



## *Avoiding Foreclosure*

Foreclosure is the legal means a lender uses to repossess your home after you've missed several mortgage payments. A foreclosure can affect your credit rating for up to ten years making it difficult to obtain affordable credit or purchase a home in the future. You also lose the money you've invested in the property. We understand these are difficult times and would like to help you through them.

### Step One -

- Prioritize your spending – after healthcare your home should come first
- Track expenses to find areas to trim spending
- Look for ways to generate additional income such as additional work hours, part-time job, selling a recreational vehicle, consolidating debt, dining out and entertainment
- Consult with a debt counseling agency

For a comprehensive list of community counseling agencies, visit the Department of Housing and Urban Development (HUD) or call 800-569-4287

### Step Two –

Talk to your lender about a loan modification to lower your rate, defer monthly payments or extend the term to lower payments. If your loan is with us our toll free number is 800-445-PFCU.

### Step Three –

Look into other lending options in the marketplace. HOPE for Homeowners offers affordable refinancing options or call HUD at 800-569-4287.

### Step Four -

If you do find yourself in foreclosure proceedings and have exhausted all of the above options you should try to sell the property and get out from under the debt to save your credit rating.

- A pre-foreclosure sale – to attract buyers you may need to discount the price.
- A deed in lieu of foreclosure – you sign over your property to the lender
- A short sale – your lender must agree to the reduced price, this will not pay your loan