

# Solving Your Mortgage Crisis Just Got Easier

## *Straightforward Solutions for Financial Stability*

When faced with the stress of a mortgage you can no longer afford, dealing with the aftermath of a foreclosure may seem unbearable.

But today you're in luck because solving your mortgage crisis just got easier. This report has been developed to show you straightforward solutions to help you avoid foreclosure and put you on the path to a more stable financial future.

### **FORECLOSURE ALTERNATIVE FOCUS: The Short Sale**

A short sale occurs when a lender and a financially distressed homeowner agree to sell a home for less than the current mortgage payoff amount.

### **The Short Sale Solution**

Lenders don't want to foreclose and own your home, and one of the most effective methods of foreclosure avoidance is the short sale.

Lenders lose less in a short sale when compared to a foreclosure, and have been working hard with real estate agents to make this option more viable and efficient.

There are three qualifications to be eligible for a short sale:

1. Have a verifiable hardship, like unemployment, medical bills, or relocation
2. Must have a monthly income shortfall
3. Be insolvent (you have no cash or assets that can be sold to pay down the mortgage), or headed towards insolvency

Short sales are increasingly becoming a popular alternative to foreclosure because they help minimize loss and the various harmful repercussions of foreclosures, such as damage to credit, security clearance, future employment, neighborhood value loss and disrepair.

### **Lenders Ramp up Staffing to Assist in Processing**

If you thought you were alone in your financial struggles, think again. Over 2.5 million homeowners defaulted on their mortgages in 2010 due to unemployment or other unexpected challenges.

Lenders are working hard to increase their resources in handling the sheer volume of defaulted mortgages across the country.

I am in regular contact with these lenders and, as you can imagine, they'd like to avoid the high costs of foreclosure and facilitate as many alternatives as they possibly can.

### **Home Affordable Foreclosure Alternatives (HAFA)**

The federal government has also made foreclosure avoidance easier through recently enhanced programs. HAFA is a federal initiative put in place to benefit homeowners who do not qualify for mortgage modifications and would like to pursue short sales.

This program is designed to expedite foreclosure avoidance options for homeowners in need. HAFA promotes the swift execution of a short sale or deed-in-lieu through financial incentives to all parties involved, facilitating the transaction.

In a deed-in-lieu of foreclosure, the property is given fully to the lender because the homeowner can no longer make payments, and the property is then sold to retrieve part of the loan balance owed. A deed-in-lieu, however, may have some of the same effects as foreclosure on your credit report.

## Cash Benefits of HAFA

1. **\$3,000 CASH** to homeowner to cover relocation expenses
2. **\$1,500 CASH** to lender to cover transaction expenses
3. **\$6,000 CASH** to junior lien holders

## SPECIFICS!

A deficiency judgment is an action taken against a debtor or borrower whose foreclosure sale or short sale did not cover the entire mortgage debt owed to the lender. A lender's ability to pursue this course depends on the conditions of the original loan.

Another significant benefit of a HAFA short sale is the requirement that lenders and junior lien holders waive their right to a deficiency judgment. This means your lender can't collect the portion of the mortgage not covered by the transaction. Such protection allows you to more quickly regain financial stability and move on with your life.

## What If My Home Doesn't Sell?

If you attempt a short sale under HAFA and a transaction does not close by the program deadline, the lender will receive your deed-in-lieu of foreclosure. This will provide you with effectively the same result, since you will have a more positive solution to foreclosure, your mortgage debt will be forgiven, and you will receive the \$3,000 incentive to help with moving costs.

## Keeping Up to Date

Over the past few years, government and lender programs have undergone numerous enhancements and expansions. As a CDPE, I keep close attention to the changes as they happen, so that you can get the

most relevant, current information and the best possible service. If you would like to find out more about these programs, or if someone you know needs assistance in avoiding foreclosure, please don't hesitate to contact me.

## More Foreclosure Options are Available

Call me today to find out about even more foreclosure alternatives that are available to you if you qualify. I can help you develop a strategy to take advantage of the many foreclosure avoidance programs available to the millions of Americans just like you who are struggling toward a more stable financial future. Together, we can put you back on track to financial stability.

## Place Your Confidence in CDPE

With the right assistance, the stress of facing foreclosure becomes manageable. CDPE-designated agents have received the knowledge and training necessary to assess all possible foreclosure alternatives and pursue homeowners' best options. A CDPE-designated agent attends several days of intensive, thorough training on foreclosure avoidance and how to negotiate short sales efficiently and ethically. The highly regarded CDPE logo means you are working with the most informed, up-to-date resource available.



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