

## Foreclosure Prevention: It Takes Two To Tango

Just like a bad case of poison ivy, the path to foreclosure can start slowly, but get really, really bad in a proverbial New York minute.

First you might have trouble paying the mortgage before the due date. Then you rationalize that everything's okay, because after all, you paid the piper before the grace period ended. A few weeks later and you're feeling like the luckiest stiff on the face of the earth when you're able to pay last month's mortgage payment before this month's is due. Before you know it, you're behind a payment or two and screaming "don't answer the phone" to your kids because you're doing the cha-cha-cha avoiding calls from your lender.

Here's Butch's number one rule of foreclosure prevention: don't dance around the issue. Stand up, stand down, stay the course. If you want to accomplish your mission of working cooperatively with your lender, it takes two to tango. So tango over to the phone, and call them!

Once you get the "negotiations" department on the phone, be upfront and explain your situation. For example, has job loss caused you to fall behind? Did disability or death deprive your family of one wage-earner's income? Offer and follow through on providing documentation to back your story up. Most importantly, BE HONEST AND DON'T LIE. If getting back on track, perhaps through refinancing or new employment, is a realistic option, ask what kind of programs they have to help you. And this is very important: after you hang up the phone, document everything that was said and send a certified letter to the lender. Ask them to confirm all the details. And by the way, now might be a good time to seek professional advice from a real estate attorney or tax accountant.

After gathering information, documenting your situation and seeking professional advice, if your reality is that a "deal" isn't possible and your home must be sold, work with the lender to figure out a way to keep the house from going all the way to foreclosure. There are options like a Deed in Lieu of Foreclosure, a short sale and others. None are particularly pretty, but they're a damn sight better than getting an "F" - for "Foreclosure" - on your credit report.

The bottom line is that there is no magic potion you can drink and there's no magic wand you can wave to make it all go away. But there is positive news and that is that there just might be a Santa Claus, Virginia, and his name is YOU. All you have to do is suck it up, take responsibility, gather information and take positive action. The absolute worst thing you can do is ignore the phone calls, rip up the letters and think the lottery or a trifecta at the race track is going to bail you out.

The bottom line: A really bad rash doesn't go away on its own and neither will a pending foreclosure. Be pro-active and take action. It may be humiliating at first, but it's a lot less humiliating than ending up in bankruptcy court or living on the street.

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### About the Author

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