



# Foreclosure Relief

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[www.homebuyersnetworking.com](http://www.homebuyersnetworking.com)

# Typical steps

- Call Bank and Identify What type of loan do you have? i.e FHA, Conventional, Private, VA...
- Confirm If your rate is Fixed, Adjustable or interest only.
- Ask for the amount owed to cure the default
- Ask when will the file be given to an attorney
- Ask what are the available programs you have at your disposal?
- Take the name and ID number of the person you speaking with, fax # and email address for correspondence.





## Forbearance

Forbearance is when your mortgage servicer, that's the company that sends your mortgage statement and manages your loan, or lender allows you to pause or reduce your payments for a limited period of time. Forbearance does not erase what you owe.

## Modification

Under this option, you reach an agreement between you and your mortgage company to change the original terms of your mortgage—such as payment amount, length of loan, interest rate, etc. In most cases, when your mortgage is modified, you can reduce your monthly payment to a more affordable amount.

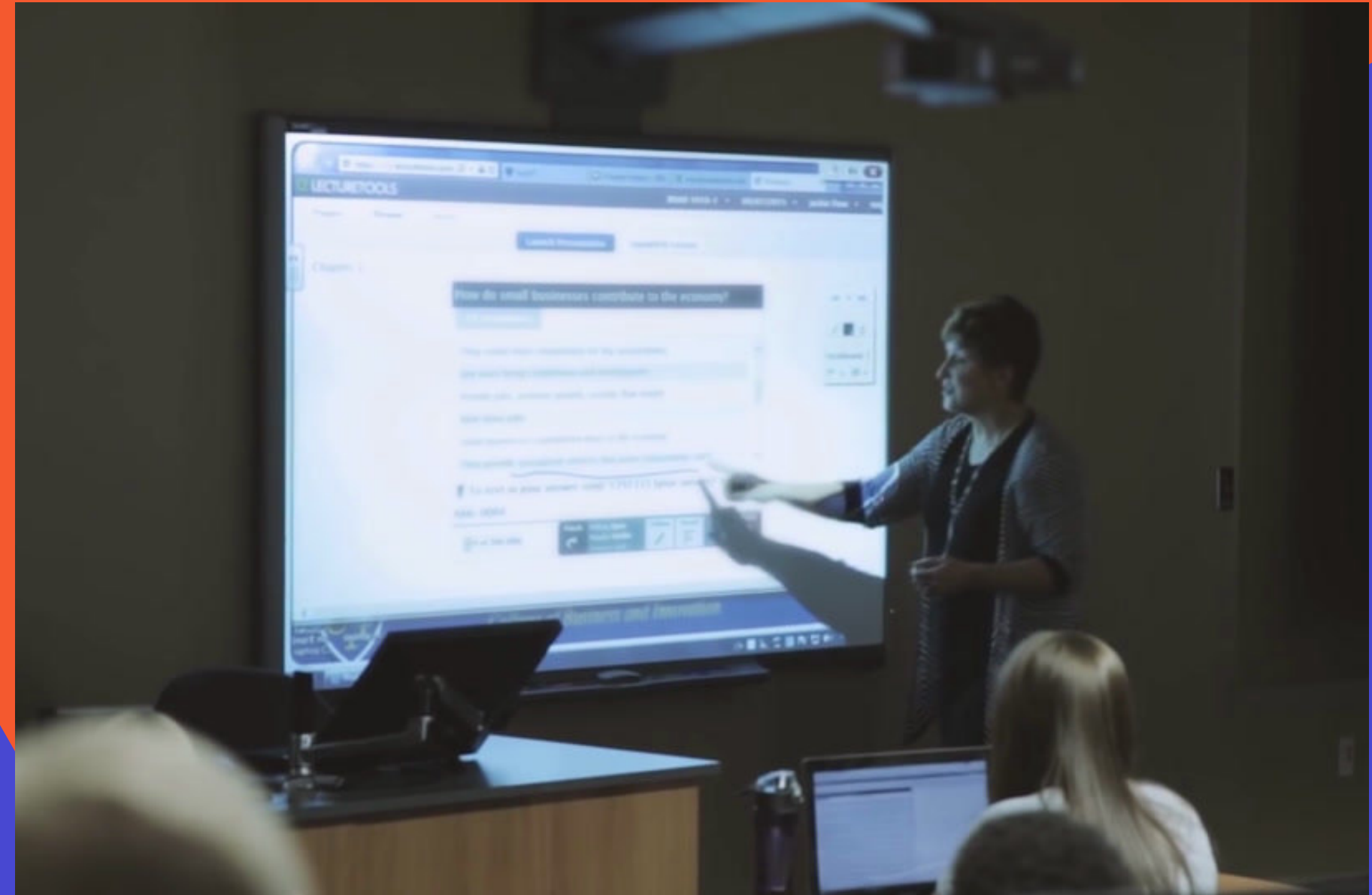
## Stream Line Refi

The big benefit of an FHA Streamline Refinance is that you can switch your FHA loan to a lower rate and monthly payment. You can save money by getting rid of your existing higher interest rate without as much hassle as traditional refinancing options. (FHA LOANS ONLY)

# How do I qualify?

The bank will request these documents to review your ability to modify or stream line.

1. last 2 years w2's
2. All paystubs in the past 30 days
3. most recent 2 months of bankstatements
4. hardship letter
5. expense sheet of all monthly expenses (usually provided by the lender)



YOU MUST QUALIFY FOR THE MODIFICATION !



# The Bank Denied me?

As you have by now seen after weeks of phone calls,<sup>04</sup> emailing, and mailing and faxing documents the bank may have denied your application. They have their own internal review department that makes a decision based on your income and the amount in the rears owed.

You will have also learned that a modification DOES NOT ALWAYS LOWER YOUR PAYMENTS. The bank may raise your payment for a period of time until the amount owed is payed back along with your regular payments.

This is were many make the mistake of thinking a modification means that they will lower the payments. If you have time or understand that an error may have occured you can resubmit to the bank.

Typically takes 30-60days to process

# Truth about Chapter 13

**"Attorneys are not always a great option when filing a bankruptcy"**

## Chapter 13

A chapter 13 bankruptcy is a great way to hold off the bank while you figure things out. It is a TEMPORARY FIX and will NOT give you a permanent or guaranteed fix. If you read our modification tips the procedure is the same here.

## i have an attorney

Many homeowners think that they cannot file a chapter 13 and will pay \$600 or more for an attorney to do what they could do on their own. The attorneys will file the chapter 13 and gather your documents and submit them to the judge. They do nothing special nor can they tell you if you will be approved.



# Why chapter 13?



## Recap 01

Stops the banks up to the morning of the scheduled sale. The bank must stop all process immediately



## Recap 02

Can be a temporary bandage that allows you time to plan.



## Recap 03

If you are denied a modification, forbearance agreement etc.



## Recap 04

Do not depend on an attorney to guarantee you an approved filing. Be aware that your payments can go up in a chapter 13 just as in a modification.

# **BENEFITS OF A CASH OFFER**

At this point in the presentation we hope you have a better understanding of your options. If you have exhausted your options then a cash offer will be of benefit.

1. Avoid foreclosure on your credit report
2. Eliminate all debt
3. Get cash in your pocket (helps in moving and acquiring a new property)



# **BENEFITS OF A SHORT SALE**

A short sale can be a great option for home owners in a few situations.

1. Upside down in equity ( the fees that the bank charges may casue your loan balance to be higher than the value of your home).
2. Considerable amount of damage to the property or updates needed when added to the balance of the loan may not make purchasing the home a win win.
3. Home owner may have multiple loans and/ or liens on the home 1st mortgage and 2nd mortgage, tax lien, violations, law suits, divorce etc.

A shortsale is a great way to stop the foreclosure process as well. The bank will not move forward while we are processing a short sale.

4. We may be able to negotiate a cash payout for the home owner (in some cases)