

There are alternatives that a lender may offer that include:

1. **Repayment Plans:** The amount past due on your loan would be spread out over a certain time period.
2. **Modification:** A loan modification is a written agreement between your client and the lender that permanently changes the terms of the loan. Lenders are more likely to adjust principle than an interest rate.
3. **Deed In Lieu of Foreclosure** the transfer of the Deed to the lender. Your homeowner is given a short period of time to move from their home. A homeowner may be given a full release of the debt, or a substantial reduction of the debt. But this option is only available if there is only one mortgage on the property and you should have an attorney review it.
4. **• Reinstatement of the Loan:** The Homeowner pays the total amount past due in one lump sum.
5. **Short Sale of the Property:** The property is sold by the homeowner prior to the foreclosure. Approval is required if the sale does not pay off their lender in full.
6. **Chapter 13 Bankruptcy to catch up the payments:** The Homeowner can take up to 5 years to catch up the arrearage on the home in a Chapter 13. This normally requires an experienced bankruptcy attorney to help you file the Chapter 13.
7. **Litigation:** The Homeowner can also litigate the foreclosure. In some cases the lender has no right to foreclose because there is no properly recorded mortgage or there may be other defenses. This normally requires an experienced foreclosure attorney

#### **HOW DO YOU TAKE ADVANTAGE OF THESE ALTERNATIVES?**

The legal action to foreclose will continue while your lender reviews any alternatives. Some mortgage companies have no intention of anything else but foreclosing.

**The foreclosure action will continue whether or not the lender bargains with you. The attorney for the mortgage company rarely stops making 200 per hour just because you would like him to.**

**The foreclosure action will continue until the lender signs an agreement and the foreclosure is dismissed.**

**Your decision to complete forms for the lender does not in any way change the lenders legal rights to foreclose or your responsibility to defend the complaint and to dispute the validity or the amount of the debt that is stated in the Complaint.**