

Short Sales – Leslie answers the tough questions



With short sales so prevalent and so many homeowners under financial distress, Leslie confronts head on the issues, questions and concerns facing so many families through a series of short newsletters.

Questions? Curious about *short sales*? Learn about the US Treasury's H.A.F.A. program, designed as a "graceful exit" for homeowners in distress.

Videos at DonNelsonTeam.com



Loan modifications...

all that they're cracked up to be?



We've all seen in the news of huge arenas filled with people trying to solve their housing issues.

And you know that the goal both you *and* your lender have is for you to stay in your home.

But a recent study by the US Treasury stated the average monthly mortgage loan mod reduction was \$414.

And most homeowners don't get a permanent principal reduction – the deferred interest gets tacked onto an extension of term, or the term gets pushed out to 40 years.

Realistically, will a reduction of \$400 – \$500 per month help you **long term** to pay off your mortgage? Or does it merely "kick the can" down the road?

For some, a loan mod will provide the necessary breathing room to get back on their feet after a job loss or other temporary cash flow issue.

But big caution! - your lender might file a Notice of Default during your loan mod process - the foreclosure does not stop! This is called the "dual track" – read more about this cautionary note to be aware of on the reverse side.

But if you feel a loan mod doesn't work for you, consider the US Treasury's Home Affordable Foreclosure Alternative (HAFA) program, which is part of the Making Home Affordable program (MakingHomeAffordable.gov).

For more about HAFA, see details on the back.



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Curious to learn more about short sales? Please visit us at www.DonNelsonTeam.com

Hi,

There's lots of talk these days about loan mods.

But fundamentally, will a loan modification really solve the structural imbalance of a big mortgage on a home that's ***severely underwater?***

The goal of everyone is for you to stay in your home. The investors who own your loan certainly don't want your property back - they want you to keep making their payments!

Yet with the collapse of the economy and home values, millions now find themselves financially unable to make ends meet and are saddled with mortgage payments they no longer can afford.

The US Treasury's March 2011 Mortgage Metrics Report stated the average monthly mortgage loan mod reduction was \$414. That's significant - but enough? The report also states that about a third of the homeowners who ***got a loan mod re-defaulted after 3 months, and about half after 12 months.***

Now a big caution - if your lender files a Notice of Default, the time clock on your foreclosure does not stop, even if you apply for a loan mod. This "dual track" means you need to start your loan mod process before your lender files the Default notice because loan mods have been known to take from 6 - 12 months!

Many, many families have lost their home at the foreclosure auction when they thought their lender was working in "good faith" on their loan mod.

Bottom line, loan mods are great and have made a huge difference for many people. But they're frustratingly difficult to achieve, and will a loan mod really be enough to save your home *permanently?*

If a loan mod hasn't (or won't) work for you, you don't need to have your lender foreclose on your home. The HAFA program is a short sale program set up under the MakingHomeAffordable.gov program to provide a dignified and "graceful exit" from a home. It also provides a ***\$3,000 cash relocation payment*** at close of escrow.

To learn more, see two short videos about the US Treasury's HAFA program on our website, www.DonNelsonTeam.com

Questions? Curious about short sales? Give me a call or email me. I'd love to hear your story – and I'm very discreet.

Leslie Nelson