



CERTIFIED DISTRESSED
PROPERTY EXPERT

OPTIONS FOR HOMEOWNERS IN FORECLOSURE

1. REINSTATEMENT

In order to reinstate a mortgage, you have to pay all missed payments, late fees and legal fees that are due up to the date of reinstatement. The owner must request this amount from his/her mortgage company in the form of a reinstatement letter. If approved the homeowner make the behind payment and you are free to make payments a previously scheduled.

2. Forbearance or Re-Payment Plan

This option may be available if you are unable to make up all the missed payments at one time. Basically, the lender allows you to make current payments plus a predetermined repayment plan for the missed payments. In some cases the missed payments may be put on the back of the loan.

3. SELL THE PROPERTY

The property is listed and sold with sufficient proceeds to cover the mortgage.

4. RENT THE PROPERTY

This option may be available if you are able to take residence somewhere other than the property in question. If the property can be rented to a family able to make the payments, it will potentially keep the property from moving into foreclosure.

5. REFINANCE

If you have sufficient equity and income and you credit score has not been too badly damaged, you may be able to refinance the property.

6. MORTGAGE MODIFICATION

This option may be available if you can show steady income. Your lender may modify or change you loan to make it easier for you to make you payments on time. This can be done through an interest rate change, length of loan, or principle balance of the loan.

7. DEED-IN-LIEU OF FORECLOSURE

A deed-in-lieu of foreclosure is sometimes referred to as a friendly foreclosure since the homeowner essentially gives the deed back to the bank.

8. BANKRUPTCY

A bankruptcy may stop a foreclosure and allow a homeowner to reorganize there debt and keep his property.

9. SHORT SALE

This option is when you owe more than the property is worth and one of the above solutions does not apply to your situation. A Short sale is where the lender accepts less than what is owed on the property.

Patrick and Amy Raiber
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