

Stop Foreclosure! Know What To Do

By Liz Roberts

Stop Foreclosure! Is it possible? Yes, you can stop foreclosure if you take the appropriate actions immediately. Consider the following steps you can do to stop lenders from foreclosing your home:

Call your lender right away and request to speak with someone from the Loss Mitigation Department. This is the department that particularly handles foreclosure properties. Explain why you have missed on your monthly payments especially if you've been through difficult circumstances.

Know your options. Usually, you may request for some options to stop foreclosure. One option would be to ask for Forbearance. This is where your lender can waive some fees on your debts to help you keep up with the payment.

Another option would be Loan Modification. A Loan Modification is much like Loan Refinancing but instead of going through the re-application process, your lender can grant you a new loan without re-applying. This can save you money from application costs and it greatly speeds up the loan processing.

If you want, you can also request for a Reinstatement. With a reinstatement, your lender will give you an extended period to submit all the payments you've defaulted. However, a reinstatement requires you to pay your debts in full.

These are just some of the adjustments on your mortgage loan that you can ask from your lender. Of course, it would depend on your lending company which one among these options they would prefer. Just remember that these are just temporary options to buy you more time for repayment before the actual foreclosure. See to it that you'll be able to come up with the solution to secure the payments you need.

Sell your home. If you see that there's no way you can secure the amount you need to repay your mortgage in time, you still have the choice to sell your home before your lender forecloses it. But you need to be aware about the risks of dealing with foreclosure scammers or home buyers who are simply out to take advantage of you.

As much as possible, make sure that the purchase price you'll put into your property will be fair enough for its market value and that you would have enough money to pay off the debts you've defaulted including other fees involved. If you're going to sell your home, it would be better if you can buy as much time as possible before your lender files foreclosure. This way, you'll also have more time to come up with a better deal from a buyer.

Study contracts carefully. Before you sign up any agreement, especially if you're selling your home, never forget to scrutinize every detail included in the contract. Don't sign a document which has blank spaces or blank lines.

Do not go into an agreement if the buyer promises to pay back your default and all you have to do is sign over the title of your property. This puts you at great risk that the buyer will not be submitting any payment to your lender. He can use your property for lease and keep the money for himself until your lender forecloses your home completely. Always remember, that you cannot pass your accountability for your debts just by signing over your property.