

Your Guide On How to Stop Foreclosure

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Foreclosure prevention is not as unrealistic as you may think. There are options to stop foreclosure in its entirety and there are options to delay foreclosure. With the help of an HUD sponsored housing counseling agency, you'll be in a good position to make your way through the foreclosure process.

Here are some of the foreclosure alternatives that you can pursue with the help of your housing counselor agency:

- Repayment Plan
- Forbearance
- Loan Modification
- Short Sale
- Deed in Lieu of Foreclosure

Hope isn't lost. Set yourself up for the future by learning everything you can about what your options are and how you can get all of the help you need.

If you have fallen behind on your mortgage payments, foreclosure may be something that you see coming over the horizon. However, you still have time to try and save your home, delay the foreclosure process, or put yourself in a better spot in the long-term by saving your credit. The options you have are based on a few factors, including how much time you have and how flexible your lender is. Be sure to consider every alternative to determine what is best for you.

Foreclosure Alternatives

With how complex foreclosure is, and the pressure that comes with it, it can be difficult to decide what your next step should be. What makes this even more difficult is that you may not know what your options are or you may not fully understand the implications of those options. While this is a difficult process, it doesn't have to be complex. Here are some of the main foreclosure alternatives that you can pursue:

- **Repayment Plan:** You don't necessarily have to pay off the entire sum of the total past due amount at once, which would be considered a "reinstatement". You can also put together a repayment plan

with your lender to spread out the past due payments over many months. These would be paid off alongside your monthly mortgage payments.

- **Forbearance:** By getting a forbearance agreement, you can avoid foreclosure until you get to a better financial place. This short-term solution involves the lender holding off on taking action through foreclosure and lays out a plan that will bring you current with your payments within a certain amount of time.
- **Loan Modification:** A Loan Modification agreement can be made for any loan, but is most common for mortgages. Through negotiation, the lender would agree to change the terms of the loan to allow the borrower to be able to pay the loan. This could be a variety of things, including lowering interest rates, extending the pay period for the loan, and changing the type of loan.
- **Short Sale:** This is when you sell your home to a third-party, not a bank, for less than the amount due on the mortgage. The lender then has two options. They can either forgive the difference between what is owed and what the home was sold for, or they can get a Deficiency Judgment ruling and require you to pay that difference. There are a number of states that don't allow this through Anti-Deficiency laws.
- **Deed in Lieu of Foreclosure:** Another option you have is contacting your lender and checking to see if they are interested in having you transfer the deed of the home that you are past due on over to them, in return for full-satisfaction of your debt. This can save you from having a negative impact on your credit. Keep in mind that this is a drastic step and should only be considered as a last resort.

When facing foreclosure, don't stress. You have options. These may be able to stop the foreclosure from happening entirely or, at the very least, delay it or put yourself in a better situation after its done.

How Foreclosure Assistance Can Help

When it comes to something as complex as avoiding foreclosure, always trust the experts. By utilizing a foreclosure assistance program, you are able to get help in every aspect of the foreclosure process.

That means, within these programs, you won't just get advice on what your best option is to avoid foreclosure. It means that you will get someone to help you with negotiations with your lender. You will also, if you go with the right foreclosure assistance program, get counseling as well as help setting up a monthly budget. These will help set you up for long-term financial stability.

Where to Find Foreclosure Assistance

Wondering where you can get help through this process? Luckily, the United States Department of Housing and Urban Development sponsors housing counseling agencies across the United States. These are experts who understand the foreclosure process. Some great examples include Central Detroit Christian CDC, National Faith Homebuyers, and Greenpath Financial Wellness. When facing foreclosure, remember that you aren't alone.