

CERTIFIED DISTRESSED  
PROPERTY EXPERT®



**LUXE** RealEstateGroup

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## Options for Avoiding Foreclosure in Arizona

[ArizonaForeclosureRelief.com](http://ArizonaForeclosureRelief.com)



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Thank you for taking the time to request our free report on how to avoid foreclosure in Arizona. We greatly empathize with anyone facing difficult financial hardships and we will do everything we can to help.

With over 18 years of REO experience we have successfully negotiated short sales in pre-foreclosure and worked effectively and efficiently with attorneys and banks. We always exceed the needs of our clients with outstanding results and have helped countless homeowners save their homes from foreclosure.

We value your time so let's get to it. In the following pages you will find informative options for avoiding foreclosure. If you have any questions whatsoever, please do not hesitate to contact us for more information or help.

**CALL TODAY:  
480.948.6260**





## Options for Avoiding Foreclosure in Arizona

*ArizonaForeclosureRelief.com*

### 1 **PAY MORTGAGE FIRST & JUGGLE BILLS:**

If you are able to, you should pay your mortgage first and then work out payment arrangements with other creditors. Times are tough so many creditors, auto finance companies, etc would rather work with someone who is being proactive than have to charge off a debt. Something is better than nothing and creditors/finance companies are acutely aware of this given current economic conditions. You have nothing to be ashamed of so go ahead and get extensions on your other obligations or obtain interest rate reductions when possible. Always pay your mortgage first if you can.

### 2 **GET CREDIT COUNSELING HELP:**

Don't underestimate the value of credit counseling. If you are facing foreclosure, this is a critical step that often gets overlooked. There are many reputable, non-profit counseling agencies that may be able to help you. A few good agencies in Arizona are:

- a. [www.takechargeamerica.org](http://www.takechargeamerica.org)
- b. [www.greenpath.com](http://www.greenpath.com)
- c. For a complete list of Department of Justice approved credit counseling agencies, click on the following link:

[http://www.justice.gov/ust/eo/bapcpa/ccde/CC\\_Files/CC\\_Approved\\_Agencies\\_HTML/cc\\_arizona/cc\\_arizona.htm](http://www.justice.gov/ust/eo/bapcpa/ccde/CC_Files/CC_Approved_Agencies_HTML/cc_arizona/cc_arizona.htm)

### 3 **EVALUATE YOUR MONTHLY EXPENSES:**

When facing the possibility of foreclosure, many people avoid looking at their monthly expenses—instead they opt to pretend like nothing is wrong with their financial picture and go about business as usual. A budget can be really helpful in terms of identifying where you can “trim the fat” from your expenses. It may be painful, but consider cutting out your cable television; shop at less expensive stores; sell items that you don't use on Craigslist or Ebay; consider selling one car if you have two; There are countless ways to reduce expenses and if you get aggressive, you just might be able to turn the tides in your favor.

### 4 **APPLY FOR MORTGAGE ASSISTANCE THROUGH YOUR LENDER:**

Some lenders, [take Citi Mortgage for example] offer “foreclosure prevention programs” whereby the lender will accept a greatly reduced mortgage payment for a limited time period. These types of programs typically require the completion of a great deal of paperwork and could take 30-90 days for approval. If your lender offers this program, act quickly to avoid falling farther behind with your mortgage payments.



## 5

### **REFINANCE YOUR HOME/MODIFY YOUR LOAN:**

By now you have probably heard about HAMP and HARP. In case you are unsure about these government programs, here is a brief rundown.

- a. Hamp (Home Affordable Modification Program) was created to help homeowners avoid foreclosure through loan modification (if certain conditions are met):
  - i. Loan must be originated prior to 1/1/2009
  - ii. Loan amount must be less than \$729,750
  - iii. Home must be your primary residence
  - iv. Must have a verifiable hardship
  - v. Your mortgage payment [including principal, interest, taxes, insurance and HOA dues must exceed 31% of your gross monthly income
  - vi. Must have income sufficient to make a modified payment
  
- b. Harp 2.0 (Home Affordable Refinance Program)--HARP 1.0 is old news so we will highlight changes made under the HARP 2.0 program:
  - i. Mortgage must be held by Fannie Mae or Freddie Mac. To determine if either entity holds your mortgage, check out the following websites to look-up your mortgage:  
[www.fanniemae.com/loanlookup](http://www.fanniemae.com/loanlookup)  
<https://ww3.freddiemac.com/corporate>
  - ii. No "underwater limit"—borrower may refinance no matter how far loan has fallen in value
  - iii. Most homeowners do not have to get an appraisal or go through underwriting under this program
  - iv. Refinance deadline has been extended to 12/31/13
  - v. To find out if you qualify under HARP 2.0, check out the Zillow eligibility calculator at:  
<http://www.zillow.com/mortgage-calculator/harp-eligibility/>  
You can also find a list of Making Home Affordable options at:  
<http://www.makinghomeaffordable.gov/programs/view-all-programs/Pages/default.aspx>
  
- c. Standard Loan Modification or Refinance—If you don't qualify for a Making Home Affordable option, contact your lender directly. You may be able to refinance or modify your loan via the in-house lender programs. With regards to refinancing and loan modifications, be very wary of companies promising a quick fix to your financial troubles. Tough times bring out all the scam artists and predators who would think nothing about taking your last dime with the promise of modifying or refinancing your loan.
  
- d. REINSTATEMENT OF LOAN: This is not a likely option when faced with



foreclosure, but if the funds are available, the homeowner can request the total amount owed to bring the mortgage current and can pay off the balance.

- e. **SHORT REFINANCE:** In this situation, the homeowner refinances the property for less than what is owed.
- f. **FORBEARANCE/REPAYMENT PLAN:** After falling behind on payments, the homeowner may be able to work out a repayment plan for the past due balance.

## **6 CONSULT WITH LEGAL COUNSEL TO DETERMINE YOUR OPTIONS:**

Although you must seek legal counsel with regards to bankruptcy options, we can tell you that the filing of any chapter [Chapter 13, 7, etc] should effectively stop a foreclosure proceeding [even though it would only be temporary]. Filing for bankruptcy is a complicated and serious undertaking. If you would like a referral for a competent bankruptcy attorney, please contact our office.

## **7 DEED IN LIEU OF FORECLOSURE:**

If the lender agrees, a homeowner can simply return the home to the lender and walk away without going through foreclosure.

## **8 DEED FOR LEASE:**

If the property is FHA insured, it may be possible to return the home to the lender [via the deed] and lease the property back from the lender for up to 12 months.

## **9 STANDARD SALE OF THE PROPERTY:**

For the few lucky folks who have some equity, a licensed and qualified real estate agent can sell the home prior to foreclosure.

## **10 FIND TENANT FOR YOUR HOME:**

If the home can be rented for an amount that covers the mortgage, this might be a viable option (especially in today's landlord favorable market).

## **11 HAP—Homeowners Assistance Program:**

The Department of Defense created a program to help military personnel along with federal civilian employees who are facing foreclosure when real estate values decline due to a base closure or realignment announcement. There are a number of programs within HAP including private sales, foreclosure assistance and government purchases. To find out more about the HAP program, go to: <http://hap.usace.army.mil/>

## **12 SCRA 303—Service Members Civil Relief Act:**

If a member of the military is facing financial distress due to deployment and the deployment occurred prior to entering into the debt, temporary financial relief might be available.



# 13

## **SELL YOUR HOME PRIOR TO FORECLOSURE VIA A SHORT SALE OR SHORT PAY-OFF:**

What is a short sale? Simply put, a short sale or short pay-off is the sale of real estate where-by the home is sold for less than the liens secured against the home. A short sale is one of the most effective ways to avoid foreclosure if you qualify. You may be able to complete one of three types of conventional short sales or you may qualify for a HAFA short sale.

HAFA—Home Affordable Foreclosure Alternatives program: The HAFA short sale program provides many benefits to the homeowner:

- You can get free advice from HUD-approved housing counselors and licensed real estate professionals
- Unlike conventional short sales, a HAFA short sale completely releases you from your mortgage debt after selling the property. This means you will no longer be responsible for the amount that falls “short” of the amount you still owe. The deficiency is guaranteed to be waived by the servicer.
- In a HAFA short sale, your mortgage company works with you to determine an acceptable sale price.
- HAFA has a less negative effect on your credit score than foreclosure or conventional short sales.
- When you close, HAFA provides \$3,000 in relocation assistance

If the following criteria are met, you may qualify for a HAFA short sale:

- You live in the home or have lived there within the last 12 months.
- You have a documented financial hardship.
- You have not purchased a new house within the last 12 months.
- Your first mortgage is less than \$729,750.
- You obtained your mortgage on or before January 1, 2009.
- You must not have been convicted within the last 10 years of felony larceny, theft, fraud, forgery, money laundering or tax evasion in connection with a mortgage or real estate transaction.

To find out more about HAFA, go to: <http://makinghomeaffordable.gov>

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**Our foreclosure relief team is dedicated to helping home owners avoid the credit devastation of foreclosure through the completion of a successful short sale. Short sales are much more complicated than normal real estate transactions and should be entrusted to professionals with the experience, knowledge and tenacity to manage them effectively.**

**Jay Martinez leads the Arizona Foreclosure Relief team—he is a Certified Distressed Property Expert [CDPE] and he is well versed in the short sale process having helped many homeowners just like you. If you would like to see if you qualify for a short sale, please contact Jay today and request a Pre-Short Sale Checklist.**

**FOR MORE INFORMATION CONTACT:**

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