

Your Options To Avoid Foreclosure

If you are facing foreclosure, then you are probably under stress. You don't know what is going to happen. How long will it take before the bank kicks us out on the street? Will I ever get my life back? You need to know what your options are. So, let's go thru them here.

Option #1: Do nothing and the lender forecloses on the house. In most cases, the bank will sell your home for much less than it is worth. Oftentimes much less. And, they'll tack on lots of junk fees onto your account. So, if you have any equity, the bank will squander a lot of it. You'll get whatever is left over after they charge you 18% "Delinquent Interest" and thousands in junk fees.

Option #2: Deed-In-Lieu of Foreclosure. A "Deed-in-Lieu" is where you surrender your home to the lender. In most cases you will lose any equity you have. Or, that equity will be squandered when your lender sells your house for less than it's worth. What benefit does it give you? None. Do not consider this option unless the lender gives you something in return

Option #3: Reinstatement. This is when you pay the lender for all back payments, late fees, and other related costs. After that you start making normal monthly payments. This restores your account to its former current status. The only problem is that it requires you to come up with all the back payments and other fees.

Option #4: Loan Modification to reduce your mortgage payment. If you want to keep your home, then this is a good option. Many lenders will reduce your interest rate, or extend the term of the loan. The process to get this approved is difficult. You'll have to send them tons of paperwork and follow up 50 times to get it approved. To qualify, you often have to send your lender all of your pay stubs, bank statements, and other financial documentation.

Option #5: Get a New Loan and pay off your old loan. This is a good option if you still have equity in your home. However, this is very challenging when your credit has been impacted by the foreclosure and missed payments.

Option #6: Get cash for your equity. If you will consider moving to a rental house, then I can help you get cash for your equity. In a few years, you can clean up your credit and buy another home.

Option #7: Bankruptcy. This used to be a great option for a fresh start. However, in recent years the bankruptcy laws were tightened up considerably. The law now forces the bankruptcy judges to steer you to a Chapter 13 bankruptcy. This is versus the better bankruptcy option, which is a Chapter 7. The difference between the two is that a Chapter 7 gets rid of all your debts. A Chapter 13 basically sets you up on a court monitored repayment plan.

Call us to discuss----

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