# How to Stop Foreclosure

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| |  | | --- | | Keep Your Home and Protect Your Credit Card. Many people in the United states are getting themselves in debt, majorly, through no fault of their own. A perfect example is John, who lost his manufacturing job because of mass layoffs, and getting a reliable work has become a major challenge for him, since then.    Only two months ago, Mary had to deal with a devastating period when her husband abandoned her, leaving her with the burden of taking care of the children and paying bills. These are only few examples, out of very many, of how people find themselves in financial mess that threatens loss of assets and their home due to foreclosure.  The good news is that you can avoid foreclosure through a number of ways. |  |  | | --- | | Understanding foreclosure. Foreclosure is the process by which the lender assumes ownership of asset used as collateral of mortgage in case of default. To understand this better, assume you buy a home. There are two parties involved in the process that is the mortgagor (You) and the mortgagee (The Lender). Although you own the home, the mortgage holds a lien on the property so that in case you default, the mortgagee can get court order to repossess the property.st  All other states use The Title of trust. Title of trust is similar to mortgage except that it involves three parties; You (the trustor), the Mortgagee and the trustee who holds temporary title on the home until the outstanding balance is redeemed in full. In that case the trustee can sell your home if you default. The difference between mortgage and deeds of trust is in the foreclosure process. While, in mortgage, the lender has to go through court process to sell your home, with the deeds of trust, the trustee is free to sell the home without the court process as long as he fulfills certain requirements. Therefore, the process of foreclosure is much faster in deeds of trust than in the mortgage.  . How Do You Stop Foreclosure?Get in Touch With the Lender Sometimes, just contacting the lender to explain your situation can at least prevent foreclosure. In most cases, you can agree on a temporally repayment adjustment until your situation changes. Some people make the mistake of ignoring the demand notices, calls and warnings from their lenders. As a matter of fact, most lenders are always willing to work with you through the situation, but, if you are not co-operative, they will be left with no alternative than to revert to foreclosure process. Refinance your Mortgage. This is an alternative, especially if you are not too behind in your repayments. Refinancing can greatly reduce your monthly repayments; at the same time reduce your mortgage. This method has widely been used to avert foreclosure. You Can Consider Selling Your House. This is a hard decision to make. If you still need a home, and do not want to be blacklisted in the credit record, the best way to stay out of trouble would be to dispose your house. Home buyers make the process of selling a house much faster. In fact, they can sell as soon as 10 days or less. However, there are numerous scams who pose as [“We Buy Houses” Scams — How to Spot Them and How to Avoid Them](http://www.housebuyernetwork.com/resources/advice/HowToAvoidWeBuyHousesScams.htm). These are like Trojans who pretend to be friends, yet you could be conned of your cash if you are not careful. You Need to Protect Your Credit Nothing is as important as protecting your credit record, because the record will be with you for as long as you live, and it may prevent you from accessing credit opportunities in future. Avoid the mark of foreclosure in your credit record as much as you can no matter how difficult it seems at first. Remember that the benefits will outweigh other shortcuts in the long run. | | |  |  | | --- | --- | | |  | | --- | |  | | |