

FORECLOSURE MYTHS

The bank wants your house so they can resell it.

Nothing could be further from the truth. The bank almost never wants your house; they want the money you owe along with interest. Typically banks usually hate going through the foreclosure process and will bend over backwards to work with homeowners in avoiding a foreclosure.

The bank won't accept my payments. I'm all out of options.

The bank wants you to bring your payments current. Period. Remember they are in the money business. The interest on your loan is their lifeblood. All is not lost however. If this isn't practical for you then a mortgage negotiation professional can set up a plan for you to pay just a portion of the arrears, set a plan to pay future current payments and catch up on the remaining arrears over time.

The foreclosure notice was delivered today; I have to start packing

Depending on your state of residence you may have a very long foreclosure process. This may give you several months, if not longer to move. Remember that you have to find a new place to live because eventually you will be physically removed.

I'm in foreclosure; no bank will refinance me out of this predicament.

This depends on the amount of equity in the home and its Loan To Value ratio. If that ratio is right there are specialty lenders who will pay off your current lender and hold the note.

I'll just file bankruptcy and save the house

For starters this isn't as easy as it once was. Bankruptcy laws are getting tighter and deliberately more difficult. A chapter 7 bankruptcy will stop the home foreclosure on a temporarily. The caveat is you need to do something else to keep the house in the long run if you are facing foreclosure.

The bank has our house so we can wash our hands of the whole affair.

This assumption has come back to haunt many people. If there is a deficiency you may still owe the difference plus any interest even though you no longer own the home.

· I pulled off a minor miracle and got all the money I owe the bank to bring me current...

...but I'm afraid it's too late to stop the foreclosure process.

Wrong. In most states if you have all of the money you owe the bank they have to take it and stop the foreclosure. It is the law, and besides the bank doesn't really want the house back in the first place.

My house is gone and I can never buy it back.

There may be hope. Some states have "redemption" rights where they can keep the house if they can pay the bank off in full, principal and arrears, within a limited time period.

The bank started this process. They can't expect me to pay legal fees.

They do and you will if you want to keep the house. The amount will vary depending on what is contained in your mortgage agreement.

They get to keep all my stuff once they take the house.

The rule of thumb here is if you can carry it away it's yours. You keep your personal property, but permanent attachments to the house should stay. Don't turn it into an issue by taking everything from floor to ceiling. That will just insure trouble.

There's nobody to help me stop my home foreclosure

In this you have more help at your fingertips than you might imagine. Many methods and many professionals can help you avoid foreclosure.