

Options to Prevent Foreclosure (When Housing is No Longer Affordable)

***Different options are available when there is not enough income in the household to support the mortgage and all other bills. These options assist with preventing the foreclosure, but do not mean keeping the home.

Short Sale: The mortgage company allows the homeowner to sell the home for less than what is owed. This option can be utilized before the Sheriff Sale. Prior arrangements need to be made with the mortgage company before the official sale of the home.

Deed-In-Lieu: The mortgage company allows you to give back the deed to the home in exchange for a “forgiveness” of the debt. This must be done before a Sheriff Sale. The mortgage company may require you to have the home listed on the market for a period of time before considering this option.

Sale of Home: List the home for sale. This can be done before or after the Sheriff Sale. However to prevent the foreclosure from going on your record the sale must be complete before the Sheriff Sale date.

***During this time the best thing for you to do is to **stay in contact** with the mortgage company. This is important to prevent the foreclosure on your home, if at all possible. Unfortunately it may not mean keeping your home, but will allow you to “spare” your credit, so that you may purchase a home in the future.

***You have up until the date of a Sheriff Sale to “work out” arrangements with your mortgage company, so if you can re-establish sufficient income before that date then options that involve keeping your home become available to you. If this does occur, you should contact them immediately, so that your situation can be reassessed.