

Facing Foreclosure?

Dealing with a foreclosure situation is difficult and scary. Luckily, many New Hampshire homeowners are avoiding foreclosure by dealing with their situations quickly and in the right way. Below are some commonly asked questions about foreclosure. We hope that these will help you save your home!

How long can I wait to stop my foreclosure?

You can wait until the last day, but this is a very, very bad idea. The best thing to do when you know you are having troubles making payments is to investigate alternatives to foreclosure, such as loan modifications, bankruptcies, deeds in lieu, short sales, etc.

In order to stop the foreclosure, do I have to pay my arrearages in full? No, not always. Sometimes they can be paid back in a payment plan, sometimes they can be added into your loan, and sometimes they can be all or partially forgiven.

How long does the foreclosure process take?

This depends on the bank or mortgage company, as well as the state you are in.

Can I sell my home, rather than lose it to foreclosure?

Yes, as long as either you sell it before the auction or your bank/mortgage company agrees to postpone the auction to let the sale go through.

I just received a foreclosure notice. What should I do now?

Get help. Find out what all your options are and which option is

best for you. Be sure to find someone who will take the time to answer all your questions, and who is available when you have questions (such as on the weekends or in the evenings).

Could the "Soldiers and Sailors Act" be used to keep my house from being auctioned?

If you are a member of the armed services who is on active duty, this act could be used to help to keep your house from being auctioned.

What happens when I miss several mortgage payments?

Your lender may start foreclosure proceedings, which is a way for your lender to recoup their losses by liquidating your home.

Should I leave my home when I receive a foreclosure notice?

No, you should not. In order to do a loan modification and get the lowest payment possible, you will need to be living in your home. Additionally, if you choose to do a bankruptcy, and you are still a resident in the home, you will get a \$100,000 exemption and, if married, it will be a \$200,000 exemption. However, if you are not living in the home, you would not get these exemptions.

How long will a foreclosure action or bankruptcy stay on my credit report?

A foreclosure will show on your credit report for seven years. A bankruptcy will show on your credit for ten years.

What are some common terms I should know?

Forbearance: This is where your mortgage payments are suspended for a period of time, then put back into your loan.

Repayment Plan: A plan, agreed to by you and your lender, which includes arrearages, late fees, and any other fees, which will bring you current over a period of twelve to eighteen months.

Refinance: When you take out a new loan. If one's credit is bad, these are normally taken out at a higher interest rate than previous loans.

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"Helping You Save Your Home"

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Loan Modification: The process of changing the terms of a mortgage so that the borrower can afford the payments. “Loan mods” often include a reduction in interest rate and/or the reduction of some of the principal owed.

Short Sale: This when you sell the property for less than what you owe on it (normally, the bank must give you permission to do this).

Deed-in-Lieu of Foreclosure: When you sign the property over to the bank and you no longer owe the bank money for the house.

An investor offered to buy my house and rent it back to me. Now the investor is asking for the deed to my house—should I give away my deed?

No! This is a foreclosure rescue scam. What usually happens in such scams is that the investor does not make any payments on your mortgage loan. Then, since that loan still has your name on it, the bank will end up foreclosing on you, anyhow. In the end, you will be evicted and the investor will have all the rent money that you’ve paid.

Want to talk to a professional about your foreclosure situation? For over ten years, the folks at WR Duclos have been helping people avoid foreclosure. Our initial consultations are free of charge, and we would be happy to discuss with you your individual situation. Just give us a call at 603-746-3386 (we are available most nights and weekends, as well as on the week days).

Common Foreclosure Mistakes

Is your home in foreclosure (or are you afraid that it soon will be)? If so, steer clear of the following common mistakes that many people make.

Doing nothing in the hopes the foreclosure will go away.

By doing nothing it is likely that the foreclosure process will continue and you will soon find your house in the legal notices section of the newspaper, with an auction date. The longer you wait, the more late fees and legal fees there will be tacked on to your mortgage. So, the sooner you start looking for help, the better.

Not opening the mail.

Yes, it’s hard to open the mail when you are facing foreclosure, as so often the mail just brings more bills and other bad news. However, it is important to go through your mail on a regular basis, so you will be aware of the latest developments in your foreclosure process.

Not getting help from a qualified, experienced professional.

A professional who specializes in loan modifications and other real estate and legal transactions will be able to explain all your options (which often will include options you may not even realize exist), then help you chose your own bet course of action.

Paying the small bills, like credit cards, instead of your mortgage.

If you use up all your money to pay credit cards, you may not have enough cash on hand to make the necessary payments to save your house. Be sure to have several thousand dollars “in hand” when you begin work on stopping your foreclosure and, if that means you can’t pay unsecured debt (such as credit cards), then that is what you should do.

Trying to refinance your home.

Refinancing when you’re in trouble is a very bad idea, since your interest rates will only go up when you are in a difficult financial situation. Additionally, you will likely lose approximately \$10,000 in closing costs, which will make your financial situation even that much worse.