

# UNDER WATER?



**(614)888-6100**

## ***Selling a Challenged Home in Today's Market— Here's How to Get Out and Get On With Life***

You've run out of options, losing your home is on the horizon, or you want to sell but your mortgage is underwater.

You probably:

- **Have tried or want to sell your home, but the value is less than you owe**
- **Have a payment that has become so high you can't afford it**
- **Lost your job and can't make the payments**

**You have a few options:**

1. Refinance your home at a lower interest rate
2. Renegotiate your mortgage under the Making Home Affordable Program
3. Sell your home as a Short Sale
4. Turn your keys over to the bank as a Deed in Lieu of Foreclosure

The program that can best help relieve your financial duress will depend upon your individual circumstances.

**To Do:**

1. **Read the following report to get a clearer understanding of each option**
2. **Decide whether you need help with a short sale**
3. **Call The Columbus Team to set up an appointment (614) 888-6100**
4. **Fill out the attached form. Bring it to the appointment at our office.**

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**kw** CAPITAL PARTNERS  
KELLERWILLIAMS



**We Know Columbus.**

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100 E. Wilson Bridge Road,  
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The **Making Home Affordable** plan announced March 4, 2009 and expanded upon in 2012 by the US Department of the Treasury offers a few more options than in the past. New federal guidelines are meant to shorten the process and agreements between lenders, real estate agents, buyers and sellers.

The **Home Affordable Refinance** program was created for homeowners with a Fannie Mae or Freddie Mac mortgage who have kept up with their payments, but cannot refinance because their homes have lost value, resulting in a loan-to-value ratio that is above 80%. These homeowners are now eligible to **refinance** to a lower mortgage rate, or **convert** their adjustable rate mortgage into a fixed rate loan.

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The **Home Affordable Modification** program helps homeowners **avoid foreclosure** by reducing monthly mortgage payments. Loan providers are looking for the following eligibility requirements:

Loan was originated on or before 1/1/09

A primary mortgage for owner-occupied homes with a maximum balance of \$729,750

Borrowers to fully document income and sign an affidavit of financial hardship

Loans can be modified only **once** under program up to 12/31/12

The **Home Affordable Foreclosure Alternatives** program was announced to help homeowners that are unable to keep their home under the Home Affordable Modification program. The same eligibility requirements above apply, plus the homeowner's total monthly payment must exceed 31% of gross income. Lenders will offer the homeowner a **short sale agreement** that will pre-approve the short sale terms before listing the home. The lender is prohibited in requiring a reduction in the agreed upon listing commission for the realtors. Borrowers are to be fully forgiven of any future liability for the first mortgage debt. There are also financial incentives- \$1500 for borrower relocation assistance, and \$1000 for lenders for processing costs.

The lender must either discuss a short sale or a Deed in Lieu of foreclosure (see below), or notify the homeowner in writing of these options.

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The process is as follows:

The homeowner has 14 days to respond. If the homeowner does *not* respond, the lender is no longer responsible to offer this program. Once the short sale agreement is signed by all parties, the homeowner has 120 days to sell the home. This selling period can be extended up to 12 months.

Once an offer is received, the lender must approve or deny the offer within 10 business days.

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***Deed in Lieu of Foreclosure*** is the alternative to a foreclosure. This is a settlement, which is voluntarily made, and in good faith in which the borrower surrenders their house to the lender and moves on with nothing owed.

The main advantage for the borrower is that it immediately releases them from the debt associated with the defaulted loan. The borrower also avoids a painful and time consuming foreclosure.

The main advantage for the lender is a reduction in the time and cost of repossessing the property. In most cases a lender will only accept a deed in lieu ***if there are no other liens*** attached to the property (like a second or equity mortgage), or these liens can be significantly reduced. The reason is because they do not want to be responsible for the other liens that are attached to the property; this is why most lenders will push for a foreclosure instead because it removes all junior liens.

There can be other ramifications for the owners when it comes to a deed in lieu of foreclosure. It is advisable to contact an attorney or another third party prior to making this decision.

In all cases, homeowners will only hurt themselves further if they do not communicate with their lender. Ignoring your lender will accelerate the foreclosure process. **Talk** to your lender, an FHA certified home counselor, a realtor and other professionals early in your situation- and often. You can get the information you need without paying fees. Foreclosure and home loan modification scams are out there- ***don't become a victim.***

**TheColumbusTeam** can help you determine if a short sale will be an effective solution for your situation. Call (614) 888-6100 or email [Homes@TheColumbusTeam.com](mailto:Homes@TheColumbusTeam.com) for your confidential assessment today!

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### **HOW DO I BEGIN THE PROCESS?**

- Set up an appointment with The Columbus Team by calling **(614) 888-6100**
- Fill out the Initial Questionnaire
- Bring it to our appointment with all correspondence from your mortgage company, financial statements, bank statements, outstanding debts and other personal information in preparation of your meeting with the Attorney
- If a short sale is right for you, **WE CAN LIST YOUR HOME FOR SALE**
- Sit back and allow us to work for you

#### **Initial Questionnaire**

Thank you for contacting us your real estate concerns. In order for us to quickly process your information and have a productive conversation about the avenues available to you, please take a few moments to collect the necessary information and complete this document. Once finished, please email or deliver it to us at your earliest convenience so we can quickly assist you.

Full Legal Name of Home Owners:

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Property Address:

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Phone:

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E-Mail:

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**IMPORTANT NOTICE:** Our company is not associated with the government, and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan. If you stop paying your mortgage, you could lose your home and damage your credit rating.

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## *Selling a Challenged Home in Today's Market— Here's How to Get Out and Get On With Life*

Social Security Number(s):

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Names of all persons who signed the note(s) for the mortgage(s):

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### **Mortgage, Home Equity Line of Credit [HELOC], Other Lien Information**

Outstanding 1st Mortgage Lender:

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Account Number:

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Last payment made :

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Does this loan include Mortgage Insurance?

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Outstanding 2nd Mortgage(s):

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Account Number:

---

Last payment made :

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## Short Sale, Foreclosure, Modification History

Have you sought a modification, deed-in-lieu or short sale for this property in the past? \_\_\_\_\_

If so, what and when?

\_\_\_\_\_

Is there a current foreclosure action pending on the property?

\_\_\_\_\_

If so, have there been any foreclosure hearings and/or foreclosure auction/sale dates that have been scheduled or are scheduled?

\_\_\_\_\_

If so, what were/are those dates?

\_\_\_\_\_

## Real Estate Agent Engaged?

Do you have the property listed for sale with a Realtor?

\_\_\_\_\_

Name of Agent: \_\_\_\_\_

Company: \_\_\_\_\_

Phone : \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

What is the listing price? \_\_\_\_\_

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