

**A Guide to
Help You
Prevent
Foreclosure.**

Solutions

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Have you missed a mortgage payment?

Have you lost your job, had a divorce or illness that makes it difficult to pay your bills?

Is your credit card debt becoming unmanageable?

Is it difficult to pay all of your bills?

Are you using your credit cards to pay for groceries?

Is it becoming more difficult to make your house payment?

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You Have Options!

Many people do not think they will lose their home however time is of the essence. If you find yourself worried about being behind on your house payments, the sooner you can address the situation and find a solution the more beneficial it will be for you.

You have options in order to prevent foreclosure and help is available.

Negotiate a Temporary Delay in Payments: Contact your lender, as soon as possible. Many lenders have realized that foreclosure is time consuming, costly and a losing proposition for both the homeowner and the lender. They are better off working with homeowners to find a payment plan they are comfortable with instead of proceeding into foreclosure.

Loan Modification: When the home's likely sales price at foreclosure is less than the mortgage, the lender is usually better off restructuring the loan to receive lower mortgage payments that the homeowner is capable of making. The terms of the loan can be modified so that monthly payments are more affordable.

Sell Your Home: Contact a Real Estate Agent who specializes in distressed properties and short sales. They will be able to work with you and your lender to find the best solution for your situation.

Talk to a Housing Counselor: Contact HUD to see if you qualify for assistance from government or non-profit agencies. (800) 569-4287.

Bankruptcy: Bankruptcy can prevent foreclosure in certain situations and also cure defaults on other debts. However, Bankruptcy is very serious and a complicated process. It will have a dramatic affect on your credit rating as well as your future. You should carefully consider the pros and cons of bankruptcy and consult with an attorney before making a decision.



Tips to Avoid Foreclosure

Don't ignore the problem. The longer you wait the more difficult it is to solve the situation. Contact a REALTOR[®] to see what options you have available.

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

Read and respond to all mail from your lender. The foreclosure process does not happen overnight but most people think they have more time than they actually do.


Know your rights. Your loan documents will detail what the lender can and cannot do. Look for paragraphs discussion "Power of Sale" clauses.

Understand the foreclosure process. Talk to an attorney or a REALTOR[®] to have a better understanding of the entire process.

Get current on your payments as soon as possible.

Avoid foreclosure prevention companies and scams. Make sure you understand what you are signing. Ask an attorney or a trusted REALTOR[®] for their professional advise.





Timing and laws can vary by state and banks may use a different schedule. Below is the guidelines for foreclosures in Texas.

1st missed Payment: Your lender will contact you by phone or mail stating you are behind on your payments. Texas is a non-judicial foreclosure state which means lenders do not need to file a law suit in order to foreclosure on a property. A *Demand to Come Current* letter may be sent after just the first missed payment.

Steps in Foreclosure:

2nd missed payment: Your lender is likely to be contacting you to see why you have falling behind on your payments. It is important for you to talk to them and explain your situation. It may be uncomfortable but it is much easier to address the situation now than to wait and hope it goes away.

3rd missed payment: Your lender will send you a *Demand to Come Current* or a *Demand for Acceleration* letter. The Demand to Come Current will say that you have 20 days come current on your loan or the property will be foreclosed. The demand for acceleration letter states that the entire mortgage has been accelerated and you have 20 days to come current or payoff the mortgage.

Notice of Foreclosure: Since a lawsuit does not have to be filed for foreclosure in Texas, the lender is required to send you a notice of foreclosure, file this notice with the county clerks office and post the notice on the courthouse doors. The lender is require to give the notice after the 20 day demand has been made and at least 21 days before the foreclosure proceedings.

Sheriff's Sale: Properties are sold to the highest bidder on the first Tuesday of every month on the courthouse steps.



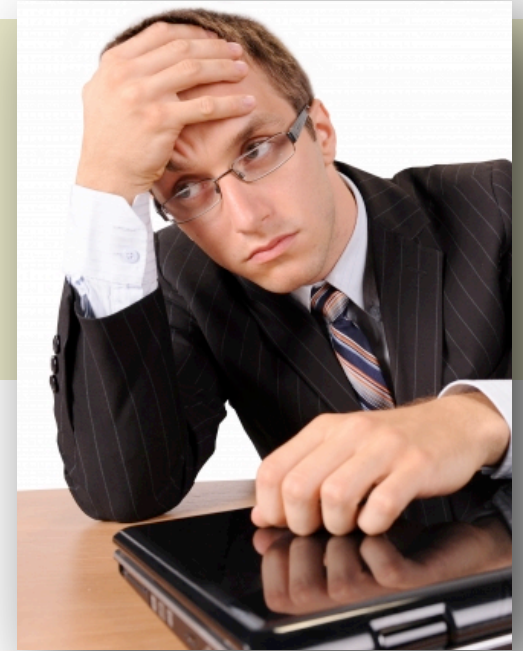


**Foreclosure
MAY NOT
release you from
the entire debt!**

**Depending on the terms of your loan and
the foreclosure....**

**A deficiency judgment may be filed
against you for the difference between
the fair market value of the property and
the amount of the loan.**

What Can I Do?



Reinstatement Plan: Speak with your lender to see what will be required to reinstate your mortgage at its current terms.

Repayment Plan: Speak with your lender to work out a repayment plan that will not only bring you current on your payments but also in late fees and penalties. Depending on your situation you may be able to have the late fees and penalties removed.

Loan Modification/Restructure: If you can prove a hardship (loss of job/income, unexpected change in financial situation) you may be able to restructure or modify your current loan so that your monthly payments can be lowered to an amount that is more affordable.

Temporary Delay: Your lender may agree to a temporary delay in payments if you have a sudden change in your financial situation but can show that it will be resolved within a set time frame.

Short Sale: Speak with a Realtor who specializes in short sale transactions. They will be able to work with you and your lender to find a solution that is in your best interest and will release you of as much debt as possible. Be sure your agent is trained in Short Sales.

What is a short Sale?

A short sale is when a lender accepts a sales price of a home that is lower than the balance as partial or total payoff for the loan. Lenders agree to this in order to avoid foreclosure. They do this because foreclosure is costly and time consuming. Usually a lender will lose less money from a short sale than they will from a foreclosure or bankruptcy.

An example, a homeowner is behind on payments and facing foreclosure on their home that has a mortgage balance of \$300,000. Due to economic and market conditions, the home may only be able to bring offers of \$240,000. The bank may agree to accept this offer to pay towards the mortgage and the remaining balance on the mortgage can be negotiated or perhaps forgiven.

Negotiating a short sale with a lender is a difficult process. It is important to work with a Realtor that specializes in short sales and understands how the process works, has the tools needed and has the contacts needed to get transactions negotiated.

The process is time consuming and frustrating. Only working with a specialist will limit your level of time and frustration.

**Call me and we can
work through this together!**

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A large, colorful kite with yellow, green, and blue sections is flying in a clear blue sky. The kite is attached to a string and has long, colorful ribbons trailing behind it. The background is a soft-focus view of green trees and a blue sky.

Short Sales

I wanted to let you know about how we can work together to protect our community during these interesting economic times. Recently, I completed the America's Home Rescue training program and I am now a Certified Default Resolution Specialist, specializing in assisting homeowners who may be behind on their mortgage payments and in a pre-foreclosure situation.

With foreclosures on the rise, it is imperative that homeowners who may have fallen behind on their payments know where to turn to find out more about what options might be available for them to consider. As a Certified Default Resolution Specialist (CDRS), I have become a member of a powerful national network of licensed real estate professionals equipped with the knowledge and skills necessary to better educate homeowners about their options and be a resource in helping them avoid the devastation of foreclosure.

If you are thinking about selling your home, now may or may not be an opportune time, depending on where you're located. If you are experiencing an unfortunate hardship and are at risk of falling behind on your payments, or you know of someone who is experiencing the same dilemma, I am confident that I have the knowledge and the training to assist in this type of situation. Either way, whether you're interested in exploring the prospect of placing your home on the market, or if you or someone you know needs to sell quickly due to an unfortunate situation, I can help in offering a solution.

Whatever the situation, I am here to help. Feel free to call me today to discuss your needs and explore ways I can be of service to you. A call to my cell phone number gets an immediate response most times, but should I not answer right away I typically return calls within a matter of minutes.



All my best,

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