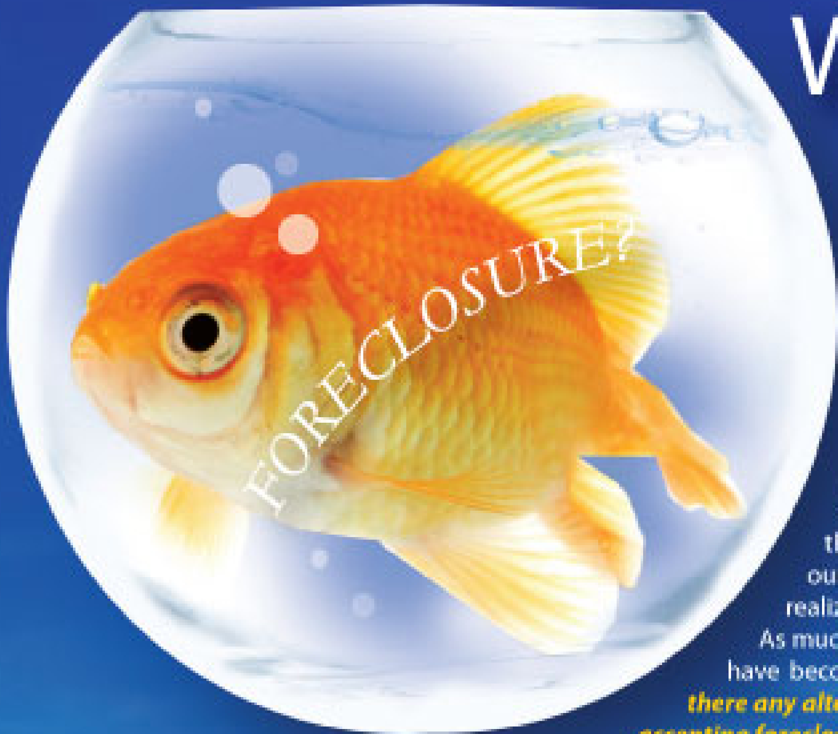

Walls Closing In?

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Facing Foreclosure

Both my husband and I recently lost our six figure salaried jobs and are now competing for positions paying half what we were accustomed to earning. With our current debts and the costs of food, clothing and maintaining a roof over the heads of our family of five, we have been unable to pay our monthly mortgage payment for the past two months. We realize that a notice of foreclosure from our lender is imminent. As much as we love our home and would like to stay, we realize we have become over extended and unable to pay our mortgage. ***Are there any alternatives to assist us in our predicament other than simply accepting foreclosure and potentially bankruptcy?***

While there are steps you should take before simply accepting foreclosure, you must first analyze the circumstances that have placed you in such an uncompromising position. Next you should seek professional advice to explore available options. Then, you should attempt to mitigate or negotiate with your lender to avoid foreclosure rather than simply waiting for the inevitable. While it may cost a few dollars for professional advice or continued payments to your lender until payment alternatives may be reached with the lender, to keeping your home should be the first priority. Don't feel you are alone in the foreclosure dilemma facing our nation and don't feel embarrassed that you need help.

Foreclosures Skyrocketing

Unfortunately, foreclosures are skyrocketing across the nation and the four states leading the fireworks are Florida, Nevada, California and Arizona. According to RealtyTrac.com, by sheer volume, Florida had the most foreclosures in the nation equaling 8.5% of all foreclosure activity nationwide. Another statistic shows that as of July 2007, foreclosures in Florida alone have increased about 91% since last year and, in the coming months is expected to continue to soar.

Proverbial Pickle

The American dream of owning a home, it's like winning the lottery. So many took the risk, chased their dream and purchased a home envisioning they would receive either a substantial profit on resale of the home or simply benefit by owning what they never dreamed they could. And, lenders made it easy by providing subprime mortgages. These types of mortgages increased by leaps and bounds, as did the number of people using zero down loans. According to Merrill Lynch, 43 percent of the people who bought a home in 2005 (at the end of the boom) put no money down. Some buyers signed on the dotted line fully intending to pay back the loan, thinking they could find a way to refinance or somehow work things out later. Others signed knowing that they did not have the means to afford the mortgage payment and would eventually end up in a proverbial pickle. Adding to buyers anguish, home values are decreasing at an alarming rate, and the time it could take to sell a home has increased dramatically. For many buyers the dream has become a nightmare.

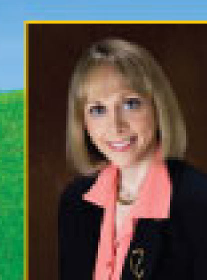
How Do You Know You Need Help

During the course of your life, there is a very good chance that you will experience some type of financial. If you miss three or more mortgage payments, you may be nearing foreclosure. Circumstances leading to foreclosure unemployment, divorce, death, prolonged sickness, mental problems, poor economic conditions, mortgage lending fraud, irresponsible buyers, and so on. Being aware of the underlying cause will help when requesting assistance from your lender. Lenders understand borrower hardships and often are willing to workout arrangements that are in the long-term best interest of both the financial institution and the borrower.

Recovery Options

The first step you should take is to contact your lender and request assistance. If you are uncomfortable calling and negotiating with your lender, seek out the advice of an attorney, or other financial professional experienced in real estate loss prevention lending practices, to represent you. After effectively presenting your case to your lender, there are options that may prevent foreclosure. One such option is a forbearance agreement. "Forbearance" is a prevention tool that is offered to borrowers that permits an extension of time. During the extension, the lender will not report any new negative information to the credit bureaus, late fees are not incurred, and no payment(s) will be due during this period of time. Many lenders will do some type of loan modification after the forbearance period is up so that you can get your mortgage back on track. If forbearance is not an option with your lender, most lenders have other foreclosure loss prevention options available.

If you find yourself in negotiations with your lender, be sure to have an attorney review any loss prevention agreement before you sign it.



Kristen M. Jackson, attorney and founding partner of the Jackson Montoya Law Firm (407-363-9020), has over 29 years of experience in estate planning, business, real estate and family law. She has earned an AV rating from Martindale Hubbell signifying the highest level of professional excellence as obtained through opinions from members of the Bar and Judiciary.