

Kent County reports 21-year low in tax foreclosures, bucking state, national trends

By **Rachel Watson**

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Citing the success of enhanced efforts to prevent repossessions, Kent County reported last week that it auctioned off only 13 foreclosed properties this year, a 53% year-over-year decrease and a 21-year low.

That's according to a report from Kent County Treasurer Peter MacGregor that tracked foreclosure sales of vacant lots and commercial and residential properties.

The number of foreclosures is down from 116 in 2002 and a 21-year high of 309 foreclosed properties in 2012 following the housing market crash. In 2021 and 2022, the county foreclosed on 28 properties apiece.

Calling foreclosures a "tragedy" for property owners, MacGregor said his office redoubled outreach and education efforts after he took the job almost three years ago. During that time frame, the treasurer's office began sending statements and notices in both English and Spanish, which had never been done before.

"One of my No. 1 issues was making sure that we reach out to people who need help," he told *Crain's Grand Rapids Business*. "And boy, if you can open up that line of communication, most of the time, we can help out these people. ... I think the people who are in trouble with their property taxes are probably in trouble with other financial issues, as well. So we just need to show them that there are resources, and there is some help out there."

To help property owners avoid foreclosure, the treasurer's office also conducts site visits, offers hardship extensions for up to one year, works with landowners on doable payment plans and connects them to nonprofits that can provide financial assistance.

Examples of financial resources include reduced-cost repairs and financial training from Home Repair Services of Kent County and free housing law advice from Legal Aid of Western Michigan.

The treasurer's office also can connect homeowners to the Michigan State Housing Development Authority's Michigan Homeowner Assistance Fund (MIHAF). Gov. Gretchen Whitmer created the program in 2021 with an allocation of nearly \$243 million in American Rescue Plan Act funding to benefit homeowners making less than 150% of area median income.

MacGregor said MIHAF funds are expected to run out by the end of this year, but for now, property owners can still apply.

How foreclosures work

Property tax delinquency follows a three-year pattern, MacGregor said.

Parcels become delinquent March 1 the year after being assessed and found to have unpaid taxes. In the second year of delinquency, parcels are forfeited, with added fees and retroactive interest from March 1 of the previous year.

If property taxes remain unpaid by March 31 in the third year of delinquency, foreclosure occurs and the county auctions the properties by the end of August.

Although MacGregor was not able to provide a full breakdown of how many of the county's foreclosed properties since 2002 were homes, he said that in 2021, 2022 and 2023, Kent County foreclosed on seven, five and four residential properties, respectively.

Bucking a trend

Kent County's decline in home foreclosures defies both a statewide and national trend, according to reports by the real estate data provider ATTOM.

Its February foreclosures report ranked Michigan as one of the top three states with the highest home foreclosure filing rates in January. According to the report, one in every 2,617 housing units in Michigan had a foreclosure filing with the state, ranking third behind Delaware and Illinois.

The report also found that Detroit led the country's major metro areas in completed home foreclosures that month, with 783 foreclosures, or one foreclosure for every 1,575 housing units.

Kent County was not included in that report. But MacGregor said out of the 231,824 commercial, residential and vacant parcels in the county, 1,300 parcels were forfeited as of March 1 and the county completed only 13 foreclosures that resulted in an auction at the end of August. That's a rate of about one foreclosure for every 17,832 properties, and a prevention rate of 99%.

Reached by email Wednesday, the Michigan Department of Treasury said it will not have 2023 foreclosure data for all 83 counties until the end of this year.

In the U.S., one in every 4,425 housing units had a foreclosure filing in January 2023, according to the ATTOM report. There were a total of 31,557 U.S. properties with foreclosure activity, defined as default notices, scheduled auctions or bank repossessions, an increase of 36% from a year ago.

MacGregor told *Crain's* he wants property owners who have received delinquency notices from the county to know that it's not too late to seek help.

"I know people get embarrassed about having to owe money on taxes, but my advice is, contact your county treasurer, and there's resources out there. The last thing every treasurer wants to do is foreclose. We do not want anybody's property. I don't want someone's home, I don't want someone's business, I don't want someone's land," he said. "I know my team is very helpful to people calling. Sometimes you can't fix them all, but you've got to at least try."