

# AT THE END OF YOUR ROPE?

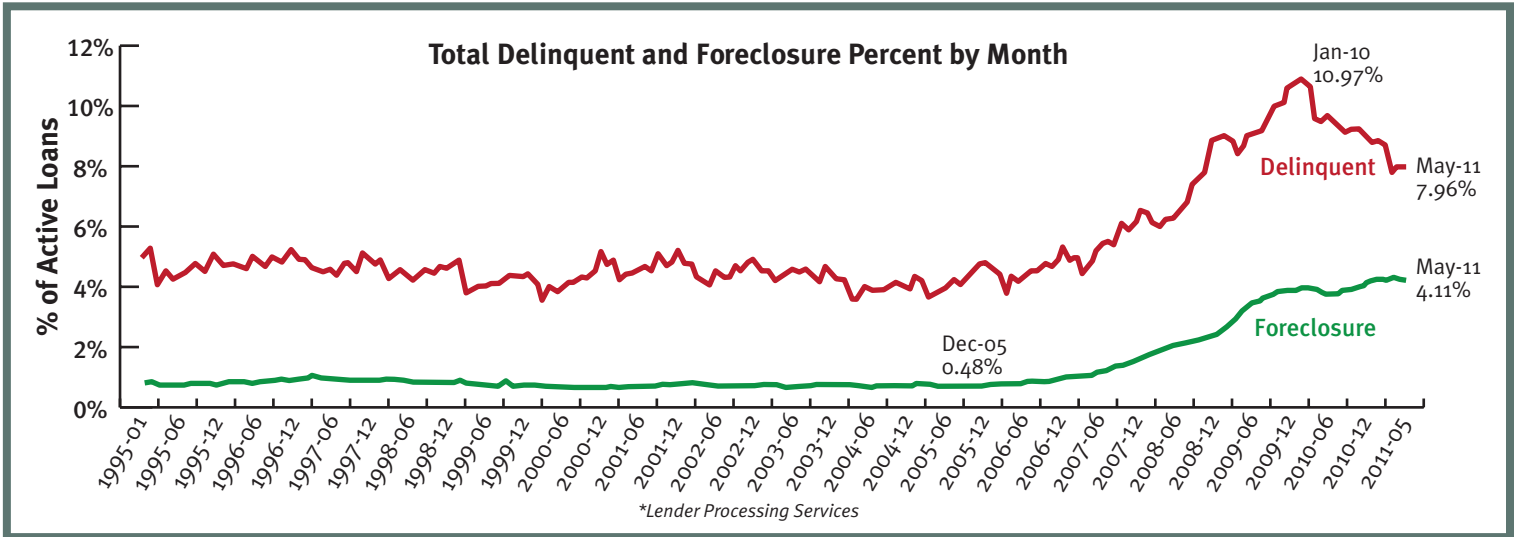
*10 Ways to Alleviate the Stress  
of an Unaffordable Mortgage...*



# AT THE END OF YOUR ROPE?

## 10 Ways to Alleviate the Stress of an Unaffordable Mortgage...

Homeowners across the nation are experiencing difficulties paying their mortgages. In a recent study by Lender Processing Services (LPS), 6.38 million people were at least 30 days late on their payments. If you or someone you care about is feeling the stress of an unaffordable mortgage, please take the time to review this information.



As a Certified Distressed Property Expert (CDPE), I have been extensively trained to counsel and guide homeowners through their options. There are dignified solutions available to help people get back on path to financial stability. My clients have found strength in the knowledge that they are able to take an active role in avoiding foreclosure.

They know that avoiding foreclosure is key in providing for a brighter future. Foreclosure can wreak havoc on credit and affect current and future employment status in addition to many other long-lasting side effects. Later in this report, I will demonstrate just how harmful foreclosure is in comparison to an extremely effective alternative called a short sale.

### The "Movement"

The CDPE movement started in 2008 when Alex and Cadey Charfen found themselves surrounded by Floridians who needed their help to avoid foreclosure. Alternatives such as short sales were rarely used, and lenders and real estate agents had limited experience making them work for their clients. As the number of homeowners who were in danger of losing their homes grew to hundreds of thousands and then to millions, it became clear that real estate professionals needed intense training to help those who needed them most.

Alex and Cadey created the CDPE designation to provide the resources and ongoing education agents need to help the millions of Americans facing foreclosure. CDPE agents have helped

hundreds of thousands of happy clients in all 50 states who are now on the path to a more stable future. You can see why I am proud to call myself a CDPE agent!

Year	Completed Foreclosure Sales	Short Sales	Total
2008	914,000	95,000	1,009,000
2009	949,000	263,000	1,212,000
2010	1,070,000	375,000	1,445,000

Source: Economist Tom Lawler

### Know all Your Options

As a CDPE, I can navigate a homeowner through a variety of options. Below I've listed some of the most common alternatives to foreclosures that homeowners can choose from:

#### Reinstatement

- **Benefit:** Does not require the mortgage company or lender's approval.
- **Drawback:** Requires that a homeowner be able to pay all back payments and fees.

#### Forbearance or Repayment Plan

- **Benefit:** Allows the homeowner to make back payments over time.
- **Drawback:** Requires that a homeowner be in a financial position to pay not only their current mortgage, but also a portion of the back payments owed.

### **Mortgage Modification**

- **Benefit:** Reduces the payment a homeowner is required to make on a monthly basis and may reduce the principal balance of the loan
- **Drawback:** Requires that a homeowner qualify for the new payment and will often require full documentation.

### **Rent the Property**

- **Benefit:** Allows homeowner to keep property indefinitely.
- **Drawback:** The issues that can arise with a rental property are many, and rent often may not cover the full cost of property ownership and maintenance.

### **Deed in Lieu of Foreclosure**

- **Benefit:** Many times in a successful deed in lieu, the lender will forego their right to a deficiency judgment.
- **Drawback:** Requires that a homeowner vacate the property, and a deed in lieu may be reported to credit bureaus as a foreclosure.

### **Bankruptcy**

- **Benefit:** Does not require lender approval.
- **Drawback:** If a homeowner cannot afford their mortgage payment, a bankruptcy will only stall—not stop—the foreclosure process.

### **Refinance**

- **Benefit:** In some cases, this will lower payments.
- **Drawback:** In today's market, refinancing will almost always raise mortgage payments and is an expensive process.

### **Servicemembers Civil Relief Act (military personnel only)**

- **Benefit:** If qualified, this will lower payments on all consumer debt in addition to mortgage payments.
- **Drawback:** Must be active military to qualify.

### **Sell the Property**

- **Benefit:** Allows homeowner to avoid foreclosure and harvest some of their equity.
- **Drawback:** In many cases today, homeowners do not have sufficient equity to sell their property without negotiating a short sale (see next solution).

### **Short Sale**

- **Benefit:** A short sale allows the homeowner to avoid foreclosure and salvage some of their credit rating. This also keeps foreclosure off the individual's public record, and in many cases will allow the homeowner to avoid a deficiency judgment. Borrower may qualify for another mortgage in as little as 24 months (as opposed to five years for a foreclosure).

- **Drawback:** Short sales can be a trying process in which a homeowner is best served by contracting with a qualified real estate agent to guide the way.

### **Short Sale vs. Foreclosure**

Short sales have become an extremely popular and effective method of avoiding foreclosure. It is an option that has received much media attention lately, with claims that it is basically the same thing as foreclosure. Don't believe the media hype! The benefits of a short sale far outweigh the fallout of a foreclosure, as illustrated in the chart below:

#### **SHORT SALE:**

- Credit:** 150-200 points
- Employment:** not visible on credit record
- Security Clearance:** no effect in most cases
- Deficiency Judgment:** have ability to negotiate non-deficiency
- Ability to Buy Home in Future:** 2-3 years under certain conditions

#### **FORECLOSURE:**

- Credit:** 200-300 points, on record 7-10 years
- Employment:** foreclosure on credit record
- Security Clearance:** on credit record, will affect in most cases
- Deficiency Judgment:** no ability to negotiate non-deficiency
- Ability to Buy Home in Future:** 3-5 years under certain conditions

### **Choose Freedom from the Stress of an Unaffordable Mortgage**

Join the hundreds of thousands of homeowners who chose to work with a CDPE to relieve themselves of unaffordable mortgages. I can help you or someone you care about create a strategy for living a life without the burden of missed payments. Call me today, and let's work together to put you back on the path of financial stability.

### **Place Your Confidence in CDPE**



CERTIFIED DISTRESSED  
PROPERTY EXPERT™

With the right assistance, the stress of facing foreclosure becomes manageable. CDPE-designated agents have received the knowledge and training necessary to assess all possible foreclosure alternatives and pursue homeowners' best options. A CDPE-designated agent attends several days of intensive, thorough training on foreclosure avoidance and how to negotiate short sales efficiently and ethically. The highly regarded CDPE logo means you are working with the most informed, up-to-date resource available.