<u>QUESTION 1</u> THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I OR IN SOFTEST ANSWER SCREEN 1

Ella and Miles Clark (collectively "the Clarks") purchased a single family home in Chance, Michigan for $150,000. They made a $20,000 cash down payment and financed the remaining sales price through Better Bank (the "Bank"). The Bank loaned the Clarks $130,000 to be repaid in equal monthly installments over a 20-year period pursuant to the terms of a note that the Clarks signed in favor of the Bank. The loan was secured by a written mortgage to the Bank of the Clarks' interest in the home, which gave the Bank the right to sell the home if the Clarks defaulted on the loan terms. Both the loan note and the mortgage were promptly recorded with the county register of deeds. Five years later in 2016, when the Clarks began missing mortgage payments, they failed to timely cure their default on the note after having received proper default notices. The Bank now plans to foreclose by advertisement on the mortgage. There are no other liens on the home and the Bank never assigned its rights under the note or the mortgage.

Applying Michigan law:

1. Determine whether the Bank can proceed with foreclosing by advertisement on the mortgage of the Clarks' home, and describe the process for such a foreclosure, setting forth any rights the Clarks may have with respect to the process.

2. Identify at what point in the foreclosure process a summary proceedings action may be filed in court to recover possession of the home from the Clarks.