



AVOIDING FORECLOSURE

Or how to save your home and your credit

- ✚ **SEEK ASSISTANCE.** Right now it is in your best interest to contact your lender to discuss your mortgage and financial situation. If you are uncomfortable, you can ask or seek assistance to speak with the financial institution on your behalf.
- ✚ Depending on the situation, the lender may be able to modify the loan by lowering the interest rate and adding the outstanding payments to the current loan balance. They may also allow late payments to be spread over the next few months. In addition, they could grant a grace period, and may be willing to refinance with a traditional fixed rate mortgage if an adjustable rate mortgage has been reset to a rate that cannot be paid. The lender may also accept a 'short sale', meaning if you find a buyer, but the sale price would not cover what is owed, the lender may accept it if the difference is not too great.
- ✚ Do not ignore any letters or calls from the lender, even if you think you are going to sell or refinance. The longer you wait, the more they will think you intend to default. This may encourage them to start foreclosure proceedings.
- ✚ If the overall cost of living is causing the problem, contact a Department of Housing and Urban Development approved financial counselor to look at some budgeting that may free up more money for the house payment. The list is at www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm, and the National Homeowners HOPE Hotline for financial counseling is 1-888-995-HOPE. The City also offers financial counseling seminars from time to time. Call 954-431-7866 for information or reservations.
- ✚ If you are served with a summons for foreclosure do not ignore it. The lender will move forward with foreclosure anyway, and you will lose your chance to fight it. If you do fight it, the case could take 6 to 12 months, and an attorney could ask for an extended sale date, providing even more time to find a buyer to avoid foreclosure.
- ✚ Be extremely careful about declaring bankruptcy as a way to solve the problem, it will affect your credit for a long time. Beware of companies that contact you regarding 'saving' your home. Reputable companies do not solicit work with TV ads, over the phone, by mail, or by knocking on your door. Disreputable companies may strip out your equity with hidden fees and charges, and you will lose your home anyway. Do not sign anything you don't fully understand.