

# FROM FORECLOSURE

# TO FREEDOM

How **Real Homeowners**  
Escaped an Unmanageable  
Mortgage without Going  
Through Foreclosure



Information courtesy of

Tamara Inzunza, Associate Broker  
RE/MAX Executives  
2104 Mt Vernon Avenue  
Alexandria, VA 22301  
703-222-4663 / 703-623-8759

## FROM FORECLOSURE TO FREEDOM

### How Real Homeowners Escaped an Unmanageable Mortgage Without Going Through Foreclosure.

When a homeowner is in danger of losing their home to foreclosure, it can be a very emotional time. Some homeowners feel angry, others may feel shame or even helplessness. But one of the most common feelings for homeowners in this situation is that of being alone with no one to help. They often feel as if no one has experienced or understands their circumstances.

Nothing could be further from the truth. There are millions of homeowners who have been in this exact situation, and many of them have found ways to get through it without having their future damaged by a foreclosure.

Below are three stories of homeowners who found themselves in danger of losing their homes. Instead of giving up, they sought help to find a way to move on with their lives and protect their future.

*“My miracle came through a red envelope in the mail...”*

**Punipua W. of Hawaii found herself struggling to keep her home after her husband passed away.**

“With only my income, I was no longer able to make my monthly mortgage payment,” she said. “My hus-

band did not have life insurance, except for a small payment from his job that helped pay for funeral expenses.”

Faced with the prospect of losing the home she and her husband had bought together, she began looking for alternatives to help her keep the home. She’d heard of a loan modification (in which the bank changes the terms of an existing loan to make it more affordable on a monthly basis, usually by extending the life of the loan) and began calling for more information.

She pleaded with the bank for relief, “but their responses gave me little information and even less hope.”

The prospect of losing the home she and her husband had shared for over 20 years was difficult. “I was so distraught,” she said. “I did not know where to turn.”

“Then, one day, my miracle came through a red envelope in the mail.

Punipua had received lots of mail from people promising her solutions but failing to deliver results. “My first response was to throw it in the trash, but for some reason I decided to open it. I’m so relieved I did!”

In the envelope was a note from a local real estate agent with the Certified Distressed Property Expert® designation (or CDPE). This designation meant that the agent was trained specifically to help people like Punipua. She called the agent.

**“About four hours after I made the call, he was at my door offering help. I told him my story.”**

In merely two days, she received a call from the bank saying that the president of the bank was reviewing her file. “That was a good sign,” she said.

A few days after that, Punipua had been approved for a trial loan modification. The three month trial was required to ensure that she would be able to make the new payments. “I passed the trial period,” she said, “and now my loan has been permanently modified to a rate that I can afford.

“There were many tears of gratitude at the miracle that came to me in the form of my agent. I thank god for sending me that miracle.”

***“I don’t think we would have the hope and opportunity we have now had we not gone through a short sale...”***

**For Dan and Jessica M. of Grand Blanc Township, Michigan, their homeownership dream always involved building a house on a piece of land.**

**“We build a house on half an acre,” said Dan.**

In order to achieve their dream, they stretched a little beyond what they were comfortable with by getting two adjustable rate mortgages, a common practice at the time. “The introductory rates were 8.5% and 11.5%, but our lender said, ‘Don’t worry, you can refinance after two years.’”

For a while, they were getting by. Then, a couple of things happened. “We had our first child, and soon afterward, Jessica lost her job,” said Dan. “Soon, bills started piling up.”

Because they believed they’d be able to refinance, they started paying their bills on credit cards. “We hung on for the full two years hoping we could refinance at a lower interest rate, but when the time came, our lender said no because our home’s appreciation was too low.”

Their payments began increasing. Starting at \$1,500/month, the payments ballooned about \$100 more every month. Before long, the monthly cost went beyond anything they were able to afford.

“I tried to find more work,” said Dan, “Jessica found a temporary position and I worked nights, but not getting to see each other for days became too much. I couldn’t believe the strain on our marriage.”

Dan and Jessica had a couple of friends who had been in a similar situation, so they put them in touch with the agent who had helped them out. Also a CDPE, the agent had a lot of information for them. “She came to our house, looked at our financial situation, and explained all of our options.”

Most importantly, the agent explained the difference between a foreclosure and a short sale. In a short sale, the bank agrees to allow the home to be sold for less than the amount due on the loan.

**“With this information, we were able to decide that a short sale was our best option.”**

It was a stressful process, but the agent helped them tremendously. She even kept a potential buyer from walking when the process was taking longer than expected. “Honestly, if it weren’t for her, the buyer would have left and we’d have been stuck.”

“I can see why a lot of people might give up,” he said. “But I don’t think we would have the hope and opportunity we have now had we not gone through a short sale. It was most important who our agent was. She was honest and encouraging and helped us reach this happier, more stable place in our lives.”



*“...This is the best option for us to rebuild and start fresh...”*

**For Lian S. of Lakewood, Ohio, her financial troubles began with a miscommunication.**

Lian and her husband had just had triplets who were born extremely premature. “I was on bed rest months before they were born and they had to remain in the hospital for four months afterwards.

Despite the difficulties, they were still making their payments. “We had never been late on our mortgage since purchasing the house. Then I called my lender to push back our payment date a week or two to better align with our earning schedule,” she said.

The bank went even further, offering them a trial loan modification to help ease their payments. “We were placed in the trial program while they processed our application for the program,” said Lian.

Unfortunately, a mixup with the paperwork at the bank caused some issues. Even though the loan modification department was processing their application, all the collections department knew was that they were making payments for less than they owed. “We were getting collections calls, but our bank told us to ignore them.”

Then, the worst-case scenario happened. After months of processing, the bank told them that they didn't qualify for the loan modification and that they would have to come up with the \$12,000 they missed on their original payments.

“We couldn't come up with the money,” she said. “At that point, we realized that even though we loved this house, we'll unfortunately need to move out.”

They had done their research and knew that a short sale was probably their best option. They sought out a realtor who was knowledgeable about short sales.

The agent, a CDPE, got the foreclosure proceedings halted immediately. “She was an expert in the field of short sales and knew all the ins and outs,” said Lian.

The agent sold the house and Lian and her husband feel grateful. “We try and look at the positives,” she said. “We got out of the shadow of the bank and foreclosure, and we have three healthy children. Beyond this, we just let the negative roll off of our backs.”

**If you or someone you know is in this situation, you are not alone!**

These are just three stories of homeowners who found themselves in danger of losing their home. There are options for people in this situation. As a CDPE, I am uniquely qualified to help you navigate all of your options and come up with the best possible solution. Contact me today for a free, confidential consultation and take the first step towards becoming the next success story.



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