

## Foreclosure Rescue

Let us stop your foreclosure, put cash in your pocket, and save your financial future.

### Here are your eight options when facing a foreclosure

1. Loan modification
2. Forbearance agreement
3. Refinance your mortgage
4. Deed in lieu of foreclosure
5. Sell your home to a realtor
6. Sell your home to a cash buyer
7. Sell your home Subject to
8. Do nothing and lose your home

### Who are we?

Hi, we are a local Detroit couple with a mission to reach out and help as many distressed homeowners as possible. Over the years, we have become experts on educating and helping homeowners through the foreclosure process. With all the changes going on in the banking industry, you, the homeowner, need someone who can give you honest, educated and timely advice that will help you make the right decision at this pivotal moment in your life. The best part about our mission is that we do all this at no charge to you. It is 100% free and trusted advice. If you have any questions about your current situation and would like a local expert you can call for friendly advice, please call us right away.

Kay & Oliver

### What are your options?

#### 1. Loan Modification

A loan modification simply means to change or modify the terms of your original loan. There are several types of loan modifications that may be available to you depending on the type of loan you have (Conventional, FHA, VA, etc.) and who is holding your loan. In some cases, this can be

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having the payment reduced and/or having some or all of the delinquent payments added on to the end of your loan.

Loan modifications are not automatic and you have to qualify to receive one. You may be contacted by various entities that want to “help” you get a loan modification. Virtually, all of them charge an upfront fee that may range up to thousands of dollars, with no guarantee that you will actually receive the modification. You should avoid dealing with such people at all costs. They are out to take your money and NOT help you.

You can work directly with your lender, but be very leery of what they tell you. Don’t take anything you are told on faith, get it in writing. If they tell you they are delaying the foreclosure, verify that with the Public Trustee. There have been many instances of people who thought their foreclosure had been delayed or cancelled while they were talking to their lender, only to find out after the fact that their home had been sold at auction.

Remember, only a small percentage of loan modification applicants receive an approval.

In the unlikely event you are approved for a loan modification, there is a 5 to 6 month trial process. During this time, if you are even 1 day late or \$1 short, you will be immediately accelerated back into foreclosure.

Again, only a small percentage of applicants are approved, and even a smaller percent make it through the trial period, therefore ending up back in foreclosure, further in debt with less chance of being bought out by a cash buyer.

## **2. Forbearance Agreement**

If you don’t qualify for a loan modification, then the Forbearance Agreement may be better for you. The Forbearance Agreement is a worked out agreement with the bank. Here is how a forbearance agreement works. The bank will ask for attorney fees and then approximately 40% to 50% of the back payments. The remaining back payments will be equally divided between the next 6 to 12 payments, raising your monthly payment for that 6 to 12 month time. At that time, the payments will return to their former lower payments.

Remember these 2 important points:

9. 90% of homeowners fall out of their forbearance agreement in the first 2 to 3 months because of failure to pay.
10. Just because you worked out a deal with the bank, doesn’t mean you’re out of foreclosure. You are still in foreclosure until your increased payments are made. Then and only then, will you receive a foreclosure withdrawal letter from the bank, stating your loan is current. In the meantime, the bank will keep extending the foreclosure sale date every month.

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### **3. Refinance Your Mortgage**

It is impossible to refinance your mortgage if have been late on payments or in foreclosure. However, sometimes the mortgage broker is not completely honest. They might charge you appraisal fees, loan fees, and broker fees before letting you know that you do not qualify.

### **4. Deed in Lieu of Foreclosure**

The deed in lieu of foreclosure is when you give ownership of your home and deed it back to the bank. The bank will always accept this. However, it is not a good option for you. In most cases, the bank will place a foreclosure on your credit and you could end up with a 1099-C sent to the IRS for additional income, if the bank sells the property for less than what you owe.

### **5. Sell Your Home to a Real Estate Agent**

Remember, you have to disclose to your listing agent that you are behind in payments or in foreclosure. Even if your listing agent got a contract on your house today, it will take 30 to 45 days to close in most cases. If your foreclosure date is before that, then this will not be an option for you. Listing your home with an agent right now may not be an option, unless you're willing to sell it well below market value. Even at below market value, it will still take 30 days to close. We do have expert realtors that can possibly work with you in this short time span.

Sometimes, realtors can be helpful. However, most of the time they will just get in the way. Sometimes they will come to you and say they have a buyer for your home, but they will only say this to get you to list your property for a long time listing. If they say this, it is okay to give them a 24-hour listing. You give them the 24-hour listing so that they can bring the buyer by that they have promised you. Most realtors will not do this because they do not have a buyer, they just want a listing. This is the safest way for you to not be tied up in a long-term listing.

Overall, you need to be careful.

Make sure that everyone you work with puts everything in writing, including a way you could get out of the contract without any further damage to you or your situation.

### **6. Sell Your Home to a Cash Buyer**

This could be one of your best options. We will buy your home outright. We will buy your home from you, pay off the balance and all late back payments, place cash in your hands and relieve you from your dilemma.

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## **7. Sell Your Home Subject To**

This is another great option. You, the homeowner, will convey the property to us by Warranty Deed. In exchange, we will pay all of your late payments to make the mortgage current. We will make the monthly mortgage payments until the property is sold or refinanced, whichever comes first. Then, we will file the deed at the courthouse to protect my interests and yours. We will pay you an agreed-upon amount of money when the property is deeded to us and then we will discuss a date for you to vacate the premises. The objective of this method is for us to take over the existing loans, bring the payments current, keep them current for the length of our agreement, and therefore relieving you of the monthly debt. The longer we make the payments for you, the better your credit will become. If we pay the mortgage off immediately, your credit will not get any better and it will take years for you to rebuild your credit and buy another home.

In every option, including this one, make sure that all parties involved are made aware of the details in this transaction. Remember, your name will remain on the mortgage and we will be making the mortgage payments on your behalf.

## **8. Do Nothing and Lose Your Home**

This does not sound like an option however, we must present all options to you. In a foreclosure, your home will end up at a local auction. Shortly after your home is sold at the auction, a Sheriff Deputy will show up to your house to remove you, your family, and all your belongings to the curb. A foreclosure is essentially dropping an atomic bomb on your credit. This hit to your credit will most likely disqualify you from acquiring new credit cards, possibly getting a new job, a new car, purchasing another home, and even renting an apartment. A foreclosure will remain on your credit for 7 to 10 years.

Now that you know a little more about your options, please call us today to discuss them in depth and learn which one will be best for you and your family. Please contact an attorney for legal advice, an accountant for tax advice, and a mortgage broker for loan information/questions. We want you to know that there are several options to choose from rather than losing your home to foreclosure. Since everyone's situation is different, we wanted to share this information packet with you so you can make the best decision for you and your family. We will help in any way that we can. Our mission is to give you the knowledge and understanding you need to help you make the right decision for your situation.

Please let us rescue you from this tragedy!

Sincerely,

Kay & Oliver

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