

10 ways to STOP a Foreclosure

This happens to people all the time. We can help you understand your options.

1. **Pay Off Loan Balance**
 - a. Must have cash
2. **Pay Off Arrears (Cash / Bridge Loan / Hard Money / Personal Loan)**
 - a. Homeowner must be in good standing with some cash reserves
 - b. Demonstrate the ability to pay back the loan
 - c. High interest - 18% or more depending with the right to foreclose if defaulted (if you miss one payment doing this, the house is gone)
3. **Loan modification - Must start 40 days prior to Auction**
 - a. Need to make 2X the mortgage payment in income per month (They'll need to show proof of that income, proof of employment)
 - b. You have to be current on all taxes
 - c. You cannot have filed for a loan mod more than 2X this year
 - d. A "letter of hardship" describing why they got behind and why it is no longer an issue. It's over and NOT coming back, I can pay now.
4. **Bankruptcy**
 - a. **This DOESN'T STOP the foreclosure... just extends it.** During this period of time.... Home & homeowner accrues legal fees & interest
 - b. Damages creditworthiness for up to 10 years
5. **Refinance**
 - a. Homeowner must be in good standing with good credit to be approved
 - b. Home has to be in good financeable condition
6. **Short Sale**
 - a. Homeowner gets **NO MONEY** because they are upside down on the home or believe they have NO EQUITY
 - b. ✨***homeowners can get up to \$10k in relocation funds in a short sale as long as they are living in the property. The average amount is \$2,500 subject to bank approval. ****
 - c. Lengthy difficult process negotiating with the banks
7. **Deed in Lieu**
 - a. You sign title back to the bank - you get nothing but stops the foreclosure
8. **Listing on the MLS (work with a realtor)**
 - a. Lengthy process
 - b. Home needs to be in good financeable condition (can a new buyer get a loan)
 - c. Possible that the deal falls through weeks after an accepted contract leaving the owner with little time
9. **Sell Your House for CASH - we can make an offer to buy your property**
 - a. We pay moving expenses. We buy As is, no closing costs, or fees
 - b. No need to clean or repair
 - c. Money in your pocket at closing
10. **Creative Financing - we have creative finance solutions if you have no equity**
 - a. In some situations we are able to save your home, reinstate the mortgage that is in foreclosure, and give you some cash to walk away & start the next chapter of your life.

Do not ignore your situation or you lose. If your house does sell at auction, this is what can happen.

- ✳️ **Title is transferred and you lose your house.**
- ✳️ **You must vacate within 20 days.**
- ✳️ **For 7 years, you can't qualify for loan.**
- ✳️ **For 7 years, you can't qualify for a car loan.**
- ✳️ **For 7 years, you can't qualify for apartment rental.**
- ✳️ **For 7 years, you can't even qualify for some jobs.**
- ✳️ **For 7 years you get calls from bill collectors.**

Most solutions can take 30-40 days to execute. The sooner you take action the more options you have to create the best outcome.

5 Stages of Foreclosure Grief

1. **Denial** - the first reaction many people have when they learn that they might be losing something important to them is to deny that it's happening. "There must be a mistake. I'm not going to lose my home."
2. **Anger** - when you understand that this is really happening and denial can't last forever, you get angry at whomever you think is to blame or the closest person to you. "Why is this happening to me? It's not fair. Those greedy banks are to blame!"
3. **Bargaining**- involves you trying to avoid the cause of the grief entirely through some action. "Maybe if I work really hard and tell the bank about my hardship they'll let me keep the house."
4. **Depression** - you are typically saddened by the reality of your situation. "I have so many good memories in this house."
5. **Acceptance** - you accept the reality of your situation, have stable emotions about it, and look for a solution. "This is really happening, I wonder if there's anything I can do about it."

No matter what stage you may be in, **we can help** you understand your options and help to provide a solution & guide you through this confusing, emotional time.

There are a few questions to think about to see what option is best for you:

1. How is your current credit?
2. Do you have any friends or family who could help?
3. If you could reinstate the loan, can you afford the current mortgage payment?
4. What life event(s) led to this particular situation?
5. Have you thought about where you will go if you lose the house?
6. If you can't keep the house, can you at least walk away with some money?
7. Have you considered listing your property with a realtor?
8. Are you open to all options available to you?
9. Are you familiar with what happens to your credit after a foreclosure?