

*Written by Tina Derby for the WR Duclos & Associates website, 2009*

Below is a list of the most common mistakes people make when facing foreclosure.

### **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 choose your own best 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.