

Tips for Avoiding Foreclosure

Are you having trouble keeping up with your mortgage and tax payments? Have you received an urgent notice from your lender asking you to contact them? If you are unable to make your mortgage payment follow these steps.

1. Don't ignore the problem.

The further behind you become, the harder it will be to reinstate your loan and the more likely that you will lose your house. The outstanding balance and lender fees on your loan will continue to escalate making it less likely that you will ever catch up.

2. Contact your lender as soon as you realize that you have a problem.

Lenders do not want your house. They have options to help borrowers through difficult financial times. It is best to initially contact your lender in writing than to make phone contact. When using written communication always be sure to include your loan number, property address and the best way for your lender to reach you. State your reason for contacting your lender in clear and concise terms. Regardless of which method of contact you choose, be sure to keep an activity log that indicates the name of the person you communicated with, the action you took, the date and time it occurred as well as the outcome and any other pertinent information along with your mortgage papers in a safe place.

3. Open and respond to all mail from your lender.

The first notices you receive will offer good information about foreclosure prevention options that can help you weather financial problems. Later mail may include important notices of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.

4. Know your mortgagee rights.

Find your loan documents and read them. They will outline the steps that your lender may take if you can't make your mortgage payments. Learn about the foreclosure laws and timeframes in your state (as every state is different) by contacting the State Government Housing Office. If you suspect that your lender has broken some fair lending laws you should file a consumer complaint with your states attorney office and someone that specializes in consumer lending practices. Legitimate documents that come from the court regarding legal proceedings will usually contain some of your foreclosure options.

5. Understand and utilize available foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found online. If you have suffered one or more hardships you may qualify for a lender or government approved foreclosure prevention program. Also, a licensed real estate professional who specializes in pre-foreclosure consulting may provide you with free in-home consultation and other valuable resources.

6. Contact a HUD-approved housing counselor or a Realtor with foreclosure training.

The U.S. Department of Housing and Urban Development (HUD) funds free or very low-cost housing counseling nationwide. Housing counselors can help you understand the law and your options, organize your finances and represent you in negotiations with your lender, if you need this assistance. Find a HUD-approved housing counselor near you or call (800) 569-4287 or TTY (800) 877-8339.

As a Realtor, I have specific training to deal with your situation. If you are seeking to keep your home or sell it in a short sale I can guide you step by step. I have a team of people waiting to assist me in solving your dilemma. Contact me via cell/txt at 708.415.5556 or at HomesForSaleAndRent@gmail.com. Most lenders will want you to list the home with a Realtor as part of the short sale approval process. We need to discuss your options as soon as possible.

7. Create a budget and stick with it.

After healthcare, keeping your house should be your first priority. Review your finances and see where you can cut spending in order to make your mortgage payment. Look for free programs like debtors anonymous and on-line consumer debt management educational resources. Closely examine expenses--cable TV, memberships, entertainment--that you can eliminate. Get involved in car pooling, bartering for services and look for ways to pick up part-time work or get paid for hobbies. Delay payments on credit cards and other "unsecured" debt until you have paid your mortgage. Seek free advice from consumer credit counseling agencies. Freeze your debit card and start using cash only. Most importantly, keep an account of every dollar you spend!

8. Utilize your assets with wisdom.

Do you have assets--a second car, jewelry, a whole life insurance policy--that you can sell for cash to help reinstate your loan? Can anyone in your household get an extra job to bring in additional income? Even if these efforts don't significantly increase your available cash or your income, they can demonstrate to your lender that you are willing to make sacrifices to keep your home. If the foreclosure rescue does not work out you will need to relocate. Make sure that your budget includes an option for Plan B. If additional income does not materialize you will be forced to look at other options.

9. Avoid foreclosure prevention companies that ask for an upfront fee and foreclosure recovery scams.

You don't need to pay fees for foreclosure prevention help--use that money to pay the mortgage instead. Many for-profit companies will contact you promising to negotiate with your lender. While these may be legitimate businesses, they may try to charge you a hefty fee (often two or three month's mortgage payment) for information and services your lender or a HUD-approved housing counselor will often provide free of charge if you contact them. If any firm claims they can stop your foreclosure immediately and if you sign a document appointing them to act on your behalf, you may well be signing over the title to your property and becoming a renter in your own home! Never sign a legal document without reading and understanding all the terms and getting professional advice from an attorney, a trusted real estate professional or a HUD-approved housing counselor.

10. Don't lose your house to fear!

Don't allow fear to cause you to do nothing. Make no mistake, doing nothing can be part of an effective plan. What you want to avoid is being gripped with fear to the point that you abandon your home or hide out in despair. Seek help. Help is waiting for you.

In closing, I hope that this information was helpful and the most important thing I want to convey to you is that you are not alone. I am prepared to help you but I am waiting for you to take the next step. Please call me now at 708.415.5556.

Sincerely,

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IL Licensed R. E. Broker, Serving Cook County, IL
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