

# **DISTRESSED**

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# **PROPERTIES EXPLAINED**

**Foreclosures • Short Sales • HUD homes**



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## **INTRODUCTION:**

You are reading this Ebook for one of **TWO** reasons: #1 You are either a homeowner trying to figure out what to do in a difficult situation or #2 you are an investor trying to find a property to purchase at a discount. I've compiled this book with articles so everyone can understand the process when dealing with situations involving distressed homes. Whether you are a homeowner or investor, everyone needs to understand the process and the options that are available as a property works its' way through the system.

I want **homeowners** to understand: #1-You're not alone. If you decide you need to look at doing a short sale, call me. I will be happy to evaluate your situation and see if I can help sell your home. Simply look around, this economy has created difficult situations for many people-just like you. In the end, if you are unable to keep your home, it doesn't mean you will never own a home again. Underwriting guidelines are always subject to change. In the future, depending on the type of loan you are trying to obtain and the reason why you lost/sold your home, you may be able to obtain a new more affordable home in as little as 2-4 years-unless you utilize a hard money loan.

I am going to make a prediction. I predict that mortgage underwriting guidelines will loosen for people that have experienced difficulty due to the recession but previously and currently have positive credit. In my opinion, one key to solving the housing crisis is to allow people who've lost their homes to be able to buy a home again-sooner rather than later. How can we create more demand for housing? Simple solution: underwrite to a more conservative ratio and tighter credit criteria. Arbitrary guidelines such as "2-4 years" don't take into account the economic reality of this recession and the huge job losses. Eventually, I think Washington law makers will get this figured out.

With that in mind, the **KEY** to your future success is to re-establish a positive credit history as soon as possible. **DON'T** make the mistake of doing nothing. You must take steps to re-establish a positive credit history as soon as possible. In the mortgage business, the main problem we have to overcome when helping people obtain financing is that they don't have an adequate or positive current credit history. Don't wait. Re-establishing credit takes time. If you need assistance in this area, we can refer you to companies and services that may be able to help. Call us today.

To the **investors** reading this book: **YES**-You can obtain huge discounts to market values due to the imbalance between supply and demand as well as the tight credit markets. I can set up specific searches as well as help you find and finance your next deal. Working together, I can help you find opportunities that may allow you to create wealth through real estate. I have written a book specifically on the topic called "Reality Based" Real Estate Investing. Call more for details on how you can obtain a copy.

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## **As A Buyer Or Seller-Why Choose To Work with a Realtor?**

Today there are many people who think about selling their home on their own. However, many of them end up going with a Realtor for their needs. It's definitely a great idea to decide to work with a Realtor when you are selling your home or you are trying to purchase a new home. Many real estate agents are not actually Realtors, and Realtors have quite a bit more to offer consumers. Not sure that you should choose a Realtor when you are selling or buying a home? Well, here is a look at some of the top reasons that you definitely should work with a good Realtor.

### **They are Experts in the Real Estate Field**

One great reason that you should definitely consider working with a realtor is because they are experts in the real estate field. Having an expert on your side is definitely a great idea. Many people out there today purchase or sell their homes with a realtor. Realtors come with a whole lot of experience and definitely will be able to use that experience to help you acquire a great home or to sell a home for a good price.

### **Realtors Know the Community**

Another reason to go with a Realtor when buying or selling is because Realtors know the community. They are active in the community and they know the community that they are working in. This is important, whether you are purchasing or selling. You want someone on your side that really knows what is going on in the local real estate market.

### **They Can Offer You Protection**

You'll also find that a good Realtor can offer you protection when you are selling your home or purchasing a home. They know the laws and the nuances of the real estate industry that are very important. Without a good Realtor on your side, you could end up making a mistake that will cost you in the long run.

### **Realtors are Supposed to Be Honest**

Realtors have a code of ethics, which states that they are supposed to be honest. This definitely benefits you. After all, you want someone on your side that is going to be honest with you, no matter what. Even if it is something that you really don't want to hear, it's great to have someone that will be very honest with you. This is something you can count on.

### **Required to Disclose Important Facts**

According to the code of ethics, Realtors are required to disclose any important facts to you as well. This means that any facts that you need to know, your Realtor will let you

know about. They'll give you good advice along the way and give you the facts that you are going to need to make the right real estate decision.

#### They Have Your Interests at Heart

A good Realtor will also have your interest at heart. This is one reason it is such a great idea to have a Realtor on your side. They will help to make sure that you get the best deal and the best home for your needs. A Realtor is committed to making sure that everything works out for you. This is definitely excellent for you.

#### Realtors Have Resources

Another reason to have a Realtor help you with selling or purchasing a home is because they have many great resources available. If you are looking for a home, they have a variety of different resources they can turn to, in order to help you find the home that you want. You won't have to spend time looking, but your realtor can do that job for you with the great resources that are at their disposal.

#### Help with Negotiation

Often in a real estate deal there is quite a bit of negotiation. This can include negotiation about the terms, financing, price, date of possession, repairs, equipment, and more. If you are not well versed in the art of negotiation, you may not get the best deal for you. With a good realtor to help you out, they can help you out with the negotiation so you get a deal that is totally fair to you.

#### Explanation of Financing

You'll find that a good realtor can help you to understand the financing options that you have available to you. They can explain different options and lead you in the right direction. They also have access to many lenders and can help you to identify good lenders for the financing that you are going to need.

#### The Process is Smoother

Going through a real estate deal is not always a smooth ride. Some times things crop up along the way. Using a Realtor can help you to make sure that this process is much smoother. They'll help to ensure that everything works out very smoothly so that you get through the deal as soon as possible without any problems.

**LET ME APPLY FOR THE JOB. WHEN THE TIME COMES THAT YOU OR SOMEONE YOU KNOW HAS A REAL ESTATE OR MORTGAGE RELATED NEED-PLEASE CONSIDER MY SERVICES. I'VE HELPED HOMEOWNERS AND INVESTORS SINCE 1986.**

**SINCERELY,**

**JOHN MAZZARA CFP CLU CHFC CEBS CMB MBA MS**

## ARTICLES

### **#1) 10 Reasons why A Distressed Mortgage Situation Occurs**

A number of ways exist to end up in a situation that has you facing the loss of your home. Some of these you may have control over such as overwhelming debt other reasons may be completely beyond your control such as the death of a loved one. Whatever the reason it can be easy to get into a situation where you are in default or having difficulty making payments.

One of the biggest and most preventable issues that can cause a distressed mortgage situation is the result of an increase in your mortgage payment. This is usually the result of your mortgage going from a fixed rate to a variable rate on your interest rate. Many people choose an ARM because of the exceptionally low interest rate. However, this interest rate only lasts a short time before it shifts to a higher and highly variable rate. This means that every month the mortgage payment changes as interest rates fluctuate making it difficult to make payments especially if you purchased a home outside your means because of the deal you received on the mortgage. The solution to this is to refinance at a lower fixed rate mortgage.

Losing a job or having a business fail may or may not be preventable but they both can cause issues with your mortgage. Many people do not think what will happen if, when it comes to losing a job or having a business fail. It is important to know what your options are in these situations you may want to request a loan modification, a refinance if this might lower payments or even a forbearance if one is available. You should not wait to act since these situations tend to cause situations where you could lose your home. Being proactive in these situations is usually your best defense against the threat of foreclosure and other problems with your mortgage. It can also help to ensure that your loss of job or failed business does not compound by loss of credit.

Most insurance policies do not cover for everything and even if they cover flood, fire, and natural disaster when it comes time to file the claim it may not be enough to do all the work that is needed. When this happens, you may end up in a serious situation. You could end up with a home that is not livable, that you cannot fix up and cannot sell for what you have in it leaving you in a distressed situation. Many people do not realize that their coverage may not be enough to replace their home. This is because the majority of people choose options that are more affordable but may offer less coverage than options that provide for the replacement of the home in case of property damage.

The death of someone close to you can be devastating and can often lead you in a financial bind especially if that person was generating the income for or part of the income for your mortgage. This is why death of a spouse, significant other, family member or close friend ranks as some of the top ten reasons for entering into a distressed situation when it comes to a mortgage. It can be difficult paying for funeral costs and trying to make ends meet if you are starting out in the work force or simply shifting from two incomes to a single income.

Another major reason why people end up having issues with their mortgage is illness. This could be simply overwhelming medical bills outside of what insurance will cover or the loss of wages caused by being out of work recovering from an illness or injury. While this is not always preventable there are usually provisions provided by lenders for situations involving accident, injury, illness and the resulting time off work. This may or may not include loan modification or forbearance options, which can help, get you over the hill when it comes to these particular reasons. Refinance options can also help. As soon as you know, you may have a problem talk to your lender and explain the situation. The sooner you act the more options are available to you.

Taxes are one of the leading reasons people end up with issues. Especially if those taxes are associated with an inheritance, this is especially true when the taxes outweigh the cost of the inheritance leaving you to pay the difference. This could put an unwanted strain on finances that can leave you facing difficulties with your mortgage.

One of the top reasons in fact it could be ranked number one or two that people have issues with their mortgage is when they go through a divorce or separation. There are a lot of various financial issues that come up during these situations. This can put a strain and force a situation where there is a danger in losing the house or defaulting on the mortgage. Going from a double to single income household can also cause this to occur.

Finally attempting to maintain the mortgage on two homes is doable provided you have the income or the cash flow, such as renting out the one property while you are selling it, occurs. However, many people end up running into a situation where they may have to relocate, for example, because of work and cannot sell their home before they move. This can cause them to overextend themselves by purchasing another home or even maintaining another home as a rental while still dealing with the mortgage payments for the first home. This can leave many people in a financial bind especially if they cannot sell the home in a reasonable amount of time.

These are just some of the reasons you may experience a situation involving a distressed mortgage. While many of these situations are not preventable causing your mortgage to go into default, in many cases can be if action is taken quickly as soon as the problem arises.

## **#2) Things You Can Do To Avoid Foreclosure**

One of the most devastating things that can happen to you and your family is the loss of your home due to foreclosure. Not only does it leave you and your family without a place to live but it also creates a series of negative impacts on your credit that can follow you for years. There are however a few things that you can do in order to avoid foreclosure and keep that black mark from making its way onto your credit. While it will not prevent some damage from occurring, it can help to keep the damage at a minimum.

The first option is the short sale. This is where you sell the house for what is left of the mortgage. You do not obtain any benefits from this. IN other words, many people receive a lump sum of cash in addition to paying off their existing mortgage when they sell a home. This does not happen with a short sale, short sales are merely designed to pay off the existing debt.

They are designed to sell the house for as much as possible. In some cases, this may not pay off the entirety of the mortgage. Short sales are designed to sell quickly though they do have significantly more paper work because banks are involved than if you were simply selling the house through a real estate agent.

A forbearance or forbearance agreement may be possible as well to avoid foreclosure. This is an agreement that stops payments for a specific length of time to allow you to get back on your feet and begin making payments again. This is usually done only in certain circumstances and only if you meet the criteria. You should check to see if you qualify for a forbearance as soon as you experience difficulties. One instance where a forbearance may be granted is when a person in the household dies. For example, if the house was being paid off a single income and that income no longer exists, a forbearance may be granted to allow the other party time to get a job and begin making payments. This is just one example, check with your lender about the various qualifications necessary for obtaining a forbearance. This should be done when you initially set up your mortgage but the information should be available to you at any time.

A loan modification is another way that you can avoid having to face a foreclosure. Loan modifications are designed to create a series of creative financial options that allow you to make payments on your loan but at a reduced amount or on a different schedule. It may call for a reducing in interest rate, payments, it may allow for payments to be made on a weekly or to be made every other week. Refinancing is one form of loan modification.

There are other types but the important thing is to contact your lender as soon as possible before you start having serious issues and works out a plan to help you avoid foreclosure and stay in good standing with your financial institution. Most of them are more willing to work with you when you come to them as soon as you think there may be a problem than if you wait. This shows you are serious and proactive about maintaining your commitment to paying off your debt with them.

It also makes it easier to obtain certain types of loan modification such as the refinancing. Many times refinancing can provide you with smaller payments and a lower interest rate making it easier to manage on a reduced salary or during times of financial crisis. It also can help prevent widespread damage to your credit as well as help you pay off bills and ease some of the overall financial burden you may be facing.

Being proactive is the best thing that you can do to avoid foreclosure. Consider loan modifications first, these are usually easier to obtain than any other form of assistance. If you still have difficulties after this or if loan modification is not an option for you consider, a forbearance if one is offered in your mortgage contract, most of the time you will have some kind of option along these lines.

Finally, if all else fails consider a short sale. This will sell your home quickly and allow you to retain your credit score, for the most part, the reason being is that short sales usually occur after a person has experienced significant damage to their credit; however, you will not have a foreclosure which is more damaging than simply having missed payments and delinquencies. It also will show that your mortgage was paid off in full provided you are lucky enough to short sale your home for the remainder of your mortgage. If not you will still be responsible for the balance. However, this balance is usually reduced significantly and repayment options are usually available.

In order to avoid foreclosure follow these steps, review your mortgage document for information regarding what you can do in times of financial need. Talk with your lender or with other lenders about refinancing options as well as the options available for loan modifications. Do this step as soon as possible, do not wait as waiting may cause loan modification to be removed from the list of available options. If this is not an available option consider a forbearance if you meet the criteria. Being repayment as soon as possible and do everything you can to repair your credit or fix the problem. Forbearances usually have a time limit. This can be three months, six months or a year.

Finally, if nothing else works short sale as soon as possible. This means that your home will be on the market for a longer period of time enabling you to obtain the price you want. Rushing a short sale usually means you may end up short when it comes time to pay the bank.

### **#3) The Foreclosure Process and Alternative Options**

Unfortunately there is a huge amount of foreclosure that are going on across the United States, and Minnesota is no expensive. There have been many people who have ended up bailing out on a Minnesota mortgage, only to end up having their home foreclosed on. It is both difficult for mortgage companies as well as homeowners and so many foreclosures are occurring. Even though there is a redemption period in Minnesota that is 6 months if you have a primary residence, you'll find that there are still far too many foreclosures occurring. Let's take a look at the stages of the foreclosure process, the reasons so many lenders are not interested in distressed real estate in MN, and some alternative options to foreclosure that you have as a homeowner.

#### The Stages of the Foreclosure Process

First of all, it's important that you understand all the stages of the foreclosure process. Basically a foreclosure happens when owners can't make their payments, which leads to the piece of real estate being taken and sold by the lender in order for them to try to recover the money that they lose from the mortgage. Here are three stages in the foreclosure process.

- Stage #1 - You Miss 3-6 Payments - The first stage of the foreclosure process is that you start missing payments. While usually you'll find that the lender can't do something right away, once you miss 3-6 payments, you'll find that this can begin the first stage of the foreclosure process. If you begin missing payments, it is important that you work to find a resolution before it even gets this far in the process. You'll have more options the sooner you try to solve the problem.
- Stage #2 - Notice of Default - The next stage is when you get a Notice of Default. After you have missed too many payments, then a trustee is going to be ordered to record one of these notices by the lender. This is done at the County recorder's Office. This means that you will be notified that you are going to face a foreclosure in the future. Then you have a reinstatement period that will go until about 5 days before the auction of the home.
- Stage #3 - Notice of Sale - The next stage in the process is the Notice of Sale. If the loan is not brought current, then the sale date will be made. The notice of the sale will also be put up on the property as well.

#### Reasons Lenders Don't Want Distressed Homes

Many times when people are going through a foreclosure, they cease to care about their home. Often they are not able to keep up with repairs that need to be done, which can lead to the homes becoming distressed. Most lenders out there are not going to want to own distressed real estate in MN for a variety of reasons. Here are a few of the reasons that they don't really want these homes that have become distressed.

- Reason #1 - Too Much Work - First of all, dealing with distressed real estate in MN is just too much work for lenders. Usually they come with problems that would have

to be fixed before a sale could occur. Lenders just want to get their money and they don't want to spend time working on the property. So, this is one reason that they don't want these homes.

- Reason #2 - Costs Money to Fix Problems - Another reasons that they don't want to deal with distressed homes is that it takes quite a bit of money to fix up these homes much of the time. They are already facing a loss, so the last thing they want to do is actually spend money trying to fix up homes that have been distressed due to problems with foreclosure.

- Reason #3 - They Lose Money - If lenders end up having to deal with distress real estate in MN, usually they end up losing money. They are working to find options where they don't lose a huge amount of money. Distressed homes will just make them lose more money, so they don't want to have to deal with them and will look for other options

#### Alternative Options to Foreclosure

Of course there are some alternate options to foreclosure that can help out homeowners and lenders alike. Finding an option to foreclosure is definitely a great idea. Here are just a few of the best options to foreclosure that can save the day if you are facing a foreclosure in the near future.

- Option #1 - Refinancing - One option that you have is refinancing when you are trying to avoid foreclosure. In some cases you may be able to get a mortgage refinance that will bring your mortgage current and help you to avoid going through the foreclosure.

- Option #2 - Forbearance - Forbearance on the part of the lender is another option. However, you'll have to prove that you are having financial difficulties if you use this option.

- Option #3 - Short Sale - A short sale is an excellent option that is available if you are trying to avoid a foreclosure as well. Often this helps to lenders to get most of their money, although they probably won't get all of it. However, they are often ready to go with this option if they need to.

- Option #4 - Mortgage Modification - Mortgage modification can be a help as well. If the lender will modify the terms, give you a lower interest rate, or tack on missed payments to the end of the loan, you may be able to avoid the foreclosure, which benefits the lender and the homeowner.

#### **#4) Third Party Advocates You Need To Know If You Are Facing Foreclosure**

If you are facing foreclosure, it can often feel as though your life is falling apart around you. The truth is that with more and more households looking at the specter of foreclosure and with the current economic climate making this a frightening reality, this may well be something that you need to consider. The problem that many people run into when they are facing foreclosure is that they feel that they are facing it alone. If you are the prime breadwinner in your home and if you are the one who is making all the financial decisions, you'll find that there actually is help out there.

Stress can be something that is very loud, and one of the most harmful things that getting overwhelmed with an imminent foreclosure can do is that it can convince you that there is no one out there that can help you. No matter what stage you are at when it comes to your foreclosure and no matter what situation pushed you to this point, there is help available, and there are many people who are willing to give you the resources that can help make foreclosure much less painful or even stop it from happening at all.

When you are in a place where you need to think hard about foreclosure, make sure that you think about some of the following resources. Take some time to really consider what your options are and see what these third party advocates can do to help you recover and get back to a more financial and secure place. There are definitely actions that they can take that can help you a great deal, and you will also find that you are going to be in a place where they can show you what the next step can be.

##### **The HOPE NOW Alliance**

With the HOPE NOW Alliance, you'll find you can have access to counselors, mortgage companies, investors and other mortgage market participants. These professionals are all dedicated towards helping you keep your home, and essentially, this group was designed with that idea in mind. They take a great deal of time in order to reach out to homeowners who are in distress. Essentially, they can help you stay in your home and they will work with you so that you have a good plan that allows you to do so. The HOPE NOW Alliance is specifically designed to give people options and choices and when you are facing a foreclosure, you may feel that you are in place where you have none. The Department of the Treasury and the U.S. Department of Housing and Urban Development both encouraged the forming of this alliance and its efforts.

##### **The Homeownership Preservation Foundation**

Another resource that you have to look at when you fear foreclosure is the Homeownership Preservation Foundation. The Homeownership Preservation Foundation is essentially a counseling service that is designed to help you work towards finding a solution. The entire mantra of this foundation is that the sooner you call, the better off you are going to be when it comes to keeping your home. The site reminds you that you are not alone, and that there are millions of people who have problems with their mortgage every year. The Homeownership Preservation Federation has been helping

people find ways to keep their homes since 2002, and they have provided more than 300,000 people with help and education in this regard. Their goal is to help you avoid foreclosure, and they are listed as an independent provider of HUD approved counselors.

### Local Religious Groups

One part of dealing with foreclosure is going to be dealing with the stresses and the fears, and because of this, you may wish to take a look at the resources that are available to you at your local religious organization. Not only will you be making sure that you are connecting with your community, they may be able to put you in touch with local resources or advocates that advertise only within your area. Don't underestimate the simple effect of being able spend your time speaking with someone who will not judge you. Consider what your life is like, and consult with the local religious figure in your area. Even a small measure of peace can go a long way towards helping you deal with the problems that you are facing.

### For Profit Companies

When you are in a place where you need to think about foreclosure, you will also find that there are a number for profit organizations that will negotiate on your behalf. Take some time and do some research; you'll find that there are many organizations which are dedicated towards helping you figure out your situation and even negotiating with the banks on your behalf. While these companies do require payment and they have fees, you will find that it can be helpful to get in touch with a service that will go to bat on your behalf when it comes to how you are going to be able to talk with your bank. Consider what your options are going to be for payment, and you may find that looking into for profit companies can go a long way towards getting you out of your foreclosure needs.

Do not let your fear of foreclosure keep you from seeking help. There are many resources that are available to you when you are looking at getting your needs taken care of, and at the end of the day, the faster you consult with them, the better off you are going to be. Consider the resources above, and make sure that you understand what is available.

## **#5) Save Your Home From Foreclosure-WORK It Out**

When you are in a place where you are facing foreclosure, you may very feel as though the world is very frightening place. Having your home threatened and feeling as though there is nothing that you can do about is terrifying, but the truth of the matter is that there are many things that you can do. Don't let panic and increasingly angry calls from your lender get you down. Once you have a plan in place and know what is going on, you will find that you are going to feel much better. Foreclosure is something that should be avoided at all costs, and the truth is that there are methods that can help you get back on track.

First, consider the reinstatement of the existing loan by making up back payments and fees. This is perhaps the most basic and straightforward way to get out of foreclosure. Remember that the bank wants to avoid foreclosure nearly as much as you do, given the loss that they take. When you are able to get back to square one by making up back payments and fees, you'll find that this is certainly what you want to do. This is perhaps the ideal solution, but it can be a difficult one to accomplish. Typically, people can get to this place by making cashing in on assets or even by selling other property.

Another thing that you want to consider is the possibility of modifying the existing loan. Consult with your bank, or even consider refinancing. You may find that it is possible to lower the balance, the payment and the interest rate right across the board. Take some time to do your research, especially if you have a feeling that there might be hard economic and financial times coming. Take some time and really consider what your options are going to be in this regard. The sooner you act, the more likely that you and your lender can make this action come to pass.

When the foreclosure process is looming large and seems inevitable, you'll find that it is time for you to consider finding out if a forbearance is possible. A forbearance is typically only possible if you are in a place where financial hardship has been an issue, and if you are going to be able to pay off the debt at a latter time. A forbearance can be extremely helpful, as it can have you staying in your home without needing to make payments for up to a year. Within a year's time, you may have been able to recover from any medical bills that were an issue, or even find a new job if you have been let go. With a foreclosure, you'll find that you are in a place where you need to think about reinstated-back payments/fees are added to the back of the loan or even forgiven.

The issue of what do when you are facing a foreclosure is a difficult one to deal with, but the first and most important thing that you need to keep in mind is that the earlier you deal with it, the better. When things are falling apart, when medical bills are piling up or even when you have lost your job, it can be difficult to know what fire to put out first, but remember that you are dealing with a situation where you need to take care of your housing. When you see the economic equivalent of an avalanche heading your way, make sure that figuring out what to do with your mortgage is your first priority.

Remember that the lending institution is not a force that simply wants to take your home from you. In all likelihood, they would rather that you stay right there and pay out on the investment that they have made on you. Consider what your options are going to be and make sure that you consult them early and often when it comes to possible financial difficulty. The earlier a problem is caught, the more likely that it can be solved in your favor. The situation that you have is one that many, many people find themselves in. Consider what your options are and what you can do when you are looking at getting the results that you need.

Another thing that you should consider is that there are third parties out there who are willing to give you advice and support, and in many cases, they are willing to give it free of charge. HOPE NOW and the Homeowners Preservation Foundation are just two of the organizations that can do you a great deal of good. They have toll free numbers and in many cases they can help you put together a plan that will enable you to avoid foreclosure all together. The Homeowners Preservation Foundation is can even provide HUD approved counselors to get you back on track. Remember that you have many different options available, and that these are just two of the larger ones. Also look for help from more local sources.

Keep in mind the fact that foreclosure is not something to be ashamed of. It is something that happens to thousands of people, and there are solutions out there. Do not let this problem go until is something overwhelming and difficult to cope with. Consider what your issues are and what you can do to solve them. Taking action right now is something that can do you a great deal of good, so ease back and really consider your options.

## **#6) Foreclosure Options: What Happens When You Can't Make the Payment?**

If you are facing a foreclosure, you will often feel as if there is just one option and it is by no means pleasant for you! With that in mind, there is a good chance that you are feeling stressed, panicked and upset. While foreclosure on a home that you are living is very much cause for alarm, take a moment to breathe and to really consider your options. There are many different choices that you may have in front of you, so make sure that you are aware of them. No matter what is going on, or what stage of foreclosure you are in, you'll find that understanding your choices and what the consequences are can help you a great deal.

Although it will end up costing you money, and although there will still be a drop in your credit rating, you may be interested in seeing if a short sale is available. In a short sale, you are essentially selling someone the house based on the amount that still needs to be paid. With a short sale, you'll find that you are in a place where the lender will agree to discount a loan balance. There are several circumstances that need to be met before you qualify for a short sale, so take some time and really consider whether this is the right option. With this option, you will need to enter into communication with a bank's loss mitigation department. You will sell the property for the outstanding balance of the loan and then turn the money over to the lender. There are lots of standards that need to be met if you are in a place where you want a short sale, so make your consultation as soon as you know that this is an option that interests you. In many cases, banks will only allow this if you are looking at a case of financial hardship and if the market will allow it.

Another option that you have in front of you when you are thinking about what your choices are going to be in the event of facing a foreclosure is the prospect of renting the property out. If you have family members or friends that you can live with, you may find that setting yourself up as a landlord and renting the property out for the cost of the mortgage can go a long way towards getting you back on track. This is something that many people are interested in, and if you have any sort of experience working with renters, you'll find that you are in a terrific place to start looking around. Make sure that you have a place to stay, and always interview your renters before you give them the key, but in many places, this can be something that will get you right back to where you need to be. Renting out the property to reliable people is a good way to make sure that foreclosure is something that you are not going to need to worry about.

Also keep in mind the fact that you can always go to a deed-in-lieu in order to avoid foreclosure. Although the result is the same, you will find that the process is one that can be quite a bit easier on you. Essentially, you will find that when you have decided to go with a deed-in-lieu that you will essentially be turning over the property to the lender so that it can be sold and the lender can recoup their loss. One of the major advantages that this method of sale has for you is that it can immediately from most or all of the debt associated with the defaulted loans. You will be able to avoid the publicity of a foreclosure and in many ways, you will find that there are a lot of different ways that this can work in your favor. While the downside of this arrangement is still that you are going to lose your home, you'll find that it can get you into another home much more quickly.

As soon as you are afraid that you might be in a situation where a foreclosure is likely, call up your lending institution and start talking with them. There are many different things that you can do when you are in a place where are facing financial hardship, and you never know when they are going to be able to give you an option that will allow you to avoid foreclosure. Remember that the more time you give them before you miss a payment, the more options you will have towards saving your home. This can make all the difference in the world, so get things taken care of as early as you can.

Remember that when you are facing a foreclosure that you still have options in front of you. Contact third party counselors and make sure that you are getting all the choices you have in front of you. When it comes to a foreclosure, remember that you are never as lost when it comes to options as you might be afraid that you are. Look into organizations like HOPE NOW and the Homeowners Preservation Foundation. You may be surprised at the resources that they can provide you with. The more information that you have when you are looking to go into such a scary time, the more likely it is that you will come out of it unscathed.

If you are in a place where you are looking at getting the right kind of work taken care of, the better your options are going to be. Consider what is going on and what events in your life are shaping it, and always make sure that your situation is such that you have all the information that you need as soon as you need it.

## **#7) Use Refinance options To Avoid Foreclosure on Your Home**

Many people wait far too long and end up facing foreclosure when it is not something that needs to happen. Many options, which can be done early on, can prevent this action from happen. One of the first things that can be done is a loan modification called a refinance. Refinancing allows you to lower your monthly payments as well as extend the life of your loan. You may also be able to lower interest rates and in some instances generate enough excess cash from your refinance to use for debt consolidation.

There are two types of refinance, a short refinance and a regular refinance. There is little difference between the two except for when they are used. A regular refinance can be done at any time and should be done prior to going into a distressed situation. However, if you are already in a distressed situation then a short refi or short refinance is the perfect option to refinance your home. It is similar to a short sale in that it is done quickly in order to avoid foreclosure but not at the expense of having to sell your home.

Getting into a situation where debt becomes a major factor in your life is not hard nor is it something many people plan for but things happen and come up and before you know it, you could be overwhelmed by the payments and end up going over budget every month. Your home is an essential aspect of life and you should not have to worry about losing it. A refinance can assist you in avoiding foreclosure and getting out of debt if necessary depending on your situation.

For example, if you were working as a two income house hold and suddenly became a one income household. You may not be overwhelmed with debt but you may find that your mortgage payments are harder to meet. By taking your current mortgage and refinancing even if you were to only take the amount you have left, you would be extending it over a 30 year period or a 15 year depending on how much you wanted to reduce payments and how much time you had left on your mortgage. This could also depending on interest rates drop your interest rate further lowering payments making it easier to keep your home even on a single income.

If you were in the same situation and needed extra funds to see you over or pay off bills then a refinance may be able to provide you with that little extra you need to avoid a serious situation. It has to be done in this instance before you reach a position of being distressed financially with your mortgage payments. Waiting until you are facing foreclosure and behind seriously in your payments will make this scenario less viable and make a short refinance one of your only options.

A short refinance is one of the ways that you can get out of a distressed situation. It is especially designed for people who are facing foreclosure and looking for ways to avoid it. It offers limited terms usually restricted to a 30 year mortgage and the interest rate is usually higher than on a regular refinance because of the financial situation that would be required in order to make a short refi your refinance option.

Debt consolidation is also a major factor when someone is faced with foreclosure normally foreclosure and overwhelming debt seem to go hand in hand and a refinance in any form may be able to assist you in relieving the pressure of some of that debt and help you get back on your feet. Usually you can obtain a large amount of cash in a lump sum from a refinance depending on the value of your home, how much you have left on your mortgage in both value and time and so forth. This lump sum makes a great bank to use when settling debts especially high interest debts like credit cards.

The reason being is that many people get involved in having to pay off every debt that they often stretch so far past their means they end up facing things like foreclosure. By settling larger interest debts and netting them under a smaller interest single payment, you do two things. The first is that you reduce the number of bills you have. You are still going to be making the same monthly payment no matter how you use the cash from your refinance so why not use it to eliminate some of the debt that could or is causing you issues. The second is that each debt individually has its own interest rate.

For example, say you have five credit cards, each one of them has an interest rate so you are paying five times the interest on the total balance of all your cards. By consolidating your debt, you drop that to a single interest rate that is lower in many cases than the interest rate on your lowest card. This means that you have the interest you would be paying the other four times ultimately lowering the bill.

It also helps you repair your credit even if you did a short refinance option by settling your other debts you dramatically improve your credit score, rating and history and help to show that you are serious about getting back on your feet financially. Dealing with debt can be difficult but it does not have to cost you your home. Refinance options can be one way out whether you take it as soon as you think trouble is coming, as soon as you get into trouble or when you are faced with foreclosure. You can also use this option to consolidate other debts and get your financial situation looking brighter than ever no matter what issues may have put you in the situation of needing a refinance to begin with; you do not have to let debt take your home.

## **#8) Looking at Short Sales and Understanding Your Options**

With the economy in the shape that it is in and with foreclosures happening left and right, you need to be in a position where you know what is going on with your finances and what it might be doing to your ability to pay your mortgage. A foreclosure is very close to being a homeowner's worst nightmare, but even when losing your house is inevitable, you will find that there are choices that you can make that will cushion the fall. Consider what your options are going to be and really take some time to research what your choices are. Foreclosure is not necessarily the only choice that you have, and by making sure that you are educated on the subject, you will find that it is much easier to get the results that will see you towards recovery sooner.

In the first place, consider what your options are when it comes to a short sale. Essentially, when you do a short sale, you are selling your home for the remainder of the amount of the mortgage. It can be quite hard to get the lender to agree to this sort of loan because they will often end up losing money on it. Do not assume that this is a possibility unless you have been talking with your lender and being open and clear on the communication that is going back and forth between you. Take some time and really consider how your relationship with your lender is, and remember that the earlier you initiate proceedings, the easier it will be to get this kind of loan. Essentially, you are asking the bank or lending institution to take a lower pay off.

While doing this can stop the foreclosure, keep in mind that it is not an ideal situation. You will discover that you will still end up losing your home and your credit score will still sink around three hundred points. On the other hand, you will be able to qualify for a government secured loan much more quickly than you would have been if you were dealing with a foreclosure and you will be able to maintain a great deal more control over the procedure. The decision to go ahead with a short sale is something that many people have to think about, but if you want a mortgage foreclosure canceled, this may be just what you need to do.

A short sale is something that may be discussed when you are dealing with an upside down loan. With an upside down loan, you will find yourself in the awful position of owing more on a property than it is properly worth. Though it seems counter-intuitive, you'll find that there are a number of ways that this might happen. The most common way that people find themselves in upside down loans today is due to the faltering housing market. More and more people are realizing that they have loans on houses that would sell for a great deal less money than when they bought them. If you find yourself in this situation, a short sale might be your only option when it comes to getting a mortgage foreclosure canceled.

Remember that there are many qualifications that need to met before you can get a short sale. The first and best thing that you can do to make sure that you have a better chance of getting one is to talk with your lender right away. As soon as you are sure that you are going to be missing a payment, call your lender to talk about the options that you have. Remember that when you are dealing with the lender that you are essentially asking them

to take a loss. You may need to pitch it in such a way as to tell them that the loss that they are going to be taking this way is still less than the loss that they would be taking otherwise. It is not a pleasant conversation to have, but in many ways, it is a necessary one.

Be aware that when you are applying for the possibility of a short loan that you need to consider being able to write a hardship letter. Essentially, a hardship letter presents your situation to them in a blunt and straightforward and lets them know a little bit about what you are going through. It should be honest and it should tell them all the details that they need. You are using this letter to let them know that the situation that you have encountered is beyond your control. Things that may be included may be the loss of a job, a death in the family, or an illness that has caused problems in your life. When writing this letter, make sure that you do not fall into the trap of complaining about the company that has loaned you the money or how they have made your situation worse.

If you are looking into applying for a short loan, you may also find that it would work in your favor to get to get a third party on your side. To this end, you may wish to consult with a representative of the Homeowners Preservation Foundation or HOPE NOW, which are two non-profit agencies that can give you the counseling that you need to get you through this difficult time. They may be able to provide you with advice that you were not aware of or resources that you did not know were available.

Consider what your options are and make sure that you do not fall into the trap of thinking that you have no choice at all.

## **#9) The Short Sale As An Option To Avoid Foreclosure**

With the housing market in the worst slump that it has seen in years, and fewer and fewer buyers out there, you may find that you are in a position where you are unable to make your payments. With foreclosure looming large, and so many people who have already fallen prey to it, it is easy to feel as though you have no options available to you, but the truth is just the opposite. When you are in a place where you are going to lose your home, you will find that there are things that you can do to soften the blow. One of the best things that you can do for yourself when you are in a place where you are facing foreclosure, looking into a short sale might be one of the most important things that you can do.

To really understand what a short sale can do for you, you need to understand what a foreclosure is and what is happening to your property. A foreclosure is essentially the process where a lender goes through legal channels and terminates your right of redemption. In many cases, this can only happen when a payment has been missed, though the payment missed may not even be a mortgage payment. Other payments that may be missed include local taxes and even home owner's association fees. In some states, you may be given a chance to make the payment, but if the payment cannot be made, the home will usually go to auction.

Along with the issue of losing your home, you will also find that going through the process of foreclosure is one that can have severe consequences for you. For instance, you will find that going through a foreclosure will cut your credit by 300 points, which is the heaviest hit that your credit can take! In addition to this, this is a fact that you will need to disclose in future mortgage applications and even in some job applications. Furthermore, you will also find that you will be ineligible for any government insured loan for between five and seven years. This is something that can make a great deal of difference to any plans that you have for your future.

When you think about all of these consequences, you will find that one of the solutions that presents itself is a short sale. At the most basic level, a short sale is a situation where the lender will agree to accept less money than the amount that is owed against the home, for the most part because there insufficient equity that would result from selling and paying the costs of the sale. In most cases, you will find that a lender is only willing to negotiate for a short sale when there has been financial hardship that has prevented you from paying and monthly shortfalls that come out to being a financial handicap towards paying. You should also keep in mind that when you try to negotiate a short sale that you should not have liquid assets that can be tapped for repayment.

With all of that in mind, what advantages does a short sale give? After all, you will still be losing your home, and your credit rating will still dip. The truth of the matter is that a short sale may very well be the best way out of a bad situation. The first advantage, which can be the one that makes all the difference, is the fact that a short sale can make you eligible for a home sale much sooner. You may find that you will be able to get a new home again in as little as two years. You will also find that when you have a short

sale on your records, as opposed to a foreclosure, that you will be able to qualify for a government insured loan again in roughly two years.

Second, you will find that while it is true that your credit will suffer from having a short sale on your record, it will also be easier to recover in the long run. When you have a short sale, you will risk having your credit slashed by two hundred to three hundred points. This is just as bad as having a foreclosure, but what you may not realize is that you can recover from this set back a lot easier. In fact, many people manage to recover from having a short sale simply by keeping one or two credit cards and keeping them current.

Take some time to consider how best to proceed with a short sale. For example, you will find that the sooner you get proceedings for one under way, the more likely it is that you are going to be able to get your lender to see things your way and allow the short sale. Remember that the lending institution is not under an obligation to allow a short sale, and in many ways, this is something that can be quite difficult for them to work with. Make sure that you apply for one before you miss a payment. Look ahead at your finances and make sure that you consider what your options are going to be and what you can do to make the best out of what can be a very bad situation.

Many people look into the aid of a trained short sale negotiator to help them. Having a professional on your side can be a huge advantage, and at the end of the day, this can make all the difference.

Take some time to really consider what your options are going to be. You already know that you do not want to go into a foreclosure, but what can you do to make sure that you are going to be getting the results that you need? Consider a short sale and see where this significantly more forgiving option can take you.

## **#10) Loan Modifications - What are They?**

For those that are facing huge payments on their mortgages or even those that are possibly facing foreclosure, often a good loan modification can save the day. Many people today are crying out to the government "Lower my payment" or "reduce my loan principal." The government is hearing this over and over again. Well, there are more and more programs available that can drop my interest rate and allow lower payments that are more affordable. If you are not really sure what loan modifications are and how they work, here is a closer look at this process.

### **What is a Loan Modification**

First of all, you may be wondering what exactly a loan modification is. Well, basically this is simply a change in at least one of the terms on a home loan, but it can include more than one of the terms. This allows this loan to be reinstated and will bring down the payment of the loan so that it is more affordable for the home owner. Even if they are in loan forbearance, often getting a loan modification to help is an option.

### **Late Charges - Are They Included**

If you are dealing with late charges on your loan, you may be wondering if the loan modification is going to include the late charges. When the loan is worked out, usually the late charges that have been built up should be waived by the company that is in charge of the loan. However, each company is a bit different and every loan is a bit different. It's a good idea to ask for a breakdown as well as some descriptions of the penalties and fees that your lender is giving you.

### **New Government Programs Help**

Today there are some new government programs and they are designed to help out in this area. In fact, billions of dollars are being given to lenders so that they can work out the loans that they have with their borrowers. This is basically an incentive to get lenders to work with borrowers that are qualified to give them a break and a modification of their loan. This will help them to be able to pay their loan each month. Also, those who pay on time may be able to get a credit to the loan balance that they are carrying when they continue to pay on time.

### **Do You Qualify?**

So, you may be wondering how you can qualify for a loan modification on your home loan. Well, first of all, you will need to be able to show that you can make the payment that will be modified. You should be able to show your income and your finances to the lending company to show that you can pay that amount and will be able to pay them in the future as well. If you can show that you will be able to pay a lower payment and continue to pay it, then more than likely you will be qualified for this modification to your home loan.

### **Hardship Situations**

There are hardship situations to be considered as well. Every person has problems that may have made them get behind on their payments. However, some of the reasons for

modification that a lender will consider include military service, death of a co owner, loss of income, divorce, illness, and even job relocation. You will need to have a good hardship letter in the application for modification if you are going to be able to successfully get the loan modifications that you want and need.

#### Can You Stop Foreclosure with Loan Modifications?

Yes, you can help to stop foreclosure with loan modifications. In fact, that is actually the entire goal of these modifications. The market is really suffering with all the foreclosures that are occurring. So, it's important that foreclosures are avoided if at all possible. The loan modification is designed to help people get their loans current and to stop the process of foreclosure.

#### Do it Yourself vs. Having Professional Help

You can decide to go through the loan modification process on your own or you may want to have some professional help with this. If you feel that you can deal with your lender on your own, then you may want to try doing this yourself. However, if you are not comfortable, then you may want to have some legal help. Just remember that you probably will have to pay quite a bit in fees for these services.

#### Getting Started

If you want to get started, it's a good idea to learn all that you can about loan modification. Then consider getting in contact with the loss mitigation department of your lender or contact a good loan modification company. They can help you to get the process going if you do qualify for loan modifications.

## **#11) Applying For A Mortgage Loan Modification**

Many people are now facing a lot of trouble with their mortgage payments simply because of the type of loan that they signed for. Those with adjustable rate mortgages have watched their payments go up a good bit and sometimes their payments can be double the amount that they used to be. With so many people living paycheck-to-paycheck, especially in this rough economy, there is no room for increased mortgage payments. Other times people are finding that they are falling behind on their mortgage payments due to other hardships such as a temporary loss of work or an illness.

There are options though and the main one, the most beneficial one, is that of the mortgage loan modification. Many mortgage companies have a hardship department or a customer retention department that is able to assist customers in finding the right program or help that they need. Most of the time, it is found that the loan modification is the best route to take. It is simple and pain free and unlike a refinance, there are no extra fees or charges to pay upfront. The problem for the past due payments will be looked at closely though.

If your past due payments are simply because of the increased mortgage payment because you had an adjustable rate mortgage you may have no problems getting the help you need. You will though have to prove that your income and other expenses support the fact that you can reasonably afford the payments at the amount they used to be. If you are falling behind on the mortgage because you were out of work or were extremely ill, you are generally going to have to show proof that your hardship is now over. All of this is done through the hardship letter that is written by the person seeking out the loan modification.

The hardship letters are what the bank needs in order to justify why they are extending this help to you. They have to make sure that you have a valid reason for falling behind and that you are now able to make timely payments if you were caught up to date and given an easier to afford monthly payment. A sample hardship letter is generally sent to those customers who are applying for a loan modification so that it can be seen how it should be written. If your loan company does not provide you with that you can very well find a sample hardship letter online.

Just make sure that you are being completely honest in your hardship letter. If your hardship is not completely over then you are just going to find yourself in the same situation all over again within a matter of a few months. Many lenders have a limit on how many times a customer can get a loan modification. A lot of banks set their limit at two for the entire course of the loan. This means that you want to be careful when you use these chances so that you are only taking advantage of them when you really need it and when there is no other way out.

In your hardship letter, you are going to want to state your case and make it clear that your hardship was one that was completely out of your control. Basically, the banks want to make sure that you just were not out there spending all of your paychecks at the mall

when you should have been paying them. Explain how you would benefit from being brought current and given a lower interest rate. Adjusting the terms of the mortgage could save you a lot of money in the long run. While a lower interest rate means less extra money for the bank, it is a lot better than you not being able to afford making the payments at all.

Keep in mind that while the bank may not be your friend; it is not out to take your home. Mortgage companies are in the business of making money through servicing mortgages, not through owning and selling real estate. The bank does not want your house but will take it if there is no other way to receive money from you. Just make sure that you are not being too relaxed with that information though. You have to be proactive and get started working on your loan modification application as the entire process could take up to sixty days.

You will also need to be prepared to maintain at least one monthly payment during the application process. These payments will prove that you are serious about your house and that you can afford the property, given the chance that the payments are brought back up to date. While you will explain in your hardship letters that there was a solid and explainable reason why you were not able to make your mortgage payments a while back, you have to prove that you can now. You have to be convincing and willing to work with the bank. They are after all holding the future of your home in their hands. Mortgage companies are not required to give you the modification. It is a case-by-case judgment call that they are in complete control of.

## **#12) What Is A Loan Forbearance?**

Debt is a scary thing to work with, and many people find that when they are facing that they might freeze up. They think about how it might affect them, and any co-signers on the loan that they have taken out and before they know it, things can snowball out of hand. The important thing to do is to not allow it to build up and build up until drastic action is taken. Before the situation explodes, make sure that you research your options and figure out what you have in front of you. One thing that many people who are in debt will look into is a forbearance, and it is something that can help you out a great deal. No matter what kind of debt that you are looking at, you will find that learning more about a forbearance can give you a new lead into figuring out what your options might be.

Essentially, a forbearance, whether it is a student loan forbearance or a home loan forbearance, is essentially something that can come into play when you are facing problems due to unforeseen circumstances. For example, you may find that you have unexpected medical bills that you need to pay or you may discover that there is a financial setback that needs to be dealt with. There are many things that can happen that make a forbearance necessary, and because of this, you will find that you need to think about how you can plan around them.

When you are in a situation where you might be in default of a payment you will find that meeting with the bank or lending institution to talk about a forbearance might be exactly what you need to do in order to get some breathing room. Basically, what happens in a forbearance is that the lender will delay their right to start punitive measures or to levy fees and other charges as long as you can catch up to the payment schedule within a certain amount of time. In some cases, a forbearance might be for a very short amount of time, but in other places, you may find that it can give you a lot of time to work with. You will also talk with the lending institution to work on a payment plan that will help you move ahead.

When you are considering a forbearance, make sure that you take some time and really consider what your alternatives are. Remember that a forbearance is something that can really only be effective if the setback on payment is temporary and minor. You will still need to pay back the same amount and oftentimes at the same rate. However, if the situation that you are in is one that falls within these parameters, you will find that a forbearance might be precisely perfect for you. They can last as long as a year, and you will find that if you are suffering from medical issues or even the lack of a job, they can allow you to get back on your feet.

If you are in a place where you are looking at foreclosure, especially, you will find that forbearance is something that you need to take a look at. In the course of foreclosure prevention options, you will soon realize that forbearance should be one of your top options and one of the strongest possibilities that you need to consider. If the only other options is going to be foreclosing, you will discover that starting up the procedures for getting a forbearance should be started at once.

What do you need to know when you are looking to get into a mortgage forbearance agreement? In the first place, you will find that you are looking at a process that should be begun as soon as possible. There are many different things that need to be taken care of and you will find that the sooner you can tell the lending institution about it, the higher the chances are going to be that you will receive it. When you want to stop a foreclosure, you will find that generally, the earlier you begin proceedings, the more you can be accommodated. Remember that the bank or the lending institution is not your enemy and that at the end of the day, they would much rather get the money from you than be forced to foreclose on the house and most likely take a loss.

When you are preparing to ask for a forbearance, make sure that you are prepared to write a hardship letter. Essentially, a hardship letter will explain your situation and provide documentation of what you have been going through. Make sure that you are as thorough as you can be in the letter and really consider what your options are going to be when it comes to getting it to the bank as soon as possible. Remember that this letter will be seen by many loan officers and that it should give as much information on your situation as possible.

Remember that when you are looking at moving forward in a way that will let you avoid foreclosure that you are going to need to look into many different prevention options. Consider what your options are. Ideally, you'll find that you are in a place where you are going to be able to get back on your feet relatively fast, and if so, a forbearance is going to be precisely what you are looking for.

### **#13) What happens When Foreclosure Occurs – The Basic Process Of Foreclosure**

Foreclosure is something no one wants to face but in current economic times it is something more and more people are looking at as possibilities. More and more homes are being listed as foreclosures and more and more people are losing their homes to this financial process. There is a basic procedure that accompanies every foreclosure and while many people are facing it and have faced it this process is something most people never want to have to deal with.

The first thing that happens in a foreclosure is the default. This is the first step in the basic foreclosure process. Default basically means you have missed a certain number of payments. These are usually whole payments however, constantly making short payments can also cause you to go into default. Just because you are paying, something does not mean that you are safe from this first step in the foreclosure process. However, you can lengthen the time it takes for the default to occur by making partial payments. However, this should not be relied on as it is subject to the terms of lending agreed to when you signed your mortgage some lenders may be willing to extend, others may not and may consider partial payments to be equal to no payment when it comes in terms of defaulting on your mortgage.

Once you have reached a certain number of missed payments you are labeled, as being in default on your mortgage this is when a legal notice is sent stating that you are in default and that foreclosure proceedings will begin. This letter usually has a date on it that tells you how long you have before the foreclosure is processed and the home is returned to the bank's possession. It is important if you have not already done something to do something at this point. Usually short sale is one of your only options. You can try to sell your home in the time given to you. If you cannot, however the home is taken and returned to the banks possession. From this point, the home is listed as a foreclosed property and usually goes up for one of the following sales, bank or sheriff sale.

A bank sale is simply when the bank sells off the property. More often than not, this is done through a regular real estate agent or one that deals strictly with foreclosures for the most part, however most real estate agents are going to have some foreclosures in their listings. Another option is it may go up for sheriff sale. This is basically an auction where the properties are auctioned off.

An auction date is usually posted in advance. In some cases, it may even be on the paper work that is sent to you when you are foreclosed on. Either a bank sale or auction is designed for the bank to resell the property and earn back some of what was lost when the mortgage went into default. It also helps to pay for some of the costs that are incurred during a foreclosure. In most cases, auctions are held on a monthly or bi monthly basis. In areas where foreclosures are high they may be held more frequently but this is not usually the case since lists are generated and advertising for the properties is done prior to the auction.

There is one thing about foreclosures they have what is called a redemption period. This happens with properties that are seized for taxes as well. This period is a period after the reselling of the home where the original owner who was foreclosed on can repurchase the home for the cost of the debt owed on it. This is not the debt they owned but what is currently owned on the property. In other words in order to regain the property they would have to in essence buy out the current owner for the amount they owe on the mortgage.

In order for the property to be regained during the redemption period, certain conditions must be met in order to qualify. The redemption period is usually set to a specified period of time after the sale of the property though it may be set to after the date the property is originally lost. The conditions that must be met may vary as well so if you are looking to regain your home during the redemption period after a foreclosure it is important to be aware of the time you have and the conditions you must meet in order to regain your home.

The new owners usually have no say in the repossession of their home during the redemption period. This is why the amount that must be paid is the amount of debt incurred by the new owners. This pays off the mortgage for them in its entirety. This is one of the reasons why owning a home that was sold at auction, during a bank sale or that was a foreclosure can be a more difficult proposition than purchasing a house outright despite the savings that can be had by purchasing a home in this manner. Once this redemption period has passed, it is not possible to regain the home in this manner.

This is the basic procedure, which occurs during a foreclosure from the initial default through the redemption period. There are conditions that must be met in order to foreclose as well as to regain the home once a foreclosure has occurred. The bank usually supplies enough time after the default occurs for another residence to be secured and there may be additional financial options, which are available during this period that can prevent a foreclosure. However, usually once a foreclosure has begun it is difficult to stop. This is why it is important to arrange for alternatives and solutions prior to entering the foreclosure process in order to secure your home in times of financial difficulty and crisis.

#### **#14) Minnesota Real Estate Investors Are In a Unique Position**

Even though the economy as a whole is having a little trouble, this would now be the time to invest in some excellent real estate. Although one would think that this would be the time to refrain from any big purchases, as anyone in real estate knows, the market will soon go back up. Real estate can be a risky thing, as it is all about knowing when to buy and when to sell. If you do it right, you can really make a killing and give yourself enough money to live off for the rest of your life. A little hard work and some strategic planning will give you the best chance at taking full advantage of Minnesota homes for sale.

With Minnesota growing in population, there are many new homes being built and many older ones being put up for sale as well. An economically that is naturally diverse and well off is now put into a bad situation with the country's status and a lot of people are selling their homes to move into rentals. This could be because of the job losses all over the country. But still, many people are moving to Minnesota because of the beauty of the land. This means that no matter what happens, Minnesota properties will always be worth a good bit of money. Minnesota investors need to strike while the iron is hot in order to make sure that they are able to get the most for their buck.

The inexpensive real estate is a gold mine for those wanting to cash in on real estate. Minnesota investors could easily find themselves a new home for their family, pick up a few rental properties, or even find a few houses to fix up and flip when the market is right. It is very important to take full advantage of the opportunity that is found with real estate in Minnesota, as one can never tell when they will run across another area with such amazing opportunity. Strike while the iron is hot, or at least that is what they all say.

The thing about flipping properties in Minnesota is to realize that you are never going to sell a house for the amount you would sell the same exact house for in another state. It all works out though as the purchase prices in Minnesota that you will be looking at are much cheaper than other states. Consider not the exact number on the paper for the listing price but the difference between what you will pay and what you will gain when you sell it. Maybe you would rather stockpile some prime Minnesota properties and hold onto to them for a rainy day. Rent them out for a few years. There is nothing out there that says Minnesota investors have to flip their properties right away. Gain some extra money by renting the properties and then when the time is right, or when you need the money the most, go ahead, and list the properties.

Now whether you are buying or selling you need to make sure that you are getting in with an excellent realtor. Local realtors will know more about Minnesota homes for sale than you will, especially if you are just moving to the area in order to invest in some properties. Make sure that they have a lot of experience in all types of closing for properties. You just never know when you are going to run into an incredible deal on a foreclosure property or when you will find some HUD homes that you will want to grab onto. These different types of sales will require different steps to take and various laws

and regulations to follow. Since these will be even better deals in terms of purchase price, you want to make sure that you are not missing out by not following proper procedure.

After you get the hang of everything and really start to get a feel for the area, you could do the transactions mostly on your own. You will possibly need the help of a Minnesota attorney just to make sure that all of the deeds are cleared and that everything is filed correctly. If you have a little time on your hands you could always learn to do this completely on your own. Since there are so many inexpensive Minnesota properties to take advantage of you would be saving yourself a lot of money by doing a lot of the leg work yourself.

So get out there and take full advantage of the diverse economy and low priced real estate that Minnesota has to offer. Investors are quickly finding that this is the state to go to so make sure that you head that direction too before all of the best deals are taken. Take your skill, your money, and your dedication for making a good living for yourself and see what all Minnesota properties can do for you. You could very well make enough money in a few years time to pay off all of your bills and go into an early retirement.

### **#15) What is a HUD Home?**

HUD homes consist of one to four unit residential pieces of property that HUD owns due to a foreclosure on an FHA insured mortgage. Because HUD owns these properties, they want to recoup their losses on the foreclosure of the mortgage. HUD homes can be purchased by anyone who is interested in the property and these government homes can be purchased through brokers who are registered with HUD to sell these foreclosed homes.

Due to the economy, repo homes are on the rise and while these HUD homes do give the opportunity for the owner to try to buy the home in full, when this fails, the HUD home goes on the market for sale to the general public and investors. Purchasing a HUD home is a great investment for people that can turn around and sell the home and make money on that investment.

To explain further, when a property is a foreclosed home by HUD, because they insured the loan or mortgage on that home, they own it and can now re-sell it. Foreclosed homes sold by HUD are sold at market value price based on what the going rate is for similar homes in the area. This is definitely a buyer's market with so many repo homes out there and many of them are HUD homes.

If you find a HUD home that you are interested in, ask your local real estate broker if they are registered with HUD to sell their foreclosure homes and have them make an offer on your behalf. Often, HUD will even pay the real estate broker's commission if it's written into the contract, so make sure you ask for that.

An incentive program offered by HUD is for properties in certain areas that are available at a reduced sales price and are earmarked for law enforcement, teachers, firefighters, emergency medical technicians, nonprofits, and local governments. If you are one of these people or organizations, a HUD home may be right for you.

Many people think that they must have cash to buy a foreclosed home. This is not the case. If you have cash or can qualify for a mortgage, you are qualified to buy a HUD home. Because HUD homes are sold on an "as-is" basis, they don't come with a warranty and HUD does not pay to correct problem.

That doesn't mean you still can't have an inspection on a HUD home before you commit to buy. You can still request an inspection at your own cost to see if the HUD home you are interested in has major or minor repairs and how much you may need to make improvements to the home. Often HUD homes are older and may have building or paint materials that need to be upgraded.

HUD homes can be a great value for a new family, a family that is looking to upgrade to a larger home, or for investment purposes. Ask your real estate broker to check out HUD homes available in your area and make a trip to see some of these repo homes.

## **#16) Minnesota Realtors Can provide buyers with HUD listings, short sales, and foreclosures all via an online search**

Maybe you are looking to buy your first home in Minnesota or maybe you are ready to upgrade from the first home you bought. It could be that you are a real estate investor looking for a way to make a good living. In either case, you are looking at a property that is worth your investment, both emotionally and financially. Your search for the perfect investment property should always begin with an experienced Realtor. Even though many people feel as though they can go about this on their own, some cannot. You stand a much better chance at finding the perfect property if they simply enlist the help of someone who has been through the ropes for a while.

A Realtor will be able to direct you to the twin cities short sales that you could very well take advantage of. Short sales and MN HUD homes are great properties to invest in because of the purchase price. These are homes that you can really jump into headfirst, make a few improvements, and really get your monies worth and then some. When it comes to looking for a foreclosure in MN, you can do one of three things. You can sit and look through the newspaper every single day for every city or town that you would be interested in and look for the foreclosure announcements. You could also pay money to some website that will give you so many listings per month or you could go the better route and hook up with a Realtor who can provide you with all of the information that you need.

All of the information you need for properties that are short sales, HUD listings, and foreclosures are all available online and the Realtor has the right access and knowledge to get all of the information that you need. It is important to make sure that you seek out a knowledgeable realtor so that you will have the absolute best chance possible at finding the right property for you. Even with the realtor set to work, you could always look on your own as well. Do not think that just because you are working with a realtor that you cannot keep your eyes open as well.

Minnesota Realtors are better equipped to find the information you need on foreclosures and such though. Since they are more experienced at this task than you, you might as well let the Realtor do his or her job since they are the one getting paid the big bucks. There are probably plenty of other things you could be doing with your time. And since listings for foreclosures, short sales, and HUD's get updated all of the time, your time would be better spent doing something else. Allow the realtor to do the hard work for you.

How do you pick the right realtor though? The best thing that you can do is to find someone who has had personal experience working with that attorney for foreclosures, HUD's, or short sales. While a realtor with just experience with normal procedure properties, there is a better chance of success if you go with someone that really knows what to look for. Since there are so many loopholes and laws to be considered when looking into such types of properties, it is better to make sure that you are going with someone that you are going to be able to put a lot of trust into.

If you do not happen to know anyone personally who has worked with a Minnesota Realtor for a foreclosure in MN or MN HUD homes then you are going to have to do a little more research. Simply searching for one of the most active realtors is a great start. If the realtor is busy then that means that he or she is doing well. It also means that he or she probably has a good chance of having the right kind of experience that you need. Do not be afraid to ask questions. Be straightforward and advise the realtor that you are specifically looking for someone who is experienced in working with someone who has worked twin cities short sales before.

There is no reason to be afraid to offend anyone. Consider yourself interviewing job applicants. You want to make sure that you go with the right person or you will end up costing yourself time and money. Since neither of those things are things that you want to waste, it is vital to make sure that you are on top of your game. In the end, when you finally have the perfect investment property you will see that all of the hard work put into finding the right realtor was very much worth it.

Stick to your guns, keep your eyes on the goal of cheap property, and get to work. With the assistance of the right realtor, you could have the keys to your new investment property in no time at all. Make sure that you keep the name and number of that realtor though as you will probably find yourself ready to take advantage of some more MN HUD homes and foreclosures in no time at all. Make a foreclosure in MN work for you and you will be ready to move on to the next one. The more cheap properties you are able to get your hands on, the more money you will make in the long run and that is all thanks to having the right realtor.

## #17) How Do I Buy a HUD Home?

Buying a HUD home is easier than you think. HUD homes for sale are abundant and are available because of an FHA insured mortgage where the owner's can't pay and it goes through the foreclosed home process. The myth that you can buy a HUD home for a dollar is just that a myth. HUD homes are sold at the current market value by comparing similar home sale prices in the area where the HUD home is located. So how do you buy a HUD home?

- Meet the Agent - To find current listings for HUD homes in your area, you need to find a real estate broker who is licensed by HUD to sell their homes. You can ask any local realtor if they are qualified to sell a HUD home.
- Check Listings – The realtor can walk you through the listings in your area and make appointments for you to visit the homes for an onsite inspection.
- Inspection – After you select a HUD home you are interested in, you should request an inspection. All HUD homes come on an “as-is” basis meaning an inspection is a good idea and must be paid by you. Weight the cost of repairs once you get the inspection and consider those in your offer.
- Make an Offer – Once you've gone through the inspection process and feel that if any repairs are needed, you can afford them or roll the price of them into a mortgage, you can then make an offer through your agent. If the offer is accepted, you will start the loan process. If the offer is rejected, you may have to negotiate to get the price both you and the homeowner agree to. Make sure you and your real estate agent adhere to an offer's timeline. For example if you make an offer that is good for five days and then it is counter offered for five more days, you only have five days to accept or decline the counter-offer so be aware of timelines.
- Find a Loan – You can go the FHA route for a mortgage, pay cash for the HUD home, or shop around for a mortgage that best fits you budget. You do not have to obtain a mortgage through HUD or FHA to buy the home.
- Home Insurance – You should also seek out a good insurance company for your homeowner's insurance. This insurance policy can be paid separately or rolled into your mortgage contract. The same with property taxes.
- The Closing – Your realtor will draw up the closing papers and be careful to read everything that these papers contain. Something you should ask for is if HUD will pay your real estate agent's commission fees. They often will, but if you don't suggest it, they won't either.
- Are There Special Programs? – Yes, firefighters, police officers, victims of Hurricane Katrina, school teachers, and other professionals have an advantage over other occupations or life situations in making a bid on a HUD home. If a firefighter bids on the same home you want, chances are he or she will get it before you do.
- What If I'm an Investor – Investors can also buy HUD homes, however, first choice is to families who want to use the home as an owner occupied home. If there is no bid on a home for an owner occupied family, as an investor, HUD homes are great, especially when you think of resale value.
- What Else Should I Know? – Ask your real estate agent to tell you about Borrower's Rights, the Fair Housing and Equal Opportunity Brochure, and what the Real

<http://www.MinneapolisStPaulHomes.com>

<http://www.VentureLoanApp.com>

Estate Settlement process is. All of these will aid you in making the right decision on your HUD home purchase.

Buying a repo home from HUD can be easy if you find a good real estate agent, ask the right questions, and take the time to consider counteroffers, and get a home inspection. If you fail to follow these recommended guidelines, just as in buying any home, you may find yourself without all the necessary tools to close the deal and find a mortgage.

## **#18) Investors Can Buy HUD Homes – Learn the Criteria**

HUD government homes or repo homes where the mortgage was insured by FHA and then foreclosed upon may be bought as owner-occupied homes or by investors. The process for an investor is different and all investors must abide by HUD's guidelines.

Every foreclosed home for sale by HUD is first placed on the market for ten days where only buyers who intend to occupy the home are allowed to bid. This is called the Exclusive Listing period and investors are not allowed to bid during the first 10 calendar days after the HUD home listing is posted. Listings are posted every Friday morning and from that time, for the next ten calendar days, as an investor, you may not submit an offer to HUD.

Once the 10 calendar day exclusive listing period has passed, HUD opens the bid to the general public, which includes bids by investors. This general public bid period is where as an investor you can make an offer through a real estate broker who is licensed to sell HUD homes and these bids are reviewed and the highest acceptable bid will be selected.

HUD homes are priced and sold at market value or what homes in the area are selling for through an appraisal process. If you, as an investor, are interested in a HUD home, you should indicate to your real estate agent to keep an eye on any given HUD home you are looking at for an investment to ensure you will have a chance to bid once the exclusive listing period for owner-occupied bids is closed.

If you are successful in making a bid on a HUD home as an investor, you must follow the guidelines HUD requires. Within 48 hours after your bid acceptance, your real estate broker must submit to HUD a signed sales contract and then you will have 45 days to close on your HUD home investment.

Down payments are different for investor purchased HUD homes. As an investor, if you win a bid on a one-unit HUD home, a 25% minimum down payment is required. If you win the bid on two to four units, a 15% minimum down payment is required.

Earnest money is also required by HUD when buying a HUD home, even for investors. HUD requires \$1,000 earnest money for offers more than \$50,000 but earnest money never exceeds \$2,000. \$500 is required for home priced and sold at \$50,000 or less and if you are purchasing a HUD vacant lot, 50% of the listing price will be your earnest money requirement.

As an investor, your earnest money may be returned by HUD under certain conditions. For uninsured sales, 100% of the earnest money is forfeited by the investor for failure to close, no matter what the reason. It is important to note here that even as an investor you only have 45 days to close so ask your real estate agent what is required by you to ensure you close on time and do not forfeit your earnest money.

If your sale is an insured sale, 50% of your earnest money will be forfeited for failure to close or if the investor is considered by HUD to be an unacceptable buyer. 100% of your investor earnest money will be forfeited to HUD if you fail to close on your HUD investment property for any reason within the 45-day period set by HUD.

All other criteria for buying HUD homes, whether you are an investor or buy the HUD home as an owner-occupied residence remain the same. For example, once your bid is accepted as an investor, your real estate broker must submit your signed sales contract within 48 hours. You and your real estate agent will then work with a HUD closing agent and submit the required documents to close within HUD's 45 day time period. Failure to close in HUD's timeframe, may cause you to lose your earnest money.

It is recommended that you use a HUD closing agent. If you choose your own closing agent, HUD will not pay their fees. HUD will, however, pay the fees of a HUD approved closing agent.

If you find you can't meet the 45-day deadline to close on a HUD home, your real estate agent should contact the HUD closing agent two weeks prior to the 45-day deadline. Extension fees are required if HUD accepts your Extension Request Form as submitted by your real estate agent. All investors must pay these extension fees in certified funds, cashier's check, or money order. Fees are set by HUD on the following basis. If the investment HUD home you are buying is \$25,000 or less, the fee is \$150. If the investment property is \$25,001 to \$50,000, your extension fees will be set at \$225. Finally, if the investment home you are buying is \$50,000 or over, you will be required to pay \$375. Again, all fees must be paid to HUD in certified funds as described above.

Buying a HUD foreclosure home as an investment can be an easy process if you make sure the real estate agent you are using is knowledgeable and qualified to sell HUD homes. Seek out real estate brokers who are licensed to sell HUD properties and are aware of the timelines, bidding process, and deadlines for investors to ensure you win the bid. Your real estate agent should also be versed in earnest money and down payments required by investors as they vary from owner-occupied dollars. Finally, if you find you need to file an extension for closing as an investor on a HUD home, make sure your real estate agent understand the fees involved and how they are to be paid.

If you think a foreclosure home by HUD is an investment you want to make, remember that all HUD homes are sold on an "as-is" basis and do require a home inspection by a licensed home inspection contractor. Make sure you understand that if any needed repairs or zoning changes are required that you will need to take care of this on your own and HUD makes no warranties or helps with zoning changes on your behalf as an investor.

Investing in a HUD home is a good idea if you wish to rent out the HUD homes you buy or revitalize them and resell them at a higher profit. HUD urges you to make sure your real estate broker is extremely educated in handling your investment purchase.

## **#19) The HUD Home Process – From Offer to Closing Day**

Purchasing a HUD home or a home where the mortgage was insured by the FHA and has gone into foreclosure is not as hard of a process as you may think. Whether you are looking at a HUD home as part of the Good Neighbor Next Door (GNND) program or looking to purchase the home as an investor, there are some guidelines HUD homes for sale have and you should know about them and adhere to them to ensure your purchase. Here we will go through the process of purchasing government homes from offer to closing day.

### **Who Can Buy a HUD Home?**

Anyone can purchase a HUD home and the foreclosed homes may be purchased as an owner-occupied home or investors. Buyers who are seeking a foreclosed home on an owner-occupied basis have a priority bid period over investors of ten days.

### **How Are HUD Homes Priced?**

All HUD homes are sold at market value price or what is called the appraised market value. A buyer can make any offer, but usually, HUD will accept only those offers close to the market value price, unless they offer a price reduction on a HUD home that isn't selling.

All HUD homes are sold "as is," meaning that HUD does not make any warranties nor do they guarantee the home's condition. Home inspections are recommended and required prior to buying a HUD home to ensure any needed repairs will fall within your budget or if you can roll them into your new mortgage. Home inspections are ordered and paid for by the buyer and you should only hire a licensed inspector.

### **What Are HUD Deadlines?**

Unlike a conventional home purchase where you and the seller may negotiate for as long as you wish, HUD has certain deadlines. To be fair to every buyer, HUD has timelines that you must meet in your bid otherwise the bid you make on the HUD home will face cancellation. For example, once your real estate broker sends your bid to HUD and it is accepted as the highest bid, your real estate broker must send your signed sales contract within 48 hours of the bid or your bid will be canceled and HUD prefers closings within 45 days of bid.

### **How Are Bids or Offers Submitted?**

You must have your bid or offer submitted to HUD through a real estate broker who is licensed to sell a HUD home. Offers are submitted through an electronic bidding process by your broker. Each bid is stored within a computer and after a HUD set time period, the computer calculates the highest bidder automatically. Your broker is then notified if

you are the winning bidder and asked to submit a signed sales contract within 48 hours of your bid. Failure to abide by the 48-hour period will cancel your bid.

#### How Are HUD Homes Listed?

All new listings by HUD are released weekly each Friday morning. During the first ten days of any new listing on each Friday morning, HUD only accepts bids from owner-occupied bidders. It doesn't matter if you submit a bid on day one, day five, or day ten, as long as the bid has been received electronically, HUD considers all owner-occupied bids to be submitted simultaneously. On the 10th day, all owner-occupied bids will be reviewed and winning bids are posted daily at 1:00 pm. This initial 10-day period is called the Exclusive Listing Priority Period.

After the 10-day period has passed and no winning bids are confirmed, HUD will open up the bidding to the general public. These general public bids are reviewed and in the event the property still remains unsold after general public bids, all daily bids received by 11:59 pm will be reviewed and winning bid results are posted the next day by 1:00 pm. HUD reviews all bids after 1:00 pm on Friday afternoon or on Saturday or Sunday on the Monday following.

#### What is the HUD Home Closing Process?

Once your signed sales contract has been submitted to HUD through your real estate broker within the 48 hour time period, HUD will acknowledge your sales contract and provide your real estate agent a letter letting you know that you now have 45 days to close. A HUD closing agent is assigned to you and will work with your broker to ensure you close on time with all the required documents. It is important to note that if your real estate agent uses a HUD closing agent, HUD pays their fees. If you use your own closing agent, you are responsible for paying all closing cost fees.

#### What Else Should I Know?

If you are buying a HUD foreclosed home, HUD will pay up to 5% commission to the selling broker, or your real estate agent. HUD will also pay up to 3% of standard closing costs if you use one of their closing agents. HUD will also reimburse loan origination fees of up to one percent on your new mortgage. You can also ask your real estate agent to explain how earnest money can be returned and what requirements must be met. Be sure to ask about how earnest money is refunded because if this happens to you, certain guidelines must be followed to receive all or half of your earnest money if you fail to close on the HUD home.

#### What If I Need More Time?

If for any reason, you feel you and your real estate agent or financial institution can't complete the closing process within 45 days, your real estate agent must notify the HUD closing agent at least two weeks prior to your 45 day deadline and submit HUD's form

“Request For Extension of Closing Date,” and HUD may extend your timeframe for another 15 days. Your real estate agent must provide appropriate documentation on why you need an extension in addition to certain monies required.

For example, with every approved extension request, HUD must also receive a cashier’s check, money order or other certified funds made payable to HUD that are considered extension fees. The extension fees are based on the contract sales price. For example, if the HUD home you are purchasing is less than \$25,000, you pay \$10 per day or \$150, homes sold at \$25,001 to \$50,000 have a \$15 per day fee or \$225. HUD homes that sell for over \$50,000 and require the 15-day extension will pay a fee of \$25 per day or \$375. Whether you need to pay \$150, \$225, or \$375, these fees must be submitted to HUD in certified funds or money order as described above.

Purchasing a HUD foreclosure home requires you to keep in close contact with your real estate agent, especially if you require an extension. All 15-day extensions applied for owner-occupied buyers will have no fees if your real estate agent provides to HUD documentation indicating a timely loan and loan application was made and that your mortgage approval is very close. Further, if you are charged an extension fee, HUD retains all fees whether you close on time or not and then used as part of your closing costs.

#### Summing It All Up

Purchasing HUD homes for sale is an easy process if you utilize a real estate broker who is licensed to sell HUD homes and understands the HUD home buying process. When going through any HUD approved real estate broker, ask them how knowledgeable they are about the entire process of buying a HUD home from offer day to closing day.

**I hope you’ve enjoyed these articles! Let me know how I can help you.**

**Sincerely,**

**John Mazzara**

## RESOURCE PAGE

**Real estate website:**

<http://www.MinneapolisStPaulHomes.com>

**Mortgage website:**

<http://www.VentureLoanApp.com>

**My Real Estate Investment book's website:**

<http://www.RealityBasedRealEstateInvesting.com>

**Mortgage payment calculator & amortization site:**

<http://www.MortgageWidgets.org>

**Real estate/credit/mortgage slide show and PDF's**

<http://www.Slideshare.net/mnguru>

**Minnesota Corporate Mortgage/Real Estate-For Employers**

<http://www.MinnesotaCorporateMortgage.net>

**Pre-Paid Legal Services**

<https://www.prepaidlegal.com/Multisite/Multisite?site=hub&assoc=mazzara>

**Credit Secrets Bible**

<http://www.1shoppingcart.com/app?af=880062>

**NON PROFIT SITES:**

**Greater Minnesota Housing Fund**

<http://www.gmhf.com>

**Minnesota Home Ownership Center**

<http://www.hocmn.org>

**HousingLink**

<http://www.housinglink.org>

**Annual Free Credit Report**

<http://www.AnnualCreditReport.com>

