

Common Homeowner Mistakes in the Foreclosure Process... And How YOU Can Take Action to Prevent Foreclosure!

#1 - Not dealing with the issue or waiting for somebody else or something to happen to solve the problem. As long as the foreclosure has not happened yet, it's not too late but you have to pick up the phone and make the call!

We know it is easy to feel depressed about your situation and for your sense of purpose to come to a stop when you feel like things are closing in on you. Of course this is the worst possible decision you could make when TIME is so short...

Just make up your mind to stop waiting to see if everything will work out, so you will more than just a few or no options at your disposal. Please do not wait until the sheriff or Constable is literally knocking on your door to evict you and your family.

Please call us now so that you will still have a good chance for one of our Ethical and Professional Members to Stop Your Foreclosure!

#2 - Wishing and hoping that someone in your "circle" will have the right answer for you. No doubt your family and friends want what is best for you & your situation but it is far from clear that they have the knowledge to give you practical and sound advice.

Perhaps you're already thinking that the smartest thing you could do is just sell your home, stop the Foreclosure once and for all, and be happier with a fresh start. Surely getting out from under your debt and living within your means will be an improved situation... Unfortunately, (and quite often) family and friends are urging you to "hang in there", things will improve...

A word to the wise before you listen to their advice -

- Are "your advisors" putting their money where their advice is so they will get the money you need to stop the mess you're in?

- Are your friends ready to step up to the plate and help you out, no matter what it costs?

- Specifically, are your advisors ready to send enough cash to your lender to immediately bring the Foreclosure process to a quick stop?

Most likely, the unfortunate answer to these questions is "No."

Your family and friends love you but they do not have the where-with-all or expertise to provide you with the rapid assistance you need right now.

Reminder - This is your situation and you have to make the best decision possible. Please also know that the professionals at the Foreclosure Prevention Council of America urge you to understand your options and for you to make an educated decision that works best for you and your family, in the time available. **Call us today at (800) 269-9416 for a discussion of your options...**

#3 - Trying, waiting and hoping the lender will decide to work with you and forgive the back payments and interest you owe, so you can just start paying regular payments and get back on schedule...

➔ Can you say "Call center in India" where they speak some form of English but cannot seem to help you or find your file? Very, very frustrating to try to deal with if you ask me...

Sometimes the lender may offer you a "payment plan" called a "forbearance". This plan can actually be a good and reasonable solution if you have the money to make higher monthly payments to start paying the bank back what you owe. Unfortunately, most people just don't have the money it takes to make this higher payment... As a point of fact, over 75% of people facing foreclosure are not able to make their new, higher payments and they end up back in foreclosure in 6-12 months. Accordingly, if paying more money is not an option for you, you can avoid becoming another "delayed foreclosure" statistic like this by talking with one of our professionals and choosing a "smarter path"...

The bank rarely deals with reality and always wants to tack on hundreds or even thousands of dollars MORE to your monthly payment making your payment MUCH HIGHER than it is now, just so they can get paid back on their overpriced loan. If you can't afford your payments now...how will agreeing to pay higher payments "help" you solve your problem?

The bank may also tell you that if you sign a document called a DEED IN LIEU, you won't have a Foreclosure on your record. This point is true, BUT instead of your credit report showing "foreclosure", it will show, "Deed In Lieu". In other words, the small change simply means that you gave your deed in lieu of foreclosing. What this really means is that you agreed to a VOLUNTARILY foreclosure. **This small change will NOT help your credit report** and is strictly for the lender's benefit because it effectively eliminates the costs for them to have to take you through the entire foreclosure process, but you will still lose your home...

In considering the option of contacting your lender, here are some questions to ask the Bank:

1. Will you work out a payment plan (forbearance) with me?
2. How much more will my payments increase?
3. What happens if I'm late on a payment?
4. If I miss a payment, do you start where you left off with the Foreclosure?
5. With the significant increase in monthly payments, how many people in my situation end up back in foreclosure because they cannot afford the new monthly payment?

#4 - Listing your home with For Sale By Owner or with just any real estate agent in hopes of getting your house sold fast and your problem solved.

Did you know that many real estate agents only recently became agents and have little if any formal training on how to market and sell a home in foreclosure quickly? And this "training" (and a healthy sense of urgency) is what it really takes to sell a home fast!. There are some real estate agents who are very good at this but you need to make sure that you really know who you are dealing with and ask them questions to make sure they are right for you.

So what does the average agent do to sell your house? Well, just placing the property in the MLS and sticking a sign up in your front yard and hoping that it sells is not the right answer. You have to remember that the house is still in foreclosure and the bank is not going to stop their proceedings just because you listed it. You still need a "real buyer" to be able to stop the foreclosure auction.

*****An Important Note** - If you come up with someone who would be willing to buy the house from you and stop the Foreclosure, you need to make sure that you're **not** obligated to work through your real estate agent, and pay them a hefty commission on a buyer that you found. If you use an agent, you need to have written into your listing contract that if you find a qualified buyer on your own that you can get out of the listing agreement so you do not have to pay the big real estate commission and stop the purchase from happening.

This means if you've lowered the price just to get it sold, you may have to come up with thousands of dollars that you may not have just so you can pay the real estate agent the commission! **This could actually prevent you from selling your house and stopping the Foreclosure.**

Accordingly, if you are considering using a real estate agent, you need to be upfront with them and ask him or her the following questions so you do not waste your or their time:

1. What is your personal guarantee that you will sell my house and also close the sale before it goes to Foreclosure at the courthouse steps?
2. What if I do the work and also find someone on my own who wants to buy the house? Do I still have to pay you a commission?
3. If the house is sold at a price that won't cover all of your commissions, do I still have to come up with the money out of pocket to pay you?
4. Can I cancel the listing whenever I want? What will I owe you if I want to do this?

#5 - Time to quit hoping that a lender will refinance your home in time to stop foreclosure and that everything will be just fine...

While it is true that some mortgage lenders/brokers will approach you with enticing offers of a "foreclosure rescue" or a "bailout" loan, they usually do this with "mass mail-outs" to see what phone calls they will receive back (kind of like shaking the tree to see what drops out). They may even say they can get you a loan but they still check credit and need to verify your income can support the higher payments you will be paying with recent credit issues.

CAUTION - These offers are very rarely honored in your situation due to missed payments and credit report/history concerns. In fact, you will find that your payment on a refinance that is not based on credit or income will usually increase...

If you are thinking about contacting a mortgage broker, here are some questions to ask:

- What is my guarantee that you will close my refinance before the house goes to Foreclosure on the court house steps?
- What will you commit to doing for me in writing?
- Will my monthly payments be more than they are now and if so how much?
- Are you going to get me a fixed loan or will my payments increase significantly at any time?
- What are the closing costs and how/by who do they get paid?

#6 - Wondering if an investor will buy my house and also let me rent it back from them?

The problem with your average investors is that (unfortunately) there are some unethical investors out there who are willing to take advantage of people in a foreclosure situation just to make a fast buck. There are also new investors out there who are not educated and are simply practicing with you/your home. This is not the time to try out someone with a "learner's permit" who is just making big promises that you are less and less sure that they can keep. Our experience is that investors that are willing to buy your house and let you stay in it are just not very experienced because this is a dangerous financial move for you and for them. Our advice is for you to stay away from this option because it may say a lot about the motives of the people who have approached you.

The good news is that the Foreclosure Prevention Council of America only works with investors that have been professionally trained and have solid track records of dealing with people in foreclosure. Our members are also required to uphold a Standard of Conduct and have received the Council's certificate of approval each year.

Below you will see a list of questions to check out any investor you are working with:

- If I work with you, how quickly can I put this property behind me and get a fresh start?
- When will I need to move?
- What is the best case scenario if I work with you?
- What is the worst case scenario if I work with you?
- Will you immediately contact the lender and stall an/or stop my foreclosure?

#7 - The homeowner(s) believe that your credit is damaged so badly that it does not matter what you do now. It should go without saying that this assumption is INCORRECT.

The legal process is that, the formal "Foreclosure" takes place at a judicial court hearing where the Judge grants the lender the Foreclosure. However, in some non-judicial foreclosure states, the only requirement is for a "cure notice" to be sent to the homeowner and 3 notices placed in a local periodical (newspaper) and for the foreclosure auction to be formally scheduled.

This means that most homeowners have an extended period considered as being in PRE-FORECLOSURE. This means you are on your way to Foreclosure, and while you will usually have some negative reports on your credit report YOU PROBABLY DO NOT HAVE THE ACTUAL FORECLOSURE ON YOUR PERMANENT RECORD AS YET and have time to take action to avoid or stop the foreclosure.

At this point, your credit report will probably show some late payments (unfortunately which are derogatory but are not as bad as the actual foreclosure) as concerns your mortgage.

The report might show something like this...

90 Days Past Due – 1 Times
60 Days Past Due – 2 Times
30 Days Past Due – 3 times

Obviously, this is not good but it vastly different than seeing "Foreclosure". By stopping foreclosure you can still save the rest of your credit, start to get credit and also work to build your scores back up much more rapidly.

The "silver lining" in this situation is that our professional, trained and ethical Foreclosure Prevention specialists, can help you potentially minimize the negative impact on your credit record.

Yes, this is a "get back on your feet" first step of our solution process. Here is how it works...

Credit is not damaged "beyond repair" and no matter how bad your credit is, or how low your credit scores are, you can improve your credit and increase your credit scores with a few simple steps...

Here's how you start.

1. First of all, you must order all three of your credit reports to get your FICO scores. You should get all three of your FICO credit scores (one from each of the three credit reporting agencies).

2. On each one of your credit scores look for your negative reason codes. Each FICO score will have four negative reason codes listed. These negative reason codes tell you EXACTLY what you need to do to increase your credit scores. They are listed in the order of importance. So, start by fixing the top reason code for each score.
3. You can consider getting a law firm to help you dispute inaccurate, incomplete, misleading or unverifiable items on your credit reports. There's only so much you can do by yourself. Having a law firm that specializes in dealing with credit can help you in your quest to improve your credit quicker than you would be able to on your own.

Of course, the Foreclosure Prevention Council of America can help you get back on track, quickly, easily, and without any expense to you and even assist you in locating a reputable law firm.

#8 - Waiting for the Real Estate Market to "come back" so the owner-occupant ("wanna-be" homeowner) buyer's will come back into the marketplace. Just not going to happen anytime soon!

This means it is time for you to "get real" and decide what options are available and that you have some control over as all appearances show that this slow/dead real estate market will be with us for some time to come... It is now "decision time", just do not plan on this option being one of them...

#9 – Doing nothing, otherwise known as just throwing your hands up (or sitting on them) and allowing the house to just go to foreclosure. We know it is hard to deal with on your own and that is why we offer our buying services.

Now is the time for you to decide if you truly want to take control of your own destiny or wind up at the mercy of others decisions at this critical point in your life.

Simply put, there just isn't any "one size fits all" fix for every Foreclosure. Some solutions will only stall the inevitable Foreclosure while money **disappears** from your pocket and you'll still most probably lose your home. Other solutions may have you staying in the house but ultimately cost you more money in one month's payment than you can afford to make...

If you are considering filing for bankruptcy you should seek out competent legal advice and here are some possible questions you should ask a bankruptcy attorney:

- If I file Bankruptcy, will this action “make the Foreclosure go away for good”, or will it only stop the foreclosure temporarily?
- How much will my new monthly payments be after filing Bankruptcy? Will they increase?
- How much do you charge to file Bankruptcy?
- Do I have to take any required classes on Bankruptcy before I file?
- How long will the Bankruptcy tie me up and keep me from getting on with my life? Additionally, how long will the bankruptcy remain on the public records?

Alternatively, the Foreclosure Prevention Council of America can offer you a better solution to most of the cases we have seen...

A Foreclosure Prevention Council of America member can help you STOP the Foreclosure, get a fresh start on life in a new home, and possibly even have some extra cash in your pocket. This means you would move out of the house that is in Foreclosure and move onto a better situation for you.

Of course, this solution is not for everyone but it is simple and straightforward.

Accordingly, if you are looking to put money into a quick “band-aid” fix to temporarily sidetrack your problems, then working with a Foreclosure Council of America member probably isn’t the best option for you.

However, if you desperately want to...

- Avoid Foreclosure and put an end to your financial nightmare permanently
- Quit throwing good money after bad on payments you cannot afford
- Avoid the embarrassment of public humiliation
- Clear the decks and get a fresh start
- Save yourself and your family any further pain

***If this is the case, then you should call [\(800\) 269-9416](tel:8002699416) and schedule a no-risk FREE Consultation and a trained member of the Foreclosure Prevention Council of America will assess your situation and give you the best possible solution for your particular situation.

A Foreclosure Prevention Council of America member can get you out from under the burden of your debt and your home in just a matter of days!

Call us Today!