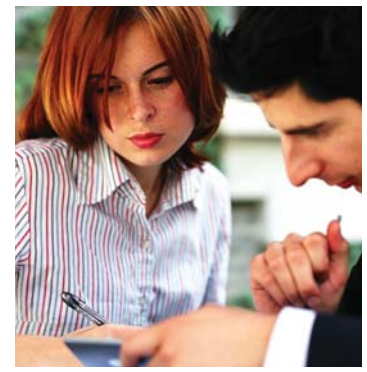




How to **Avoid** Foreclosure

If you are at the stage where you are wondering how to avoid foreclosure, you must be behind on your mortgage payments or know that you will not be able to make your payments in the future.

Follow these steps to keep from being foreclosed upon.



by **eHow**.com

Steps:

- 1 Analyze your financial situation.** Calculate how much, if anything, you are going to be able to pay.
- 2 Call the lender.** Speak with someone in customer service and discuss your financial situation. Be polite and be up front. The last thing a lender wants is to take back a property through foreclosure.
- 3 Ask if there is some way you can work out a compromise regarding your payments** until you are able to get back on your feet or sell the property.
- 4 Realize this is a temporary fix.** The lender, if willing to work with you at all, will only do so for a couple of months. The lender will want to see you make every effort to get the loan back on track (out of default), or sell the home.
- 5 Make plans to remedy the situation,** either through gaining additional income (for example, taking a second job) or sell the home.
- 6 Keep in touch with the lender.** Even if you are unable to keep your end of the agreement, let the lender know what is going on. The lender will be much more willing to help you if you are willing to make an effort.

Tips:

When discussing your financial situation with the lender and asking the lender to work out a temporary compromise agreement, **it is best to be as polite as possible.** The lender owes you no favors. You willingly took on the debt and it is your obligation to pay it back a promised.

Impress upon your lender that it would be in its best interests to help you out; threatening won't get you anywhere. **Remember that the person you're speaking to probably doesn't care if you lose your home.**



Warnings:

Having a Notice of Default filed against you will show up on your credit report as late payments. Late payments on your mortgage are the most serious of all late payments.

You may reinstate your loan (**pay all the back payments and fees**) up until 5 days before the property is to be sold at the trustees sale.

The IRS looks at homes lost in foreclosure as a benefit to you; since you are not required to pay the loan back, it's often considered income. Beware.



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