

# ON THE **EDGE** OF LOSING YOUR HOME?



Don't Let  
This Happen  
to You!

**10** options  
to rescue you  
from the brink.

KIM WARD, REALTOR®  
Horizon Real Estate

KimWard@ HorizonRealEstate.net  
YourRealEstateAnswers.com



**HORIZON REAL ESTATE**

P: 619.741.0111  
CaIBRE #01218310

# ON THE EDGE OF LOSING YOUR HOME?

Slipping toward foreclosure can lead to feelings of anxiety, depression, and loss of self-esteem. Don't give up. There are options available to help millions of homeowners rescue themselves from the brink. Since it is crucial to act before a foreclosure takes place, now is the most important time for you to review the following options and solutions.

As a Certified Distressed Property Expert (CDPE), I am trained in assessing all foreclosure alternatives and pursuing the best solution for your own financial situation.

## 1 Short Sale

A short sale allows the homeowner to avoid foreclosure, minimize financial damage and move on from a burdensome, unaffordable mortgage. In many cases, a short sale allows the borrower to qualify for a new mortgage in just 24 months, as opposed to five years or more after a foreclosure.

A trained real estate agent can negotiate a short sale with your lender if you have three qualifications. First, you must show some type of financial hardship. Second, you must have a monthly shortfall, meaning your monthly expenses are greater than your monthly income. Finally, you need to prove that your debts are greater than the value of your assets (certain investments, property, etc.).

## 2 Reinstatement

A reinstatement is the simplest solution for a foreclosure, however it is often the most difficult for homeowners to achieve. The homeowner simply pays the total amount past due (including late fees) to the lender. This solution does not require the lender's approval and will "reinstatement" a mortgage up to the day before the foreclosure sale.

## 3 Forbearance or Repayment Plan

A forbearance or repayment plan involves negotiating with the mortgage company to allow the homeowner to repay back-payments over a period of time. The homeowner typically makes current mortgage payments in addition to a portion of the back-payments owed. This option requires lender approval.

## 4 Mortgage Modification

A mortgage modification involves the reduction of one of the following: the interest rate on the loan, the principal balance of the loan, the term of the loan, or any combination of these. These changes require lender approval and typically result in a lower payment for the homeowner and a more affordable mortgage.

## 5 Rent the Property

This option does not require lender approval, but does require the homeowner's ability to rent the house for enough money to cover the monthly mortgage payment.

It is important to remember that there may be unexpected costs associated with the maintenance of a rental property in addition to the monthly mortgage payments. Homeowners should take this into consideration when deciding whether this option will work for them.

## 6 Deed-in-Lieu of Foreclosure

Also known as a “friendly foreclosure,” a deed-in-lieu allows the homeowner to return the property to the lender rather than go through the foreclosure process. Lender approval is required for this option, and the homeowner must also vacate the property. Deed-in-lieu can potentially lessen the damage to a credit score and future loan eligibility, and sometimes the lender will forgo their right to pursue a deficiency judgment, meaning the homeowner will not be responsible for further payments.

## 7 Bankruptcy

Many have considered and marketed bankruptcy as a “foreclosure solution,” but this is only true in some states and situations. This does not require lender approval, but you must have non-mortgage debts that you claim as a hardship.

Entering bankruptcy can be a risky and costly process. Be sure to seek the advice of a qualified bankruptcy attorney when pursuing this as an option.

## 8 Refinance

As opposed to mortgage modification, refinancing means you will be acquiring a new loan based on your current credit standing. If you have already missed mortgage payments, your credit score may make it difficult to find a loan with cheaper payments.

## 9 Servicemembers Civil Relief Act (military personnel only)

If a member of the military is experiencing financial distress due to deployment—and that person can show that the debt was entered into prior to deployment—he or she may qualify for relief under the Servicemembers Civil Relief Act. The American Bar Association has a network of attorneys that will work with servicemembers to help qualify them for this relief.

## 10 Sell the Property

Homeowners with sufficient equity can list their property with a qualified agent who understands the foreclosure process in their area. Unfortunately, many homeowners in today’s market have experienced a decline in home value and may owe more than what the home is worth.

### Pull Yourself Back From the Brink

This represents only a summary of the solutions available to homeowners facing foreclosure. I can provide more information and offer my services as a lifeline to those who want to take back hope for the future.

When you are on the edge, you have no time to waste. Call me today; I’m here to lend a hand.

### Place Your Confidence in CDPE

With the right assistance, the stress of facing foreclosure becomes manageable. CDPE-designated agents have received the knowledge and training necessary to assess all possible foreclosure alternatives and pursue homeowners’ best options. A CDPE-designated agent attends several days of intensive, thorough training on foreclosure avoidance and how to negotiate short sales efficiently and ethically. The highly regarded CDPE logo means you are working with the most informed, up-to-date resource available.



CERTIFIED DISTRESSED  
PROPERTY EXPERT®

#### Disclaimer

© 2011 Distressed Property Institute, LLC All Rights Reserved. The above brokerage assumes no responsibility nor guarantees the accuracy of this information and is not engaged in the practice of law nor gives legal advice. It is strongly recommended that you seek appropriate professional counsel regarding your rights as a homeowner.

**IMPORTANT GOVERNMENT DISCLOSURE:** You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender (or servicer). If you reject the offer, you will not have to pay us for our services. The above brokerage is not associated with the government, and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan.

