

How to STOP Foreclosure

A Free Report from KentuckySolutions.com
Kentucky's Real Estate Problem Solvers



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Introduction

As Local Investors experienced in the Kentucky foreclosure process, we have implemented several strategies into our business to help homeowners stop foreclosure. We deal with homes that have not yet been sold at the courthouse steps at public auction.

If you recently received a notice from your bank notifying you that the foreclosure process will soon begin, or if the Sherriff recently delivered foreclosure paperwork to you in person, this document is for you.

Remember, we are not Attorneys, Realtors, Mortgage Brokers, or licensed in the state of Kentucky for consulting people in foreclosure. However, we do have information that you can use to your advantage that banks and attorneys probably will not tell you about.

If we can be of assistance to help you stop your foreclosure (using these and other proprietary methods), feel free to contact us. We are local to your area and love to help. You can even call us for a free in-home consultation!

We're Open Monday thru Friday 9am – 5pm

(502) 212-2482

Part 1: How to Stop Foreclosure and Keep Your Home

Loan Forbearance or Modification

A strategy worth pursuing is called loan forbearance. The loss mitigation department of your mortgage company may make arrangements with you to pay some of the back payments now and the balance within a certain time period. A typical example: You owe \$9,000 in back payments, attorney fees, etc. Your mortgage company may accept \$4,500 now and \$750 per month for the next 6 months. Of course, you would have to resume making your normal monthly payments in addition to the back payments.

A loan modification is a permanent change to your mortgage that may lower your payments and the delinquent payments may be added to the mortgage balance. A loan modification or forbearance is easier to arrange prior to the Mortgage Company filing a foreclosure lawsuit. Some lenders will not consider this after filing, but it's worth trying.

These two options can take 30-45 days for the bank to approve and requires extensive paperwork to prove you can resume making payments and stop the foreclosure. Contact the foreclosing party to find out if they will do one of these choices. Often times they will, however, some do not and their terms may be difficult to meet in order to stop the foreclosure.

Reinstate Your Mortgage

You have up to and including the morning of the auction to catch up your payments. Perhaps you could borrow from friends or family, credit cards or retirement program. You may be able to arrange a second mortgage to catch up the back payments and fees.

To find out the exact amount owed, you must contact the attorney that filed the foreclosure against you and request a "payoff amount" good until at least the date you believe you can get the money. The request must be sent via letter or fax. This is usually mailed or faxed back to you.

Payment must be sent via certified funds (ask the attorney for accepted methods of payment)

Because we are private investors, we may be able to **offer you a loan** to stop the foreclosure! Call us for a free review of your situation. We do our loans completely based on equity. There are no credit checks, bank statements, or job history needed! **(502) 212-2482.**

Refinance

The fact is that is very difficult to arrange new financing when you're already in default on your existing mortgage. Arranging new financing will depend on your income, credit report, value of your home and the amount of your equity (at LEAST 65% LTV or 35% equity.) If you're not sure of the value of your home, give us a call. Usually we can give you a fairly accurate estimate of value within an hour. We would be glad to help and of course, there's no obligation.

If you attempt to refinance, you should always have a backup plan available to you. Many times, we have had homeowners call days before the auction saying their financing did not go through, and then it's too late! We have relationships built with several mortgage brokers able to refinance people with poor credit scores and good equity (if you are IN foreclosure, your credit is rapidly declining.) Call us and we'll put you in touch with one that may be able to help **(502) 212-2482**.

Refinancing takes 30-45 days so if you have been in foreclosure over 45 days, you must act fast!

Chapter 13 Bankruptcy (Repayment Plan type)

A viable alternative if your financial situation has improved, filing bankruptcy prior to the auction will stop the sale. **Unfortunately for most people, it only postpones the sale for one or 2 months.** Why? Immediately after filing a Chapter 13 Bankruptcy, you will have to file a repayment plan with the courts. This plan has to show that you have sufficient monthly income to pay basic living expenses such as food and utilities and other monthly payments such as credit cards, car payments etc. In addition, your income must be sufficient to resume making your monthly mortgage payments. All past due amounts are usually spread out between 24 and 60 months i.e. If you owe \$9,000 in missed payments, attorneys fees, etc. if spread out over 48 months would be an additional \$187.50 due each month to the court appointed trustee.

However, if you are one day late to the court or your mortgage company with these payments, the bank can get what is called a "Relief of Stay" and the Judge will allow them to continue where they left off in the foreclosure process and they will still take your home! (Even though you are still in Bankruptcy!) If you feel as though you have the income to immediately begin repayment of all your debts and the courts agree, this may be a good choice for you to save your home. Over the years, we've spoken with many individuals who filed for bankruptcy protection only to have their cases dismissed because they were unable to keep up the payments to their creditors and the court. Not only were they out their attorney fees (usually \$1,000 - \$2,000) but now had a bankruptcy and foreclosure on their credit report, which can be worse than

a foreclosure. **Bankruptcy is considered an action of last resort.** However, if you are in need of a *good* attorney, call us for a recommendation of one that can help you.

Part 2: How to Stop Foreclosure by Selling Your Home

Sell Your Home on the Open Market

This is probably the most under utilized option available to you. We have relationships with several Realtors in the Louisville area and could very well assist you in getting your house sold in time. The fact is that selling your home will give you the most money in your pocket. If you have recently been served with a foreclosure lawsuit you may still have enough time to sell your home which will provide you and your family the greatest amount of money to help provide a fresh start for you and your family.

Keep in mind that the average selling time with a Realtor is approximately 90 days (which is about as long as the foreclosure process in Kentucky) **so do not settle for any Realtor.** There are good ones, and there are bad ones. You probably have a friend who is a Realtor. However, they probably won't be able to sell *your* home fast enough so **DON'T USE THEM!** We have relationships with several Realtors in Kentucky who can! So call us for a Referral! We make no money on the leads we provide. We just want to ensure you get one able to help in your situation.

Remember, placing your home on the market a few weeks or a month from now may not give us enough time to find the buyer, arrange financing, and schedule the closing. Because of the time sensitive nature of your situation, this is not a time to go it alone as a "for sale by owner" or list your home with a friend or friend of a friend.

Investors Can Buy Your Home – Even if you have NO EQUITY!

If efforts to save your home have been unsuccessful and time doesn't permit selling your home on the open market or you just don't want to, but want a quick sale with no problems, minimal paperwork, and no headache, call us. We'll make you a cash offer and close quickly usually in five to seven days. If you need additional time to relocate, that can easily be arranged.

You have probably been swarmed by investors calling you or mailing you letters. If not yet, you soon will be. A **word of caution**, some investors are very aggressive and unethical. Some investors will tell you that "You only have one or two

weeks before the auction and your furniture and possessions will be placed on the sidewalk or street by the Sheriff's Department." This scare tactic is usually accompanied by a ridiculously low offer.

The fact is you may have a few months before that could happen, but this is not a time to sit back and relax. From the time you are served paperwork by mail or from the Sheriff, attorney and foreclosure fees are accruing! Pursuing the options available to you in regards to this foreclosure should be your highest priority from the time you wake up, until the time you go to sleep. Don't be rushed or scared into making a bad situation even worse, you do have options.

If a quick sale of your home is your goal, find reputable investors such as ourselves. We can promise that we will treat you fairly, with dignity and complete honesty. When we make you an offer and say you will walk out of the closing with \$1,000, \$5,000, or \$20,000, that's what you will walk out with! We don't believe in last minute negotiating at the closing table. If you are looking for a quick no problem solution call us at **(502) 212-2482**.

Now, if you have NO equity and wish to sell your home and wish to keep the foreclosure off your credit records, we at Kentucky Solutions have a program that allows us to work with your lender to purchase your home and stop the foreclosure! Call us for details at **(502) 212-2482**.

Let Your Home Be Sold On the Courthouse Steps

By far, this is the worst option available to you! Many people feel "We have no equity, let the bank take it", but homes that are sold on the courthouse steps typically sell between 50% and 70% of their fair market value. Moreover, if a bank suffers a loss due to the pending foreclosure action against you, they also have an option. **They can file a deficiency judgment** against you and pursue you for the amount of their loss that could follow you for years.

Typically ten days after the foreclosure auction, a certificate of title will be issued by the courts to the new owner. If you have not voluntarily vacated your house at this time, you could be forced to move out within 24 hours and all items remaining in the home will be placed on the lawn by the Sheriff's department. We make our living by providing homeowners without hope, a solution that fits their needs and puts cash in their pockets, so don't let this happen! Call us at **(502) 212-2482**.

Conclusion

Don't procrastinate; explore all the options available to you. If saving your house seems unlikely, you should call us as soon as possible!

If you own property-facing foreclosure and are interested in selling your home, getting a new loan, or for assistance in working with the bank, call us. We'd love to help you.



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(502) 212-2482
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Disclosure:

As with any serious legal situation the reader is encouraged to consult legal counsel regarding any points of law. This information should not be used as a substitute for competent legal or even financial advice.