



**SmartFinance
Academy** —
Financial Fitness Powered By OCTO



Preventing Property Tax Foreclosure: What Oakland County Property Owners Should Know

Thursday, February 12, 2026



RESOURCE

Michigan Property Tax Foreclosure Process



Year One: Delinquency

On March 1 of each year, the prior year's unpaid property taxes become delinquent and are payable to the Oakland County Treasurer's Office.

Year Two: Forfeiture

On March 1 of the following year, the property is forfeited to the County Treasurer.

Year Three: Foreclosure

In January or February of the following year, the Oakland County Treasurer conducts an Administrative Show Cause Hearing. A Judicial Foreclosure Hearing will also be held before a Circuit Court Judge.

March 31: Last day to pay all delinquent property taxes to retain property ownership and prevent foreclosure.

April 1: The property is foreclosed on for unpaid taxes. Ownership transfers to the Oakland County Treasurer's Office and is subsequently sold at auction.

After Foreclosure: Claims Process

July 1: Former property interest holders must submit their intent to claim sales proceeds and become a claimant.

July – November: Property is sold at auction.

January: Oakland County Treasurer's Office notifies claimants of sale proceeds, if any.

February – May: The claimant must file a motion with the Court which determines the priority of claims, amount and issues order. The County Treasurer remits payment within 21 days of a court order.

Fees Added

4% administrative fee
12% interest accrues per year
\$15 notification fee on Oct. 1

\$235 minimum fee
18% interest rate per year retroactive to Mar. 1 of the previous year.

June 1 – January 31
\$40 property notification visit
\$15 lienholders notification
\$10 newspaper notification

Notifications

Year One

Jun 1: Tax Delinquency Notice

Sep 1: Tax Delinquency Notice

Year Two

Feb 1: Pending Forfeiture Notice*

Jun-Nov: Pending Foreclosure Notice

Fall: Property Visit Notice

Fall: Publication Notice

Dec 1: Foreclosure Hearing Notice*

Year Three

Apr/May: Foreclosure Notice Follow-Up with Claims Information

Claims Process

Jan: Claimant Notice* sent to Sales Proceeds form filers.

* Delivered by certified mail

2026 Property Tax Foreclosure Key Dates

Oakland County residents and business owners with unpaid 2023 and prior property tax balances are encouraged to [pay or contact our office by March 31, 2026](#), to prevent property tax foreclosure.

Property Tax Foreclosure Key Dates	
February 18, 2026	Judicial Foreclosure Hearing
March 31, 2026	Unpaid 2023 and prior year balances must be paid.
April 1, 2026	In accordance with Michigan law, properties with unpaid 2023 or prior year balances are foreclosed.

Oakland County residents and business owners with unpaid 2023 and prior property tax balances are encouraged to [pay or contact our office by March 31, 2026](#), to prevent property tax foreclosure.

Property Tax Foreclosure Surplus Claims Process	
July 1, 2026	Form 5743 must be received by the Oakland County Treasurer's Office
August- October 2026	Property may be sold at land sale auctions.
January 2027	Oakland County Treasurer's Office will notify claimants by U.S. mail of the sale amount; other claims filed and will provide legal aid resources for help with the claims process.
February 1 - May 15, 2027	Following receipt of the Oakland County Treasurer's notification, a claimant must file a motion with the Sixth Circuit Court in Oakland County for a hearing to determine the claim payment.

oakgov.com/treasurer

We're Here to Help!

Schedule a Taxpayer Assistance Meeting
before March 31, 2026.
octreasurer.youcanbook.me



Surplus Claims Process
oakgov.com/claims





Community Resources

Financial Empowerment Center
Oakland County Treasurer's Office

(248) 858-0672

oakgov.com/treasurer

Poverty Exemption

Oakland County Equalization
Department or
Local Assessor

(248) 858-0740

oakgov.com

Lakeshore Legal Aid

New Clients

(888) 783-8190

lakeshorelegalaid.org

oakgov.com/treasurer

OCTO Financial Empowerment Center (FEC)

Overview

The Financial Empowerment Center (FEC) is an initiative of the Oakland County Treasurer's office and provides **free and confidential financial services and resources** to residents and business owners, including:

- Housing and foreclosure prevention support.
- Budgeting assistance.
- Money management coaching.
- Credit counseling.
- And more.

Intake Process

Phone Intake process based on the services being sought.

- **Example 1:** If someone is eligible to apply for a Poverty Exemption, they would need (based on city requirements) certain documentation to create a complete package for submission and review by the board.
- **Example 2:** If someone is requesting a budgeting appointment, we will require the following documentation for review: bank statements, credit card statements, and all income/pay stubs to review income and expenses.

Exemptions Overview

Poverty Exemption

A State of Michigan law that allows eligible, low-income homeowners to have their primary home property taxes reduced or eliminated.

How to Apply:

Get the Forms: Contact your local city or township assessors' office to get the application packet.

Applications are typically reviewed at the March, July and December Board of Review meetings.

Eligibility Requirements

Local Control: Eligibility is determined at the local level by your city or township Board of Review. Locals use federal income poverty guidelines. Each locality sets its own specific income and asset limits.

Annual Application: You must reapply every year to continue receiving the exemption.

Partial or Full: The exemption can be for all or just a portion of your taxes, depending on your specific situation and local guidelines.

Who Qualifies

Ownership and Residency: You must own and live in the home as your principal residence.

Income Test: Your total household income (for everyone living in the home) must be below the local guidelines, which are based on the federal poverty level.

Asset Test: The total value of your assets (cash, bank accounts, other vehicles, etc., excluding your home and primary vehicle) cannot exceed a certain limit set by the local municipality.

Exemptions Overview

Veterans Exemption

A state of Michigan law that provides a property tax exemption for eligible disabled veterans.

Beginning January 1, 2026, veterans with disability ratings below 100% may receive a prorated exemption.

How to Apply:

Get the Form: Use the [Michigan Form 5107](#) (Affidavit for Disabled Veterans Exemption).

Where to File: Submit the form to your local city or township assessor's office.

Eligibility Requirements

Total Tax Break: If you qualify, your property taxes are essentially reduced to zero.

Permanent Filing: Starting 2025/2026, once your application is approved, it remains in effect permanently. You no longer have to reapply every year unless you move.

Who Qualifies

Honorable Discharge: You must have been discharged under honorable conditions.

Residency: You must be a state resident and own/live in the home as your main residence.

VA Rating: You generally must meet one of the following criteria:

- Be rated 100% "permanently and totally disabled" by the VA.
- Be rated as "individually unemployable" by the VA.
- Have received a VA grant for "specially adapted housing."

Exemptions Overview

Surviving Spouse Exemption

An unmarried surviving spouse of a veteran may continue receiving the exemption if the veteran was eligible at the time of death.

How to Apply

The Form: Use the [Michigan Form 5107](#) (Affidavit for Disabled Veterans Exemption).

Required Documents: You must include your DD214 and a current VA Benefit Summary Letter showing your disability status.

Where to File: Submit the form to your local city or township assessor's office.

Exemptions Overview

Principal Residence Exemption

This is a property tax exemption on your primary residence that eliminates a portion of local property taxes for school operating purposes.

Who Qualifies

To get a PRE, you must meet two simple requirements:

- **You Own It:** You must be the legal property owner.
- **You Live There:** It must be your “true, fixed and permanent home” where you physically reside for most of the year.

How to Get It

Complete [Form 2368](#) (Principal Residence Exemption Affidavit) and submit it to your city or township assessor by June 1.

If you bought your home through a realtor, they may have already filed this for you. Check your tax statement for the PRE percentage of 100%.

Important Rules

- You can only claim one principal residence at a time.
- You cannot claim PRE on rental, business or seasonal vacation properties.
- If you move or sell the home, you must file Form 2602 (Rescind) within 90 days to avoid penalties.

Reverse Mortgage

A specialized loan for homeowners that converts home equity into cash without selling the property or making monthly mortgage payments.

The loan must be repaid in full—usually by selling the home—when the last borrower:

- Passes away.
- Sells the home or permanently moves.
- Fails to pay taxes or homeowners insurance.

- **The “Reverse” Part:** The lender pays you, and your home’s equity decreases as the loan balance grows.
- **No Monthly Payments:** You are not required to make monthly payments on the loan as long as you live in the home. Instead, interest and fees are added to the loan balance each month.
- **Payout Options:** You can receive funds as a lump-sum payment, regular monthly payments, or a line of credit.
- **Ownership:** You remain the legal owner of your home and keep the title.

Key Requirements

- **Age:** Generally, 62 or older.
- **Equity:** You must own your home outright or have significant equity, typically 50% or more.
- **Residency:** The home must be your primary residence.
- **Upkeep:** You must continue to pay property taxes, homeowners insurance, and maintain the home.
- **Counseling:** Applicants must complete a session with a HUD-approved counselor to ensure they understand the risks.

Important Considerations

- **Inheritance:** Because the loan balance grows over time, there will be less equity left for your heirs to inherit.
- **Costs:** These loans often have higher upfront fees and interest rates than traditional home equity loans.

Resources

Water Residential Assistance Program (WRAP)

A financial assistance program to help low-income households in Michigan manage their water and sewer bills.

How to Apply:

To apply or confirm your community's participation, contact your local service provider, contact:

The United Way for Southeastern MI at (248) 983-5656.

- **Bill Credits:** Eligible households receive monthly credits to reduce their current water bills.
- **Past-Due Help:** Provides up to \$1,200 annually to past-due balances.
- **Home Repairs:** Participants can receive up to \$2,000 for minor plumbing repairs, such as fixing leaks or replacing toilets, to help lower future usage.
- **Conservation Support:** Includes a free home water audit and education on how to conserve water.

Eligibility for 2026

- **Income:** Household income must be at or below 200% of the federal poverty level.
- **Responsibility:** You must be the person responsible for paying the water bill, whether you own or rent your home.
- **Special Status:** Seniors and persons with permanent disabilities may receive bill credits indefinitely, whereas others typically enroll for up to two years.

Resources

OC Home Improvement Program (HIP)

Provides interest-free loans to help low- to moderate-income residents make essential repairs to their homes.

Eligible Repairs

Major Systems: Roofs, heating and cooling systems, electrical, and plumbing.

Structure: Siding, windows, doors, chimneys, and porches.

Safety and Accessibility: Barrier-free access (ramps), basement waterproofing, and well/septic systems.

How to Apply:

Call (248) 858-0493 or (248) 858-5401 or Visit [Oakland County Neighborhood & Housing Development](#)

Key Program Benefits

- **Interest-Free Loans:** Eligible homeowners can receive loans of up to \$23,000 for needed repairs.
- **No Monthly Payments.** Monthly payments are not required.
- **Deferred Repayment:** The total loan amount is only due when you sell the home, move out, or the title is transferred.
- **Full Support:** County staff assist with the application, oversee all repair work, and manage payments to pre-screened contractors.

2026 Eligibility Requirements

- **Ownership:** You must own and occupy the home as your primary residence.
- **Location:** Home must be in Oakland County. Note: Lake Angelus, Novi Township, and Southfield Township do not participate directly in the county's loan program and may have their own separate initiatives.
- **Income:** Your gross household income must meet federal limits, which are updated annually (typically around July).
- **Financial Standing:** You must be current on your mortgage, property taxes and homeowners insurance.
- **Equity:** You must have sufficient equity in your home to secure the loan.

OCTO Initiatives and Programs

SmartFinance Academy

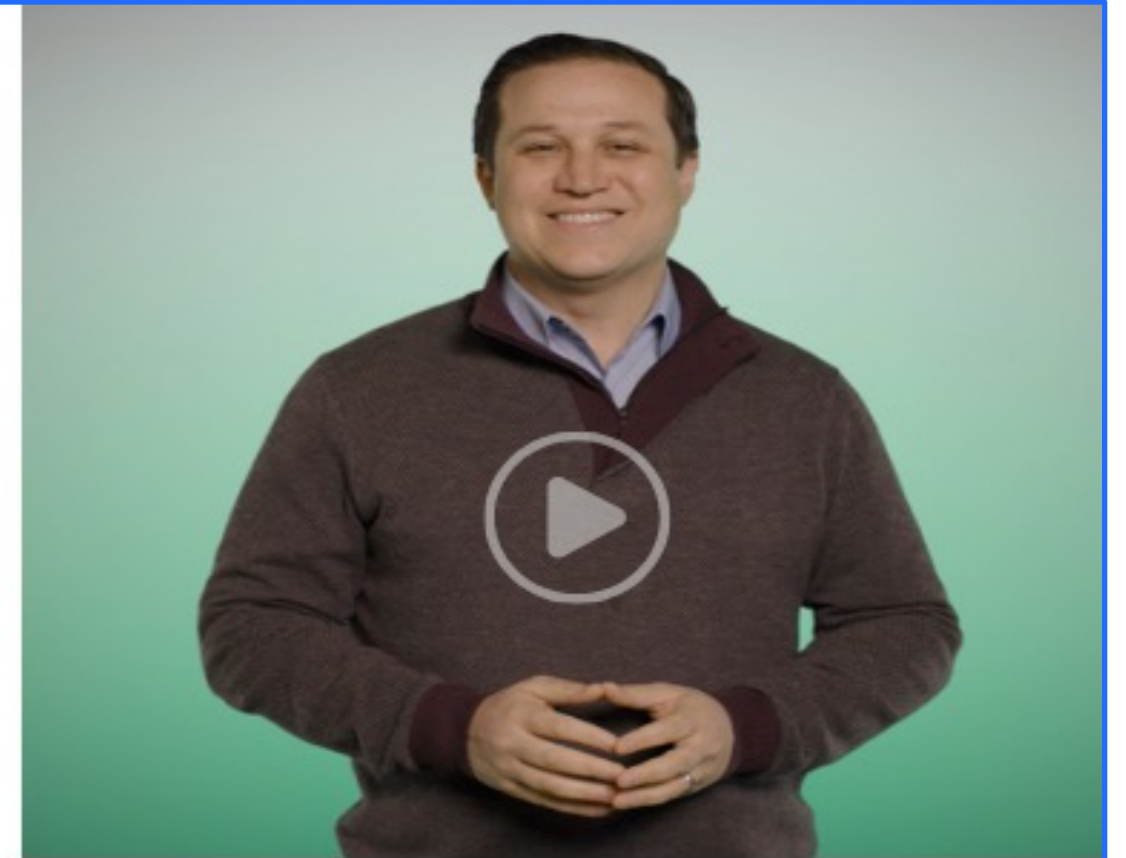
Financial Fitness Powered By OCTO

SmartFinance Academy is a program that provides **free** financial education to Oakland County residents, families, veterans, seniors, parents and business owners.

oakgov.com/smartfinance

Launched in 2024, the Oakland County Treasurer's The Independent Bank Homebuyer Assistance Program provides a \$5,000 grant for a down payment or closing costs. The program has awarded **\$270,000 in grants to 54 first-time homebuyers in 23 Oakland County communities.**

oakgov.com/dpassist



The Residential Property Owner Education Program is a video series that **equips homeowners with essential knowledge about property taxes and helps prevent foreclosure.**

oakgov.com/propertytaxeducation

