



AVOIDING FORECLOSURE

Unfortunately, most people wait until it's too late to seek help in a foreclosure situation. If an individual you're coaching is concerned that a foreclosure is in their future, share these seven options for avoiding one.

- 1.** Cure the default by paying the balance or selling the property without unreasonable loss.
- 2.** Redeem the property by paying off the entire loan before auction.
- 3.** Refinance the property (if the lender allows it).
- 4.** Modify the loan by changing the terms or the payment by agreeing to pay a reduced amount for a short period of time (if the lender allows).
- 5.** Agree to a short sale, where the homeowner and noteholder agree to sell the property for less than what is owed.
- 6.** Surrender the deed in lieu of foreclosure, which gives the property back to the noteholder in exchange for a release from the mortgage.
- 7.** File for Chapter 13 bankruptcy protection, where a court-appointed trustee oversees the repayment of debts through a budget plan.