



Homeowner Options to avoid Foreclosure

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As a home owner who may not be able to stay current with your house payments, here are a number of options that you have to possibly, avoid, or delay the foreclosure process.

- Call your lender and ask for a loan modification. Many California lenders are now doing this. If you can prove financial hardship your lender may reduce the interest rate you have on your mortgage.**
- Federal Bailout Help – As of October 2008 the Federal government is buying “toxic loans” from lenders. Toxic loans are those that the lender feels the homeowner may default on. The government is buying**

these loans, from the major lenders, then they are refinancing these loans, to homeowners, at lower interest rates. As of December 2008 this is already happening with banks such as the failed IndyMac bank that the government took over. In some cases, where the homeowner is able to prove financial hardship, the government is refinancing toxic loans for as much as 3% off the old interest rate of the loan. Call your lender to see if your loan qualifies, or may qualify in the future, for this kind of Federal bailout.

- **Deed in Lieu of Foreclosure** – In certain circumstances, with the approval of your lender, you may be able to simply deed your house back to the bank. You sign the deed handing over the house to the lender and you no longer have to make payments on the mortgage. Email the Tom Lyons Real Estate Team at realestate@tomlyons.com for more details on this option.
- **You can do a lender short sale** – A short sale occurs when the loan balance on your house is more than the house is worth. Again, with lender approval, you may be able to sell your house and the bank will pick up the shortfall. There are no tax consequences to you, the homeowner for doing this short sale. In 2008, the Tom Lyons Real Estate Team successfully completed a dozen of these lender short sales. Please email us at realestate@tomlyons.com with your questions and concerns.
- **Equity buy-out** – In some instances, if there is existing equity in your house, we have investors who will do an equity buy out. This way you get out from the obligations of having to pay your mortgage, and you may be able to walk away from the house with cash in your pocket.
- **Bankruptcy** – By declaring personal bankruptcy you will delay the foreclosure process and be able to stay in your home longer. Call your accountant for details.

- **Additional Federal and State bailout options – The Federal government, and the state of California are working on additional ways to help keep homeowners out of foreclosure. As the calendar year of 2009 continues, more options for homeowners will come into play. Email us for details.**

Thank you for allowing us the opportunity to help!! Call us at 925-371-1000 or email us at realestate@tomlyons.com

