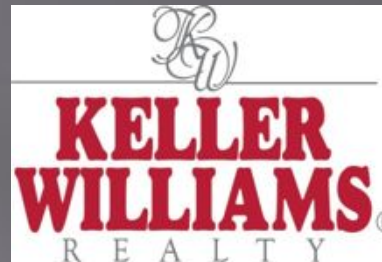


The Wallace–Heintz Real Estate
Group
Keller Williams Realty
Presents

So you received a
Notice of Default
on your
Mortgage?

James & Shannon
Your 2 Agents
360-319-4894
www.Your2Agents.com



What do you do next?

- Don't panic
- Don't ignore it
- Don't try to handle it all on your own
- Don't think you are alone
 - 1 in 10 homeowners are past due on their mortgage

What should you do

- Take a deep breath
- Call your bank
- Create a budget
- Call “The Wallace–Heintz Group of Keller Williams Realty”

What are your options

- Loan Modification
- Short Sale
- Bankruptcy
- Foreclosure

Loan Modification

A Loan Modification will change your existing note and give you a fresh new start managing your finances.

Loan Modification

A few of our primary goals

- Get caught up on payments
- Lower your payment by:
 - Getting the interest rate reduced
 - Extending the existing terms
- Convert to a Fixed Rate
- Stop Foreclosure

Loan Modification

- We work with a group attorneys that specialize in helping people modify their home loans.
- The benefit of using an attorney is that they know the legal system and what is a fair and just modification.
- And...if the lender isn't playing fair, they could possibly threaten legal and other actions.

Loan Modification

- Not everyone qualifies
- There is a cost to using an attorney
- We will provide you with a one hour FREE consultation with our Loan Modification expert.
- At that time he will
 - Review your situation
 - Recommend you continue with the loan modification process
 - Recommend you pursue other avenues
- Reimbursement made at closing of said transaction.

The Next Step

What happens if I don't qualify for a loan modification, can't afford it, or just want to move on?

The Short Sale

We can sell your home

- You pay no commission
- You pay no back taxes
- You pay no back payments

The Short Sale

What is a Short Sale...

- Home is sold for less than what is owed on it
- Offers are signed by you and submitted to and approved by the bank
- Bank pays all fees, commissions and taxes
- A way of letting your house go, while still trying to do the right thing

The Short Sale

What are the benefits to doing a Short Sale?

- Avoid having your home go to foreclosure
 - Little or no tax consequence*
 - A “better” hit on your credit score**
 - You can get back into home ownership much sooner
- .. * Consult with CPA/Tax Advisor, and/or Tax Attorney
- ..
- .. ** Industry average for a short sale is 70 points, compared to 300+ points for a foreclosure.

The Short Sale

Tax consequences on a Short Sale*

On your primary residence

- Non Refinanced (purchase money)
- Refinance for remodel
- Cash out refinance

On investment property

* Please contact your CPA or Tax Professional for any and all tax information

Bankruptcy

Allows you to:

- Buys you extra time
- Gets rid of Credit Card Debt
- Get rid of any deficiency from a foreclosure
- Make up late payments over a 3 to 5 year period

Bankruptcy

When you file bankruptcy, the automatic stay goes into effect. No one can attempt to collect a debt unless they receive specific permission from the court.

Bankruptcy

Two types of bankruptcy to file:

- Chapter 7
- Chapter 13

Bankruptcy

Chapter 7 – know as Liquidation

- Credit Card debt goes away, possibly giving you available income to afford your mortgage.
- If you have to foreclose, any deficiency from the lender not getting enough to pay off entire mortgage, will be discharged as just another unsecured debt.

Bankruptcy

Chapter 13 – known as Reorganization

- If you can afford to pay your mortgage, but are behind, Chpt. 13 will allow you to make up the payment over a 3–5 year period.
- Payments on other debt, such as credit cards, will be reduced to an affordable level.

Foreclosure

What happens when I go into foreclosure?

- House is seized by the bank
- You can be given as little as 3 days to get out of your house
- You could be responsible for deficiency to bank
- Large hit on your credit score

Long Term Effects

Short Sale

- Max 100 point hit on Credit Score
- Stays 18 months to 3 years on credit report

Foreclosure

- Possible 300–350 point hit on credit score
- Stays on credit report 5–7 years

Bankruptcy

- Stays on Credit Report 7–10 years
- Effect on Credit Report depends on each case

So Remember

- Don't panic
- Don't ignore it
- Don't try to handle it all on your own
- Don't think you are alone

The Wallace-Heintz Real Estate Group

- Let us help you out.
- We will consult with you to determine which is the best route for you to take.
- Loan Mod, Short Sale, Bankruptcy, Foreclosure
- One of these will work for you
- Call us at 360-319-4894 Today

The Wallace-Heintz Real Estate Group Keller Williams Realty

Don't put it
off...call us today!

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