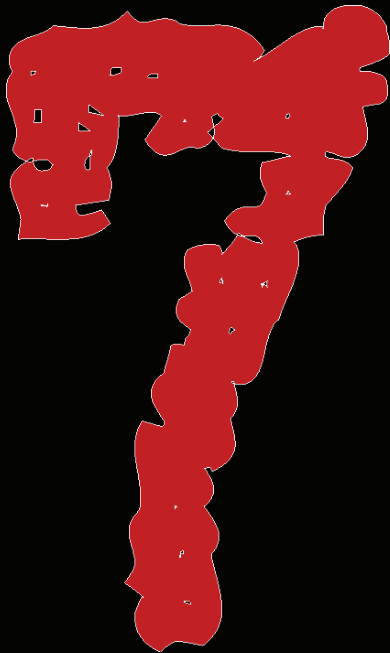


IT'S YOUR HOME...YOU HAVE OPTIONS



Are you considering a loan modification? The process is quite simple and you really can do it yourself. Since the recent changes by President Obama, banks are now working aggressively to try to keep homeowners in their homes. You may be able to refinance your existing mortgage even though your home is worth less than you owe. Please be cautious. Many of the Mortgage Broker's that got you into this mess want to be your Loan Modification Rep. Don't pay someone for something you can do on your own. Really!!! You can do it yourself.

Be encouraged. You have many options to consider. Feel free to call if we can help you in any way.

Before you make a decision about selling your home, make sure that you know what your options are. There are serious tax consequences and credit pitfalls that you might be facing as you try to navigate through the decisions that you make. Everyone's situation is different. This list is only a guide. It should not be a substitute to talking with your CPA or Attorney about your individual situation.

OPTION 1: Sell Home/ Pay The Difference

The quickest and simplest form of disposing of your property requires that you pay the difference in what you owe to the bank and what you may receive from the buyer. This may be a valid option for you to consider, especially if you would like your credit score to remain intact.

OPTION 2: Short Sale

Your transaction is considered a short sale if the amount you receive from the buyer is less than what you owe to the bank. Your payoff is short and the bank must agree to the loss. Note: The amount of loss that is forgiven may be taxable depending on whether your loan was Purchase Money (Non-Recourse) or Non-Purchase Money (Recourse). We can explain the difference if you give us a call. The benefit of this is that you pay off your loans without any cost, and depending on your payment history, your credit score may be reduced by 50-150 points, and you may be able to purchase again within a 2 yr period.

OPTION 3: Walk Away-Foreclosure

This is where you simply walk away from your house and the home reverts back to the Lender. This has a serious affect on your credit score of approximately 250 points and can keep you from purchasing a home for years to come. In most cases a short sale may be a better option.

OPTION 4: Bankruptcy

Sometimes an Attorney or CPA may advise you to file for Bankruptcy. In many cases it is because they are not aware of the options above. This may have the most serious effect on your credit rating. The credit score hit may be up to 400 points. The time required to wait to purchase another home may be considerable, too. Underwriting guidelines are changing frequently.

OPTION 5: Deed In Lieu...

This is very similar to a Foreclosure but it is considered voluntary. The bank agree to take back your home and you hand your keys over to your Lender. In most cases the last thing the lender wants is to take your property back. They will consider this to save on court and legal fees. There is typically a credit score hit to this option also. Most owners are behind on their payments and close to foreclosure. A lender does not generally take back a home without delinquency and a prior attempt to sell by the home owner.

OPTION 6: Loan Modification With your Lender

If you are intent on staying in your home you can contact your Lender and request that your loans terms be changed. Attempts are made to lower your payments by lowering the interest rate, lengthening the term of your loan or offering a principal reduction, which lowers the amount that you have financed.

OPTION 7: Rent

You can rent your property until the market turns around. You may be required to pay the difference between your rental income and mortgage payment. Be prepared to rent your home for at least 24 months, experts aren't sure how soon property values may increase.

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