



How Are You Going to Make Your Next Mortgage Payment?

This is the question thousands of Americans struggle to answer every month.

Financial troubles can happen to anyone, regardless of education or income.

What should you do if you can't make the payments on your mortgage?

The worst thing to do is nothing. Inaction is a sure way to end up with a stressful foreclosure. But you have options which allow you to take control of the situation.

Depending on how much you owe, whether you have equity in your home, how much time you have, etc you have a variety of options.

Foreclosure

If you simply stop paying your mortgage your lender will send you a notice of delinquency, explaining your options for making your missed payments. If you don't contact your lender, or catch up on payments, they'll begin the foreclosure process.

In Indiana, the lenders go to court in what is known as a judicial foreclosure proceeding where the court must issue a final judgment of foreclosure.

At court, a judge will verify how much money you owe and when you should pay. You'll have a little time to catch up on your payments. But if you cannot make payments, then your lender sells or takes ownership of your property.

In Indiana, a lender must usually wait at least three (3) months to execute on a complaint for foreclosure. At that time the property is then sold as part of a publicly noticed sale.

If you've chosen to stay at the property the whole time, then the process ends with a sheriff removing you and your belongings from the home. It's an emotional experience that unfortunately happens to property owners all too often.

And the pain doesn't end when you move out. A foreclosure is listed on your credit record and you may not be able to purchase another home for seven years.

Short Sale

A short sale occurs when you accept an offer to sell your home for less than the mortgage amount that's owed. Your lender must also agree to this deal because they will have to write off the balance of what you owe as a loss. While not as significant as a foreclosure, a short sale can still put a black mark on your credit record.

A short sale is a complicated transaction because you usually have to work with a real estate agent, a third-party buyer and your mortgage company. Even if you find a buyer, which can take several months, there is no guarantee the mortgage company will be willing to accept the terms of a short sale.

If they don't, a lender in Indiana can request to get a deficiency judgment. Essentially they can require that you pay the difference between what was owed and what the home sold for. In some cases that can be thousands of dollars.

Strategic Default and Deeds in Lieu of Foreclosure

Strategic default is when you stop paying your mortgage, even when you have the financial means to pay. This usually happens when a property is worth much less than what's owed on the mortgage. This situation is commonly referred to as holding negative equity, having an "underwater mortgage," or being "upside down."

Strategic foreclosure is essentially the same process as foreclosure, but the negotiation period is a bit different. By negotiating with your lender, you may have additional time to exit your property and they may even pay you a fee for maintaining your property.

With a deed in lieu of foreclosure you don't wait for the foreclosure process to begin. Instead, you'll speak with your lender ahead of time and attempt to work out an agreement. If your lender agrees, you transfer title to your lender, they write off the balance of what you owe, and you get to walk away from the property.

Why Should You Avoid Strategic Default or a Deed in lieu of Foreclosure?

While both strategic defaults and deeds in lieu give you more control there are still potential negative consequences, including:

- At least a three month wait to become eligible for a US government agency home loan.
- Income taxes due on the amount of debt forgiven on your loans.
- A major, ongoing flaw on your credit report for up to seven years.
- A potentially long foreclosure settlement period, and
- Possible legal ramifications, especially if you carry a second mortgage.

The Least Time-Consuming Option – Selling to a Home Buying Company

When you need to sell your home fast to avoid foreclosure, home buying companies pay you all cash and remove your mortgage obligation. That way, you don't risk your credit, life goals, or your money. Here are some of the benefits of selling your house for cash:

- You avoid credit default and the long term damage
- The transaction is quick. Typically you have your money in a matter of days.
- There's less negotiation with the lender because you are bringing them a firm deal.
- You get another chance to succeed because the quick transaction minimizes the damage to your credit.
- You gain your freedom when you are not tied to the missing mortgage payments.
- You will be able to apply for a loan again in the future

Stop Feeling Helpless! You Have Options Available

It's time to really weigh all your options. They include conducting a short sale, going into foreclosure, undergoing a strategic default, or selling to a home buying company. When you think about the pros and cons regarding the amount of time it takes to go into foreclosure and the risks involved, selling to a home buying company is the best option. It's the only one where you take control of your financial situation in the least amount of time possible.

The Choice Is Clear – Work with Apter Properties

If you're currently late on your mortgage payment, or you refuse to pay on your property with negative equity, we may be able to help. We buy houses quickly and give you the money you need to turn things around.

After all, Apter Properties has been working with homeowners just like you for years. In fact, we've helped hundreds of financially distressed homeowners get their home sold and their mortgages paid off.

When you're ready to take control of your financial situation, give us a call. We'll help you decide what's right for you and your family and give you a fair offer within days.