pay rent.

If the home is foreclosed -- If your home is foreclosed, you may be able to **withhold rent**. You may be able to **buy your home in the Make it Home program**. Save money and attend a class in April to enroll.

Timeline

- **Jan 1- Mar 31:** Pay rent as normal unless you have a separate legal reason to withhold rent.
- **April 1:** We will know more about the foreclosure status of the home. Call UCHC or check pta.waynecounty.com. Renters in foreclosed homes may decide to withhold rent.
- **April - June:** If the house is foreclosed, stay put and save money:
 - Withhold rent by putting it in a dedicated savings account. UCHC offers a free TWA account where you can save the full monthly rent or more. *See next page for details.*
 - Wayne County Treasurer becomes the temporary owner when they foreclose. Wayne County Treasurer does not evict or collect rent.
 - The landlord may still have time to redeem the property from foreclosure if the Wayne County Treasurer extends the foreclosure deadline. You may owe back rent if this happens, so it is very important to withhold rent properly. *See next page for details.*
 - If you want to buy your home, attend the Make it Home program class in April-June.
 - If you receive a notice or court order for eviction, contact UCHC as soon as possible.
- **July:** The Make it Home deadline -- Renters who sign up and qualify for the Make it Home program may have an opportunity to purchase their home. *See Make it Home flyer for more information.*
- **Fall 2021:** If the house is foreclosed and you did not buy it in the Make it Home program, it may be sold in the public auction in September or October. The new owner should show you their deed before giving you any notice or entering any lease agreement, etc.

Withholding Rent

Tenants sometimes withhold rent if there are serious disputes with the landlord, such as major repairs or loss of ownership due to foreclosure. “Withholding rent” does **not** mean “not paying rent” it means “paying into a separate account”.

How to Withhold Rent Properly:

1. When it is time to pay rent, save your full monthly rent amount in a dedicated savings account.

Example: If your rent is \$700 per month, due on the 1st of the month, deposit \$700 into a savings account on the 1st of the month.

How: You can save into escrow through a bank. Or you can save with UCHC into TWA (Tenant Withholding) Account. You must save your full monthly rent amount. This money should not be mixed in with other types of savings nor should it be held in cash.

2. If you are withholding because of repair issues, follow these additional steps:

- Keep records to show that the landlord knew of the repair issue at least a month prior to withholding (e.g., dated photos, text message, letter, etc.)
- Give written notice to your landlord to tell them you are withholding rent and why. For help writing a letter, go to michiganlegalhelp.org/self-help-tools/housing/do-it-yourself-letter-landlord-repairs
- Contact Detroit Buildings and Safety (BSEED) at 313-224-2733 to find out if the home is rental registered and/or to request an inspection.
- Keep all receipts or proof of payment of rent.
- Take pictures of all repair issues and continue documenting if they worsen.
- Do not make any large repairs yourself without consulting a lawyer or expert.

If the situation is resolved:

- You may resume paying rent if the problems are resolved, such as if the landlord stops the foreclosure, becomes compliant with the City, or corrects the repair issues. You may be required to pay the withheld rent to the landlord, depending on the situation.
- When you withhold rent or don't pay, you may risk having an eviction case brought against you. Call the Eviction Hotline (313-355-3352) if you receive a notice to quit, Complaint and Summons, etc. If landlord tries to illegally evict you without court order, call the police, stay inside, be ready to show proof of residence (like ID at the address, a utility bill in your name, lease, etc.)