

## Ten Reasons to Avoid Foreclosure

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1. **Foreclosure Follows You** – Homeowners will always have to disclose that they have had a foreclosure on any mortgage application (and many job applications) that they submit in the future. This can have an adverse affect on their future mortgage rates. This is a credit item that is asked about specifically in credit inquiries. There is no seven-year time limit on this item.
2. **Credit Score Negative Impact** – Credit scores will be lowered by 300-plus points (per loan). Along with bankruptcy, a foreclosure is one of the most devastating credit issues you can have in relation to future credit availability.
3. **Ineligibility for a Government-Insured Loan** – The homeowner will be ineligible for a government-insured loan for 5-7 years (only two years in a short sale). A foreclosure is the one credit report item that is almost impossible to have repaired.
4. **Possibility of Deficiency Judgment** – Your lender can seek a deficiency judgment against you and collect any amount they do not recuperate at the bank sale.
5. **Negative in Employment Credit Checks** – Many employers run credit checks on prospective employees. Foreclosure is one of the top items that will put a potential new hire in jeopardy.
6. **Potentially Damaging in Current Employment** – Many current employers run credit checks. A foreclosure can put a current position in jeopardy.
7. **Negative on Security Clearances** – Security clearances and government positions—including but not limited to military and law enforcement—can be jeopardized by a foreclosure. Revocation of security clearance can result in job reassignment or loss.
8. **Lower Tax Liability than Foreclosure** – The tax liability in a foreclosure may be much higher than in a properly negotiated short sale, since canceled debt will be higher in a foreclosure.
9. **Written and Agreed Terms** – A short sale is a written negotiated settlement with agreed terms whereas a foreclosure is a taking of your property with no terms and no written settlement.
10. **You Have Alternatives** – As your expert, I will explore every option with you and work toward the best resolution.

While it may not seem like it now, there will come a time when your current financial troubles will pass. You will feel much better knowing that you did everything you could to avoid the devastating financial consequences that so many people face today.



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