

SPECIAL REPORT

How

To Avoid

Foreclosure!



Homeowner Solutions, LLC
Placing People Before Profits To Solve Real Estate Problems

South Carolina is one of the states with the highest rates of foreclosure filings according to Bankrate.com. Many lose their home needlessly – it does NOT have to happen to you! **You CAN Avoid Foreclosure!** There are alternatives that can quickly eliminate your stress and frustration. You can save your home and the equity you have spent so many years accumulating.

The purpose of this Special Report is to provide you with possible ways to stop foreclosure, explain why bankruptcy is NOT the best solution, and offer other insights into the foreclosure laws.

Homeowner Solutions, LLC realizes that bad things can happen to good people. Oftentimes it's just a temporary setback and all you need is time to get back onto solid financial ground. What follows are possible ways to stop foreclosure that include refinancing, bankruptcy, and other options.



In order to stop foreclosure, we suggest that you try the following steps:

1. **Find out how the foreclosure laws work in your state.** There are drastic differences between states with judicial foreclosure procedures and non-judicial foreclosure procedures. Judicial foreclosures take much longer than non-judicial foreclosures and tend to be much more complex.
2. **Communicate with your lender.** Many sellers sold to get out from under negative cash flow and to not want to foreclose. If you are working on a sale, call them every day with an update. Don't just disappear and ignore them. The bank does not want your property. Some banks will even arrange for another lender to bail you out.
3. **Start your planning before you go into foreclosure.** The best way to stop foreclosure is to make your payments. If the property is saving, pull out all the stops. Sell your motorcycle, boat, jewelry, stamps, any assets you can to stop the foreclosure. Borrow on your life insurance policy, form your credit union, a friend or relative. Ask your boss for an advance or borrow against a year-end bonus. Take a second job. But do not make any commitments you cannot keep.

4. **Make an emotional appeal to the lender.** Take your family to meet with the lender. This might work with private lenders who hold liens on your property and with small local banks or credit unions. It probably won't work with large, national banks.
5. **If foreclosure is filed, request an itemization of amounts due.** The failure of a beneficiary to respond to your request may be grounds for stopping the foreclosure sale later on.
6. **Get a good attorney who understands foreclosure laws and bankruptcy.**
7. **Examine the Notice of Foreclosure (also called the Lis Pendens in South Carolina).** If it is not accurate, it can be rescinded and the lender can be forced to start all over.
8. **If you have a second mortgage, ask the holder of your second to lend you money to cure the default on the first and add that amount to the balance of the second mortgage.**
9. **See if you have any grounds to get an injunction to stop the foreclosure.** Was there any undue influence or fraud when you got the loan? Did the seller tell you the property could be used for commercial purposes when it turned out to be residential?
10. **Sit down with the lender and discuss the possibility of filing bankruptcy.** Sometimes, this can deter a lender from proceeding with a foreclosure since a bankruptcy can delay it significantly.
11. **If a sale takes place, always attend the sale, take a witness, and take a tape recorder to record the sale.** If there are any improprieties, such as a refusal to recognize bidders, it may be possible to set aside the sale for a later date.
12. **If your property goes to sale and the bank takes it back as Real Estate Owned (REO), contact the REO department of the bank and see if they will reinstate you as owner.** We witnessed a case where the lender on the first mortgage foreclosed to wipe out the second mortgage holder as well as other junior lien holders and reinstated the old owner who was then able to continue living in the property with much lower payments.

13. If you're really in a bind and at wits' end on how to stop your foreclosure, you can transfer title to someone you trust (a friend or relative) who is on active duty in the armed services. Under the Service Members Civil Relief Act, a creditor cannot proceed as usual with a foreclosure when the owner, or one of the owners, is on active duty in the armed services unless they get a court order allowing for a continuation of the foreclosure. This can turn a usually-fast non-judicial foreclosure into a much-slower judicial one.

So what if the steps described above are not able to stop my foreclosure? A short Q & A follows:

Q: What are my other options?

A: Sometimes your mortgage company will agree to a "Forbearance Agreement". This means that they will allow you to part of your arrearage payments now – and the rest over time (usually 3-6 months). This means you make DOUBLE payments – which is simply not an option for most people. Just think – if you could make double payments, you would not be in this situation to begin with! However, Homeowner Solutions, LLC will be glad to negotiate this option for you if you are interested.

Sometimes it is possible to refinance the existing mortgage loan in default. Your ability to do this depends on factors such as how much equity is in the property and your present credit rating before going into foreclosure. Related to refinancing your existing mortgage loan, sometimes a lender will approve a short refinance where they reduce the existing balance of the loan and issue a new payment schedule. This will require that you submit your financial information as well as incur costs to refinance the loan (such as an appraisal fee, attorney's fee, and other fees), just as if you were getting a completely new mortgage loan.

Another option is to give a deed-in-lieu of foreclosure to the bank. With this option, you would lose the property but a deed-in-lieu may be less damaging to your credit if you should apply for loans later. This option usually requires that no other liens are attached to the property so any junior liens would have to be satisfied before the foreclosing lien holder would accept a deed-in-lieu of foreclosure.

Q: Can't I just file bankruptcy to stop the foreclosure?

A: Yes, filing bankruptcy will stop the foreclosure process – but only temporarily. Bankruptcy is *NOT* a cure for your problems – it will only add to them. By filing bankruptcy, you will get even further behind in your payments and the late payment fees just keep adding up. Eventually, you will get to the point of no return – where it will be impossible to save your home. A bankruptcy, like a foreclosure, will be a blemish on your credit report for a long time. In fact, a bankruptcy can prevent you from getting jobs or cause you to lose the job you have.

Q: What if I try everything and I can't refinance?

A: Without refinancing, your options are very limited. In fact, there are usually only two. You can try to sell your house yourself, or you can sell to a property buyer or investor. The foreclosure time-frame (usually only a few months) will usually rule out selling your house yourself, but that doesn't mean it cannot be done. If you decide to go this route you will maximize your chances of success by making the house as presentable as possible. Make sure the yard is groomed and inside is clean and new looking. This combined with an attractive sale price will give your home the best chance of selling quickly. Put plenty of signs out, especially leader signs (those are the signs at main roads that pull in traffic and direct them to the house). If you try this but don't get results, you can sell to a property buyer or investor. If there is equity in your house the property buyer may be able to buy your house for cash on the spot. If there is little to no equity in your house the investor may still be able to buy, however a short sale will have to be arranged with the lender to lower the payoff on your mortgage to a level that makes sense to the investor. This *can* be done and is becoming more and more common. The upside to a short sale is that you can avoid foreclosure and your credit will be saved from the damage a foreclosure does. The downside is that the lender will only agree to it if you, the borrower, receive no proceeds at all. That's not very nice but the fact is they are losing money on a short sale so they want whatever money that is coming in to go towards the loan payoff.

For certain cases, Homeowner Solutions has a program in which we can help catch up back payments and then take over payments until the house sells.

Consider Your Alternatives

You could do ***nothing*** and lose your home ***and*** all the equity you have in your home. After the foreclosure sale you may be forced to vacate the property in as little as three (3) days. Where would you go? What would you do?

If you are unable to refinance, or decided that you don't want to, and you are ready to move but just need more time, please call us. We will make a fair offer to buy your home - for **cash** – and allow you time to find a new home without the pressure to move quickly. A cash offer from us will allow you the freedom to make choices and put ***you*** in control of your future!

The Bottom Line

The longer you wait to make a decision, the harder it will be to stop the foreclosure. Everyone at Homeowner Solutions, LLC is dedicated to helping you save your home and save your equity. We feel that refinancing is the best alternative; however whatever you decide to do, we are here to help you in whatever way we can. Once you receive the Notice to Foreclose (or whatever the equivalent first notice of foreclosure is in your state), you typically only have about ninety (90) days before the foreclosure. ***You must act quickly!*** If you do nothing you **will** lose your home! Please call our 24-hour information hotline at **(803) 602-3913** **today** to make an appointment to discuss your options or visit us online at **www.HouseBuyingCompany.com** to find out more about us.

Please Note! Homeowner Solutions, LLC and its employees are not attorneys. No legal advice can and will be given.