

**MSDC FORECLOSURE
PREVENTION
PROGRAM**

With today's strategies and workout plans, no homeowner should volunteer to surrender their home without first trying to sell it.

MSDC is a HUD Certified Housing Counseling Agency and has experienced Housing Counselors that will assist you in developing an Action Plan that will identify options and activities that you can position yourself to sell or deed your home in a safe and affordable procedure for both the lender and the homeowner. Let MSDC be your Foreclosure Prevention Specialist and end Foreclosures in Ohio in 2024.



MSDC FUNDED BY DONATION & CONTRIBUTIONS

Akron Community Akron Partnership

Save the Dream Funds

Third Federal Savings and Loan



**Mustard Seed Development Center
1557 Vernon Odom Blvd, Suite 201
Akron, Ohio 44320**

All Appointments are on Zoom

Call to Schedule An Appointment

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**MUSTARD SEED
DEVELOPMENT CENTER**

**FORECLOSURE
STRATEGIES
FOR 2024-2025**



Today's Market Has Changed But The Strategies For Building Wealth Have NOT. Your Home Is Your Investment. Don't Let Bad Times Rob You

Take Control!

Sell Don't Foreclose!!



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WORKOUT PLANS FOR HOMEOWNERS

MSDC has completed a Modification Application to request a modification for you. As your Housing Counselor we will continue to follow-up with your lender to get a final response of what the lender will do to assist you in keeping your home, however, many times the lender will only talk to the Homeowner. When MSDC informs you we have sent your file to the Lender to request a Loan Modification we will need your help in managing the lender to achieve success in getting an approved result.

Below are two things we need you to do while MSDC also monitors the process:

1. Contact the lender to verify they received the modification request and ask if they have everything they may need to approve your request
2. Monitor the Status of their Decision weekly and notify MSDC of all correspondents received about your home

REQUEST FOR LOAN MODIFICATIONS

Loan Modifications are determined by your lender. This process should be used when you have calculated that you can pay the mortgage payment each month without interruption.

The Lender May:

- Change the Rate
- Decrease the Amount Owed
- Change the Terms
- Bring the Account Current
- Change the Payment
- Delay Payment Over Time

REPAYMENT PLAN

Be careful when accepting repayment plans. Before you agree to this type of modification be sure you can make the total payments. Most of the time this option requires you to pay a full payment plus an additional amount. Once you have agreed to this arrangement, the foreclosure process can be accelerated should the loan go into default again.

REFINANCE YOUR BALANCE

MSDC has a program that can assist you in refinancing your home. Many Homeowners that are currently delinquent cannot obtain loan approval for a refinance. With this process, and with the partnerships of area lenders, we can position you to be refinanced with the completion of an Action Plan.

When there is not enough equity in the home, MSDC works with the lender to buy down the loan to its current fair market value.

EXIT STRATEGIES FOR FAMILIES

Exit Strategies imply you must surrender the home now.

When you can no longer afford to pay your mortgage payment and/or resolve your outstanding delinquent balance, MSDC encourages it homeowners to consider a workout plan that will be comfortable for the lender and the homeowner while a plan is being developed to determine 1) Options the lender will accept, 2) Find possible buyers for the home before additional legal fees are included, 3) Avoid the home from being vacant and vandalized, 4) Establish early intervention with a Real Estate Professional that can assist in identifying a positive approach to improve the potential to sell the home, and 5) Allows the homebuyer to avoid deficiency balances and provides them the time to prepare for affordable housing.

During this time you may increase your income. Many times the lender is willing to avoid foreclosure altogether IF you work with them early in planning solutions that work best for you both.

1. CONTACT A REALTOR YOU CAN TRUST

Interview with Professional Real Estate Agents that will represent your interest in the sale. Be careful not to work with ones who have an established relationship with investors who are looking for a Short Sale.

Be prepared to request from the Agent copies of the listing agreement and a copy of a schedule on when they want to show your home. After you have an open house, request copies of the sign-in sheet to supply your lender with proof you are listing your home.

2. Start Looking For Affordable Housing

DO NOT MOVE OUT OF YOUR HOME!!!!!!!!!!!!!!!!!!!!

Moving out will be considered as ABANDONMENT. Use this time to seek affordable housing, however, do not sign rental and/or lease option to buy before you sell your home.

If you are unemployed take this time to register for housing units that provide Subsidy with rent. Again, remember to not sign rental agreements. Consult with your Housing Counselor prior to signing any housing documents.

Keep a list of housing units that you have determined affordable using your current income and store their contact numbers and any information regarding how to qualify for this type of housing.

STRATEGIES TO SURRENDER YOUR HOME SAFELY

Surrendering your home seems like you are giving up and will never own a home again.

This is far from the truth. The decision to surrender your home illustrates your wisdom to determine you cannot afford the home at this time.

Decide now to develop a "Surrender Strategy" that will keep you in control of the process.

1. KNOW YOUR OPTIONS!

DO NOT MOVE OUT OF YOUR HOME!!!!!!!!!!!!!!!!!!!!

Many homeowners wait till the courts force them out thinking things will change. Because the homeowner does nothing and fail to seek help may cause you to miss out on assistance. This leaves you the homeowner not in control. Take charge and PLAN NOW even though it means you may have to surrender your home.

2. TALK TO YOUR LENDER

Each lender is different. There are two options that can be used if presented earlier:

1. Deed In Lieu - You can agree to surrender the home and the lender will agree to take possession. In many cases, the lender will forgive remaining balance. Please be advised your written agreement MUST state the willingness of the lender to forgive the debt. This must be clearly documented in your Deed in Lieu agreement. Have an Attorney and/or Housing Counselor review the agreement to make sure it includes forgiveness prior to signing the agreement.
2. Short Sale - Your home must be listed with a Real Estate Agent for at least six months prior to your request. Some Realtors are experienced in managing a Short Sale. Have a dialogue with the Realtor to determine their past experience with handling Short Sales.

3. GET IT IN WRITING !!!!!!

Many homeowners TRUST that the entire foreclosure process is being handled for them. Make sure you do not stop seeking resolutions until you get in writing what has been offered to you and make sure it is signed by the lender.