My HoMe Is Over-Leveraged!

What Are My Options?

Today over 25% of the homes in America have loan balances that exceed their home value. If you're one of them it's not your fault and you do have choices which are laid out here.

You didn't create the deepest recession in our lifetime and cause residential real estate values to drop 30%-60% across the country. You bought a home, the American dream. You worked hard to pay the mortgage and maintain the home and woke up one day underwater. And it all seemed to happen so fast.

Millions of good people are walking away from their mortgage and letting the bank foreclose which adds to the millions of bank owned houses and continues to lower values when they are sold off at distressed prices.

This is certainly one of your options but not the only one and may be your least favorite choice. However, until all your choices are on the table it's hard to decide which is the best one, so here they are again in it's "as-is" condition.

1. Remain in the Home — Continue paying payments until the value increases and gives you enough equity to sell without being forced to write a big check to pay the difference.

Pros — Your credit will remain intact and as the years go by your debt is decreased.

Cons — Many people simply can't remain in the home for various reasons and must have another solution. Most sources say it will be at least a decade before the values of 2005 return and maybe much longer.

2. Rent the Home — Some people are becoming forced landlords and this is an option if you're prepared to deal with a tenant and your payment can be covered with rent.

Pros — Your credit will remain intact.

Cons — You must find and screen a tenant and then deal with tenant issues and repairs.

3. Deed in Lieu — You may ask the bank to take back the house to avoid foreclosure. If they do you cannot be pursued for a deficiency judgment. Make sure you get an attorney involved in this choice and let him/her approach the bank.

Pros — You are relieved of the home and the debt without foreclosure.

Cons — Your credit score will be reduced and many banks will not accept a Deed in Lieu of Foreclosure.

4. Mortgage Modification — Millions of homeowners are approaching the lender and requesting the terms of their loan be altered. You can ask for principal reduction and rate and payment decrease. Get your attorney involved in this process and be sure to request a release of liability in your offer to the bank.

Pros — Your terms would be changed so you could more easily afford the payments and perhaps the lender would agree to a principal reduction so you can sell the home without covering a loss.

Cons — You may not be able to remain in the home even after a modification, the bank may be totally uncooperative and refuse any modification, your credit score will be reduced.

5. Short Sale — If you or a Realtor can find a buyer for the home at a reduced price below your loan balance, you may petition the bank for a short sale.

Pros — The loan is paid off and the house is sold.

Cons — The bank may or may not agree to the discount and it's a time consuming process for both the agent and you. There must be a cash buyer under contract before most banks will even consider a short sale. If the house is not listed the bank will likely require you to do so before even considering your request. Your credit score will be reduced. The bank has the option of pursuing deficiency.

6. Let the Bank Foreclose — if all else fails this is an option and one many are taking.

Pros — The loan and the home will go away.

Cons — Your credit will be lost and the foreclosure will remain on your credit for 7 years, the bank may pursue a deficiency, you could suffer a tax burden if your debt is larger than your purchase price of the home.

7. Bankruptcy — this will stop the foreclosure but is not considered your best option if your real estate loan is the biggest reason for filing. One of the options above will relieve you of the home and the debt without the negative consequences of a bankruptcy. This choice should require a careful analysis with a bankruptcy attorney who has your best interest at heart, not his/her fees.

Pros — Your obligation to pay your debts is gone and you buy more time to stay in the home before the bank completes the foreclosure process.

Cons — BK remains on your credit for 10 years and is an ugly, unpleasant process. Your credit will be lost.

It's true, all of the above choices have consequences and only you and your personal needs can dictate which is the best for you. However...

One of the above options will apply to your home whether you make a choice or not…if you don't choose, the bank will choose for you!

The Good News!
There is Another Option!!

A new program has been developed to give homeowners a new choice, one many are happily accepting. This program is called…

ACTS >>>>

"ACTS"
Assigning Contracts and Terms System

Here are the most frequently asked questions:

Q: What is ACTS?
A: We will contractually agree to owner finance your home for the loan balance (possibly more) and take over your payment and accept responsibility for all repairs (beginning) 90 days after closing. We will then find and screen an owner finance buyer who will make a financial commitment to purchase the home and assign our agreement to them after **you** have approved them.

Q: What does this cost me?
A: Nothing! You'll have no expenses until the buyer is ready to get financing and then you may pay some reasonable closing costs. Sometimes the buyer pays all costs.

Q: How long must I owner finance?
A: The minimum term if you're over leveraged is 10 years to give the market time to increase the value and for the debt to decrease to the point the home is no longer over leveraged. This allows the buyer to get a loan to cover the debt without you

contributing cash to pay it down. If you owe at or about today's market value we may shorten the term.

Q: When do I start collecting payments?
A: Three month after we find a buyer **<u>you approve</u>** and they close and take possession of the house. We expect it to take no longer than 60 days after you are ready for us to show the house but it may take longer or happen sooner depending on several circumstances that vary with each house.

Q: What if the buyer tears up my house?
A: Our buyers are of a buyer mindset and will have a financial stake in the agreement. Plus they will be responsible for repairs. In our experience it's rare for them to tear up a home and lose their down payment but it could happen and that is a risk you must take if you elect this program. However if it were to happen you may call us and it's likely we can sell it again in its "as is" condition.

Q: What paperwork is involved?
A: You will execute a wrap-around mortgage agreement when you're ready and when we find and you approve the buyer. Then, an attorney will prepare an assignment and ask you to sign a few disclosure documents at that time.

Q: Do I get any money if they do buy?
A: No! Not if you're over-leveraged now. The only reason a buyer would agree to owner finance an over-leveraged home is because they get the benefit of the debt reduction and in time will build enough equity to get financing. If this opportunity is not available the home would be unmarketable. However, if you have significant equity now, it's likely you will get some cash at the time of sale.

Q: Will I be paying for repairs?
A: Only during the first 30 days and if you can't fix anything that needs fixed before we offer the home we can disclose to the buyer and may get them to accept as is. Your sales agreement will contain a provision for you to fix anything not disclosed but only for 30 days.

Q: So what's my responsibility?
A: Get the home ready to show, approve our buyer, collect mortgage pmt and make the payment (we recommend an escrow company do this), show the home by appointment if you reside in it while we market it.

Q: What if you don't find a buyer?
A: If we don't find a buyer you approve within 60 days you may cancel our agreement or allow us to continue looking. That will be your call.

Q: What if my home isn't over leveraged?
A: We can still owner finance it from you at a fair price and will either assign our contract or may choose to remain in the middle until it's cashed out. We may also buy

the home now and take over the debt or simply pay cash. Once we know the facts we can instantly tell you what we can do and let you decide your best choice.

What You Do Next...

Step 1

If you received this special report before we collected the information on your home, please go to SellYourDFWHouse.com and complete the Property Information form or simply call (817) 550-5069 (24/7) and my live assistant will we'll complete it over the phone with you. It'll only take a few minutes.

Step 2

We'll discuss the facts by phone and tell you what we can and can't do and if we both agree to move forward we'll visit the home, answer your questions and leave you with the agreement.

Step 3

Once the agreement is executed and you tell us when you're ready to begin, we'll begin showing the home to our prospective buyers list and begin marketing to locate new ones if necessary.

Step 4

Review our buyer's application and if "you" approve we'll set up the closing for the buyer to attend. You do not need to be present.

That's It!! It's that simple!
Just Call

TMC Property Solutions

1706A Santa Fe Dr
Weatherford, TX 76086

Phone: (817) 550-5069
Fax: (866) 512-6794
www.SellYourDFWHouse.com

Hold the "Ctrl" Key and click the logo for details

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