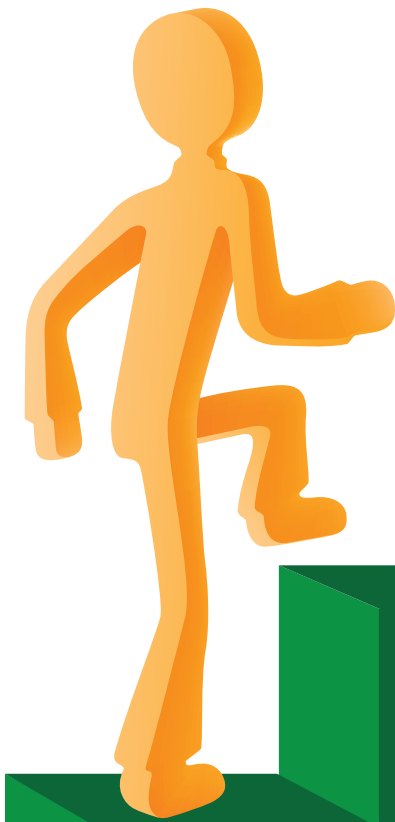




*Solving the foreclosure crisis
one homeowner at a time.™*

Prepared Exclusively for:
Home Seller
by PENNY'S TEAM

Your First Steps to Avoid Foreclosure



Do You Know Your Next Step?

Provided by:

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In today's market, chances are you or someone you know is having trouble making the mortgage payment each month. Facing the possibility of foreclosure is an overwhelming reality for homeowners already feeling the pressure of an upside-down mortgage.

If this is your situation, understand you are not alone. Millions of homeowners nationwide are in the same circumstances.

However, **more than 70% of these homeowners proceed without seeking assistance and without getting the facts.** Many do not realize that foreclosure is a process, and there is time to make decisions that may result in a better outcome. Having the motivation to take action, and finding a professional who can work with you toward a solution, can ease this frustration.

So where should you start?

First, you need to know your situation. Even if a bank has started procedures to repossess your home, it doesn't mean that you're out of time or options. The foreclosure process is generally lengthy, so there is time to analyze your next steps. Your first steps should include:

Step 1. Take Action

Congratulations ... you've already succeeded in taking your first step by downloading this report. You are proactive about finding a solution, and the answers to many of your questions are right here.

Step 2. Contact an Educated Agent

Be wary of any rescue scams or mediators that promise a quick resolution to a pending foreclosure in exchange for upfront fees. A reputable counselor will not guarantee to stop the foreclosure process, no matter the circumstances. Look for the CDPE logo like the one on this report to ensure that agent has undergone extensive training in the foreclosure avoidance options available to homeowners. CDPE-designated agents, like me, have the education and resources to provide solutions.

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The *Washington Post* reported on a recent study that found, “Troubled homeowners who receive housing counseling are **60% more likely to avoid foreclosure** and have their mortgage payments lowered significantly than borrowers who navigate the process themselves.”¹

¹11/18/09. Washington Post, “Counseling Helps Borrowers Avoid Foreclosure, Study Finds”

Step 3. Organize Your Personal Documents & Information

Prepare by gathering your personal information in an organized fashion. No matter which option you choose, the process can be expedited significantly if these materials are assembled before hand:

- Checking Account Statements
- Recent Mortgage Statements
- Savings Account Statements
- Your Last Two Paycheck Stubs
- Your Past Two Tax Returns
- A Letter of Hardship

I can assist you in organizing and understanding this process and ensure you have all the necessary information.

Step 4. Contact Your Lender

Contact your lender as soon as possible to discuss the appropriate solutions to your circumstances. Lenders want to avoid the foreclosure process just as much as homeowners. They are not in the real estate business, do not wish to take ownership of a home, and do not want a house to sit idle on the market. Recently, some have even instituted further options to help homeowners avoid foreclosure.

Remember to keep your agent, or me if you choose to contact me, informed on any decision you make so they can take action after talks with your lender.

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Step 5. Understand All Your Options

Following are a few foreclosure avoidance options that may be the best solution for your particular situation.

- ◆ A **short sale** is a dignified alternative to foreclosure, allowing a homeowner who owes more on their property than it is currently worth, to sell their property at a price lower than what is owed.
- ◆ A **deed-in-lieu** allows the homeowner to return the property to the lender rather than go through the foreclosure process.
- ◆ A **forbearance** or **repayment plan** involves the homeowner negotiating with the mortgage company to allow them to repay back-payments over a period of time.
- ◆ A **mortgage modification** involves the reduction of one of the following: the interest rate on the loan, the principal balance of the loan, the term of the loan, or any combination of these, for a more affordable mortgage.
- ◆ **Renting the property** can also be an option, if a homeowner who has a mortgage payment low enough can convert their property to a rental and use the rental income to pay the mortgage.
- ◆ **Bankruptcy** is only a 'foreclosure solution' in some states and situations, but still remains a challenging financial decision.
- ◆ A **mortgage refinance** can be an option if a homeowner has sufficient equity in their property and their credit is still in good standing.
- ◆ The **Servicemembers Civil Relief Act** was implemented to help members of the military experiencing financial distress due to deployment. Contact me for more information.
- ◆ The **sale of a property** can be accomplished if a homeowner has sufficient equity and a qualified agent who understands the current market. If you don't have equity, a short sale may be a good option.

The U.S. Treasury recently announced new incentives, timelines and procedures for short sales. **The Home Affordable Foreclosure Alternatives Program (HAFA)** simplifies short sales procedures by setting limits on the time it takes lenders to respond, freeing borrowers from debt and capping claims of subordinate lienholders.

As a CDPE-designated agent, I have the most current information on this program and participating lenders.

While this represents only a summary of some of the options available, it is important for you to understand all of them to find the best solution for you.

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Step 6. Action!

Congratulations again! You've already gotten started by reading this report. Contact me today and let's get you back on the path to financial security.

Many homeowners are facing uncertainty and do not know where to turn, or what to do next for themselves and their families. Despite all attempts to hold on, the foreclosure process can be a slippery slope if not handled correctly. Now more than ever, you need to prepare yourself to navigate the mistakes that are most commonly made.

I believe every homeowner deserves the best information and education to avoid losing a home to foreclosure and damaging credit for years to come. If you are struggling to pay the mortgage and unsure of what to do next, understanding these options—especially short sales—can ease your stress and potentially save you from an impending foreclosure. Deciding on which route will be best for you and your family's future is the most important decision you can make. Please use this information to better understand the options available. As a CDPE, I have been trained to assist homeowners in these difficult situations. If I can provide you with more information or assistance, please don't hesitate to contact me.

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