

FORECLOSURE HELP



Are you a homeowner that is in danger of losing your home?

Do you owe more on your home than what it is worth?

Are you looking for a solution without having to go through foreclosure?

IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS WE CAN HELP!

We are a team of professionals that can assist you in getting your property sold without having to face foreclosure! Best of all, with our short sale programs, you do not pay any commissions!

Interested in your options? Contact us today!

We promise to provide honest information with no pressure. Best of all, your call or email will be completely confidential!

Contact us today!

**PHONE: 801-228-1683 EMAIL:
info@simplechoicerealestate.com**

- **CONTACT US**
- **DON'T BURY YOUR HEAD IN THE SAND**
- **HELPING YOU IS AS EASY AS 1, 2, 3**
- **OK... I WANT TO SHORT SALE MY HOME, BUT WHO PAYS THE COMMISSION?**
- **THE FORECLOSURE PROCESS**
- **TIPS FOR NAVIGATING THE SHORT SALE PROCESS**

FORECLOSURE HELP

- [THE SHORT SALE PROCESS](#)
- [SHORT SALE VS. FORECLOSURE: WHICH IS THE BETTER OPTION?](#)
- [MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007](#)
- [HOW DOES A SHORT SALE IMPACT MY CREDIT?](#)
- [WHAT IS A SHORT SALE?](#)
- [DOCUMENTS REQUIRED FOR A SHORTSALE](#)
- [FORECLOSURE INFORMATION ON HUD WEBSITE](#)
- [SHORT SALE INFORMATIONAL VIDEO](#)
- [HUD BROCHURE](#)

Need help? Considering your options? Contact us today!

You may fill out our [contact form here](#) or you may call or email us. Your information will be kept confidential.

[CLICK HERE TO CONTACT US](#)

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DON'T BURY YOUR HEAD IN THE SAND

The lender does NOT want your House The lender does NOT want to foreclose

Foreclosure is expensive & time consuming **SHORT SALE IS THE ANSWER!!**

Don't bury your head in the sand !!



You always have **options** to **avoid foreclosure.**

- Behind in payments
- Job Loss
- Divorce
- Medical Expenses
- No Equity
- Can't afford the cost of selling your home
-

Helping you is as easy as 1, 2, 3 - **and our service does not cost you any money**

Our team is made up of licensed Realtors® that specialize in avoiding foreclosure. We will NOT buy your home, but will assist you in selling your home quickly. The lender will cover almost all closing costs including realtor commissions.

HELPING YOU IS AS EASY AS 1, 2, 3

Helping you is as easy as 1, 2, 3 –
and our service does not cost you any money

Get the Bank off your Back

The lender does NOT want your House
The lender does NOT want to foreclose
Foreclosure is expensive & time consuming **SHORT SALE IS THE ANSWER!!**

WHEN THE DEBT EXCEEDS YOUR HOMES VALUE

One option to consider that we can help you with is called a short pay off.

What is a short pay off? Imagine your home is worth \$200,000, but, your owe \$220,000 on it. If you were to sell it in the open market at \$200,000, you might net \$184,000, or \$36,000 less than what you need to pay off the loan. A short pay off is where your lender will forgive a portion or all of the short amount and cover the closing costs of the sale including real estate sales commissions.

What lender would just write off that type of money?

Just about all of them will, with justification. Justification might mean a substantial loss of income that would prevent you from paying on the mortgage, therefore being forced in a position to sell the home.

Don't Bury Your Head -

Many people on the verge of financial distress tend to procrastinate until the threat reaches epic proportions. The earlier and more time allows increases the chances of a beneficial outcome. While you may think you have no choice, other than staying in your house and letting the bank foreclose, **YOU DO HAVE A CHOICE.** Another real estate agent may have told you that there was nothing he or she could do to help, The opposite is true **WE CAN HELP.** We can help you negotiate a short payoff arrangement with your lender.

We can help owners who are in default or on the brink, or have little or no equity, yet need to sell and walk away with credit intact. Our process begins by offering your property for sale on the open market which is less than or close to what is owed against it.

Sounds easy, but it can be complicated and difficult. Our real estate team can guide you through the nightmare of the lenders paperwork. **Why US... Try US What do you have to lose** The Lender usually pays closing cost fees including our Real Estate Sales Commission, upon successful completion of the short sale. No money out of your pocket.

OK... I WANT TO SHORT SALE MY HOME, BUT WHO PAYS THE COMMISSION?

“Ok...I want to short sale my home, but who pays your commission?”

This is the #1 question we receive from our **short sale** clients.

As a Short Sale Specialists, we negotiate our compensation with the bank.

Simply put, we are told by the bank what they will pay, therefore, relieving you, the homeowner from paying any commission at close of escrow.

Call Simple Choice Real Estate for more information or to get started. You will be directed to one of our short sale specialists. Your call will be confidential.

801-228-1683 or email us info@simplechoicerealestate.com

THE FORECLOSURE PROCESS

The Foreclosure Process: Understanding Foreclosures

Note: The following is a generalized breakdown of the foreclosure process. If you're interested in finding out about foreclosure laws in your state, please see our directory of [Foreclosure Laws for All 50 States](#).

Foreclosure Defined

A foreclosure occurs when a property owner cannot make principal and/or [interest payments](#) on his/her loan, typically leading to the property being seized and sold.

Stages of Foreclosure

The foreclosure process is not very difficult to understand. There are several stages during which the homeowner has an opportunity to bring the loan current and avoid foreclosure.

After about three to six months of missed payments, the [lender](#) orders a trustee to record a **Notice of Default (NOD)**. At the **County Recorder's Office**. This puts the borrower on notice that he or she is facing foreclosure and starts a **reinstatement period** that typically runs until five days before the home is auctioned off.

If the default isn't corrected (the loan must be brought current) within three months, a foreclosure sale date is established. The homeowner will receive a **Notice of Sale**, and this notice will also be posted on the property. In addition, the Notice of Sale is recorded at the County [Recorder's](#) Office in the county where the property is located. Finally, this Notice of Sale is also published in newspapers local to the county in question over a three-week period.

The foreclosure **Trustee Sale** typically occurs on the steps of the county courthouse in which the property is located. The time and location of this sale are designated in the **Notice of Sale**. At the Trustee Sale, the property is auctioned in public to the highest bidder, who must pay the high bid price in cash, typically with a deposit up front and the remainder within 24 hours. The winner of the auction will then receive the trustee's deed to the property.

Foreclosure Auction

At auction, an **opening bid** on the property is set by the foreclosing lender. This opening bid is usually equal to the outstanding loan balance, interest accrued, and any additional fees and attorney fees associated with the Trustee Sale. If there are no bids higher than the opening bid, the property will be purchased by the attorney conducting the sale, for the lender.

If this occurs, and the opening bid is not met, the property is deemed a **REO** or **Real Estate Owned**. This typically occurs because many of the properties up for sale at foreclosure auctions are worth less than the total amount owed to the bank or lender.

The Foreclosure Process www.biggerpockets.com

TIPS FOR NAVIGATING THE SHORT SALE PROCESS

Tips for Navigating the Short Sale Process

Author: [Joshua M. Marks, Esq.](#) • URL: <http://www.lawmr.com>

February 12th, 2008 •

With homeowners defaulting on their mortgages at a record pace, many people are practically begging their lenders for some form of relief or assistance in order to prevent themselves from ending up on the street. While it is certainly disconcerting to receive collection letters and threats of impending foreclosure from a lender, those who are falling

deeper into debt and enduring difficulty making their monthly mortgage payments need not despair. The “short sale” is one alternative worth considering as a viable means for resolving your debt with the lender and dealing with a home that is no longer affordable. Here are some basics you need to know before starting the **short sale process**.

What is a Short Sale?

A “short sale” occurs when the net proceeds from the sale of property is not sufficient to satisfy the outstanding mortgages on the property, and the seller does not have the financial ability to make up the difference. The lender is asked to take less than the full amount owed in order for the sale to be completed

What Causes A Short Sale?

Sometimes a short sale is brought about because the homeowner borrowed more than he/she could afford to pay back and miscalculated his/her financial status. Often, the short sale arises because of an unforeseen change in the homeowner’s life, such as a long-term illness, disability, divorce or loss of employment, which has dramatically affected the person’s income such that the mortgage payments are no longer affordable.

Why is the short sale a viable option for the seller?

A foreclosure can have a devastating impact on someone’s credit report that has a lasting effect for years to come. A short sale is typically reported on a credit report as a debt that is “settled for an amount less than what is due”. While this will cause a dip in credit score, it will be nowhere near as harsh as the reporting of a foreclosure.

Why would a lender agree to a short sale?

The answer is very simple: Lenders do not want to own houses. Lenders are in the business of loaning money, not in the business of stockpiling real estate. There have been numerous reports that banks can face fees of up to \$50,000.00-\$60,000.00 in actually foreclosing on a property. From a business standpoint, the lender will make out better if the property is put on the market and given an opportunity to attract a buyer through private sale.

How does the short sale process work?

Most lenders have a short sale package containing documents that the seller must submit in order to have the short sale approved. Such documents include: hardship letter from seller/borrower explaining why the short sale is necessary, seller’s financial statement, two most recent pay stubs, two most recent bank statements, two most recent [tax returns](#), copy of an Agreement of Sale with buyer, copy of proposed settlement statement (HUD-1) demonstrating net monies to the lender. Once the package is submitted to the lender, a negotiator is assigned to the file who handles the short sale on behalf of the lender through closing.

Miscellaneous Points to keep in mind

- If you find a buyer, don’t expect closing to take place quickly. It may take 60 days, 90 days or even longer, depending on the lender, to get approval from the negotiator for the short sale to go forward.
- Lenders are not properly staffed to handle the number of short sale requests. In order to make sure that your file doesn’t linger on someone’s desk, you need to be persistent—your agent or attorney should make frequent calls to the negotiator in

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order to insure that your short sale moves forward.

- You must negotiate for the release of both the property and the underlying personal debt secured by the note. If you fail to do this, the lender may not forgive the personal debt.
- It is wise to consult with an attorney and real estate agent who has been through this process before and has significant experience working with lenders. Also, attorney's fees come out of the lender's net proceeds. Therefore, you will not have to pay out of your own pocket for an attorney to assist you in the transaction.

THE SHORT SALE PROCESS

The Short Sale Process

The short sale process can vary, but it will generally work as follows:

- 1) The lender is contacted to discuss the possibility of a short sale and to determine the lender's process for completing the sale.
- 2) The seller issues a letter authorizing the release of personal information about the loan and the property to the buyer or escrow agency.
- 3) The lender will review a settlement statement, which will indicate the proposed selling price, remaining loan balances and itemize all expenses, including real estate commissions and other fees and expenses associated with the closing.
- 4) The seller will complete a "hardship letter," which will detail and explain all financial difficulties. Lenders will usually want to validate the seller's financial situation by looking at bank statements, investment accounts, along with examining paystubs and other financial records.
- 5) The lender will then look to the broker to provide a price opinion by examining the condition of the house and the market value of comparable properties.
- 6) The lender will then want to scrutinize the purchase agreement to determine if all amounts are reasonable and the real estate commission is acceptable.

Because of the documentation required, the short sale process can be lengthy. But if done correctly, it can work well for all parties involved. The lender avoids the uncertainty of the foreclosure process, the seller avoids a foreclosure on his or her credit report (along with potential bankruptcy), and the buyer hopefully got a good deal on a property.

Considering the complexity of the short sale process, you must be educated. If you are considering a short sale, make sure that you discuss your situation with a competent lawyer and accountant. The more educated you are on the process, the easier the transaction will be, and the better the impression you will make on the lender.

SHORT SALE VS. FORECLOSURE: WHICH IS THE BETTER OPTION?

Short Sale vs. Foreclosure: Which is the Better Option?

by DEBT KID on JANUARY 17, 2008

Losing your home to foreclosure due to an inability to keep up with your monthly mortgage payments is one of life's most unpleasant experiences. It is also an event that keeps on affecting you long after your home is history by devastating your credit score. Regrettably, most people cannot be 100% sure that they will remain safe from foreclosure because they can't foresee the unexpected. Occurrences such as serious illness, a major accident, divorce or job loss can happen to anyone. So it's a good idea to understand the available alternatives should the worst occur.

Of all available options, foreclosure is the worst

The inevitable result of a foreclosure is the lender taking your house. Not only will you lose your house, but the lender can get a judgment against you for the arrearages you owe plus his costs for the foreclosure action. If that isn't enough, your credit report will be in terminal condition for many years to come, worsening an already bad financial situation and making it very difficult to obtain any other kind of credit. There is no upside to foreclosure. It should be avoided at all costs.

Consider a [short sale](#) when foreclosure seems inevitable

A short sale is a popular option for homeowners mired down with financial problems. In this case, you would sell your home for less than what you owe your lender; the biggest problem you will face is getting your lender to agree to a short sale. In many situations, they will not. Experts advise pursuing this option the minute you realize that you are falling behind in your payments and most likely won't be able to catch up. The longer you wait and the greater the amount you are in arrears, the less likely it becomes that your lender will even be willing to discuss a short sale. short sale has disadvantages too

While a short sale will save you from foreclosure, it will also have a negative effect on your credit score, frequently lowering it by as much as 200 points. This can be overcome more quickly than the black mark of a foreclosure, especially if you manage to retain one or two credit cards and keep them current. Perhaps equally distressing, the Internal Revenue Service frequently deemed the difference between the mortgage balance and the amount realized from the short sale to be taxable as income despite the fact that the debtor never saw a dime of it. There is new federal legislation called the Mortgage Forgiveness Debt Relief Act of 2007 that just went into effect on January 1st, 2008. The new act essentially eliminates this problem.

Almost any option is better than foreclosure

Simply stated, do everything you can before foreclosure occurs and do it as quickly as humanly possible. Don't sit back and keep thinking, "What can I do?" Instead, consider that short sale and check with your lender before your options become more limited.

The One Best Tip I Can Give You: Don't Do This Alone

I successfully short sold my house, and the single biggest reason was my real estate

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agent. Having someone who could work on my behalf was incredible. Facing foreclosure is a scary thing, I know, I was about a month away from losing my home before I got my short sale done.

Don't just get any real estate agent to help you! My agent had lots of short sale experience, and it made all the difference. He knew who to talk to, when to talk to them, and how to handle all the paperwork to get the deal done.

You Need An Experienced Short Sale Agent!

MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007

The **Mortgage Forgiveness Debt Relief Act** was introduced in Congress on September 25, 2007, and became law on December 20, 2007. This act offered relief to homeowners who would formerly owe taxes on forgiven mortgage debt after facing foreclosure. The act extends such relief for three years, applying to debts discharged in calendar year 2007 through 2009. (With the [Emergency Economic Stabilization Act of 2008](#), this tax relief was extended another three years, covering debts discharged through calendar year 2012.)

Normally in US law when a lender decides to forgive all or a portion of a borrower's debt and accept less, the forgiven amount is considered as income for the borrower and is liable to be taxed.

However, after the signing of the Mortgage Forgiveness Act, amendments have been made to remove such tax liability and allow the borrower and lender to work freely together to find a common solution that is beneficial to both parties. This protection is limited to primary residences -- rental properties are ineligible for relief -- so consultation with a tax advisor is necessary to ensure that a borrower qualifies.^[1] The amount of forgiven mortgage debt allowed to be excluded from income tax is limited to \$2 million per year.

More recent legislation provides for a specialized type of refinancing option, available for mortgages made after 2006, for owner-occupied homes. Under this program a debtor provides information similar to that necessary for a short-sale but rather than selling the house to a third-party an FHA guaranteed loan at a fixed-rate is available if the original lender is willing to write-off all but 85-percent of outstanding of the debtor's obligations (including principal, interest, late-fees, prepayment penalties, and all other fees). FHA-backed refinance packages are available beginning October, 2008, and carry a fee equal to 1.5% of the value of the house. Debtors who exercise this option must sacrifice 50-100 percent of equity that builds in a house, and may not participate in home equity loan programs. This program is only available to owner-occupied residences. This program requires consent from a lender: consent is not automatic and may be freely withheld, though withholding consent can result in a foreclosure with adverse financial results.

HOW DOES A SHORT SALE IMPACT MY CREDIT?

Credit reporting

A short sale does adversely affect a person's credit report, though the negative impact is typically less than a foreclosure. Short sales are a type of settlement. Like all entries except for bankruptcy, short sales remain on a credit report for seven years. Depending upon other credit information it is typically possible to obtain another mortgage 1–3 years after a short sale.

While it is frequent if not common for a lender to forgive the balance of the loan in question, it is unlikely that a lien holder that is not a mortgagee will forgive any of their balance. Further, it is common for a lender to omit updating mortgage balances to reflect a zero balance after a short sale. However, willfully misrepresenting information on a credit report can constitute libel in some jurisdictions, and lenders may be sued in civil court for engaging in this behavior.

WHAT IS A SHORT SALE?

FROM WIKIPEDIA

In real estate, a **short sale** is a sale of real estate in which the proceeds from the sale fall short of the balance owed on a loan secured by the property sold. In a short sale, the [bank](#) or [mortgage](#) lender agrees to discount a [loan](#) balance due to an economic or financial hardship on the part of the mortgagor. This negotiation is all done through communication with a bank's [loss mitigation](#) or workout department. The home owner/debtor sells the mortgaged property for less than the outstanding balance of the loan, and turns over the proceeds of the sale to the lender, sometimes (but not always) in full satisfaction of the [debt](#). In such instances, the lender would have the right to approve or disapprove of a proposed sale. Many Short Sales leave a deficiency balance for which the Mortgagor / Borrower is still liable. In 99% of all cases it is not a settlement-in-full. A deficiency balance will remain as a potential liability for the Mortgagor / Borrower. The bank's opportunity of pursuit of a deficiency judgment will vary from state to state

Extenuating circumstances influence whether or not banks will discount a loan balance. These circumstances are usually related to the current real estate market and the borrower's financial situation. An important thing to know about a short sale is that it has to be handled by a real professional who knows how to work these deals.

A short sale typically is executed to prevent a home [foreclosure](#), but the decision to proceed with a short sale is predicated on the most economic way for the bank to recover the amount owed on the property. Often a bank will allow a short sale if they believe that it will result in a smaller financial loss than foreclosing as there are carrying costs that are associated with a foreclosure. A bank will typically determine the amount of equity (or lack of), by determining the probable selling price from a [Broker Price Opinion BPO](#) or through a valuation of an [appraisal](#). For the home owner, advantages include avoidance of a foreclosure on their credit history and partial control of the monetary deficiency. A short sale is typically faster and less expensive than a foreclosure. In short, a short sale is nothing more

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than negotiating with lien holders a payoff for less than what they are owed, or rather a sale of a debt, generally on a piece of real estate, short of the full debt amount. It does not extinguish the remaining balance unless settlement is clearly indicated on the acceptance of offer.

DOCUMENTS REQUIRED FOR A SHORTSALE

Most lenders have a general list of documents that they require to process a short sale. We request that you submit the paperwork directly to us so that we can ensure everything is delivered to your lender with the offer. Please remember that all lenders are different and some lenders require different paperwork.

The following is the list of items most commonly requested:

1. **Hardship Letter**– This hardship letter is to let the lender know why you need a short sale.

THIS IS A SAMPLE HARDSHIP LETTER:

Lender Name Lender Address Lender's fax number

Today's Date

RE: Hardship Letter - Short Sale for _____ address

To whom it may concern:

I purchased my home at _____ in _____. At that time I was employed by _____ and business was very good. My salary and the possibility of a promotion and raise made me sure that I could easily support my mortgage. Unfortunately, a downturn in the market caused my company to reduce its workforce and I was laid off.

After searching for a comparable job, I finally got a temporary position as an office assistant as I continue seeking other work. I struggled for several months to make my mortgage payment, and was also hit with some medical payments that I did not expect (the COBRA payment was more than twice what I was paying when employed). I knew I would have to sell my home to protect my credit rating and possibly have enough cash left over for moving expenses and some savings. I put my home up for sale by owner in _____, but there were several problems that I did not have enough money to fix, such as the broken fence in the back yard and some pretty severe leaks in the roof which indicated a new one was needed. Over the next three months I lowered the price three times but still had no takers. I am now working with a real estate agent and I believe she will be able to help me sell quickly. I really love my house, but I know that I cannot afford it. I am a single parent, working as a temporary employee with few benefits and no savings. My financial situation cannot sustain a home mortgage of nearly \$2200 per month. I want to sell the home, avoid foreclosure and salvage my credit. I know that a foreclosure on my record will affect me for years to come. I would ask that you please assist me in avoiding this.

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