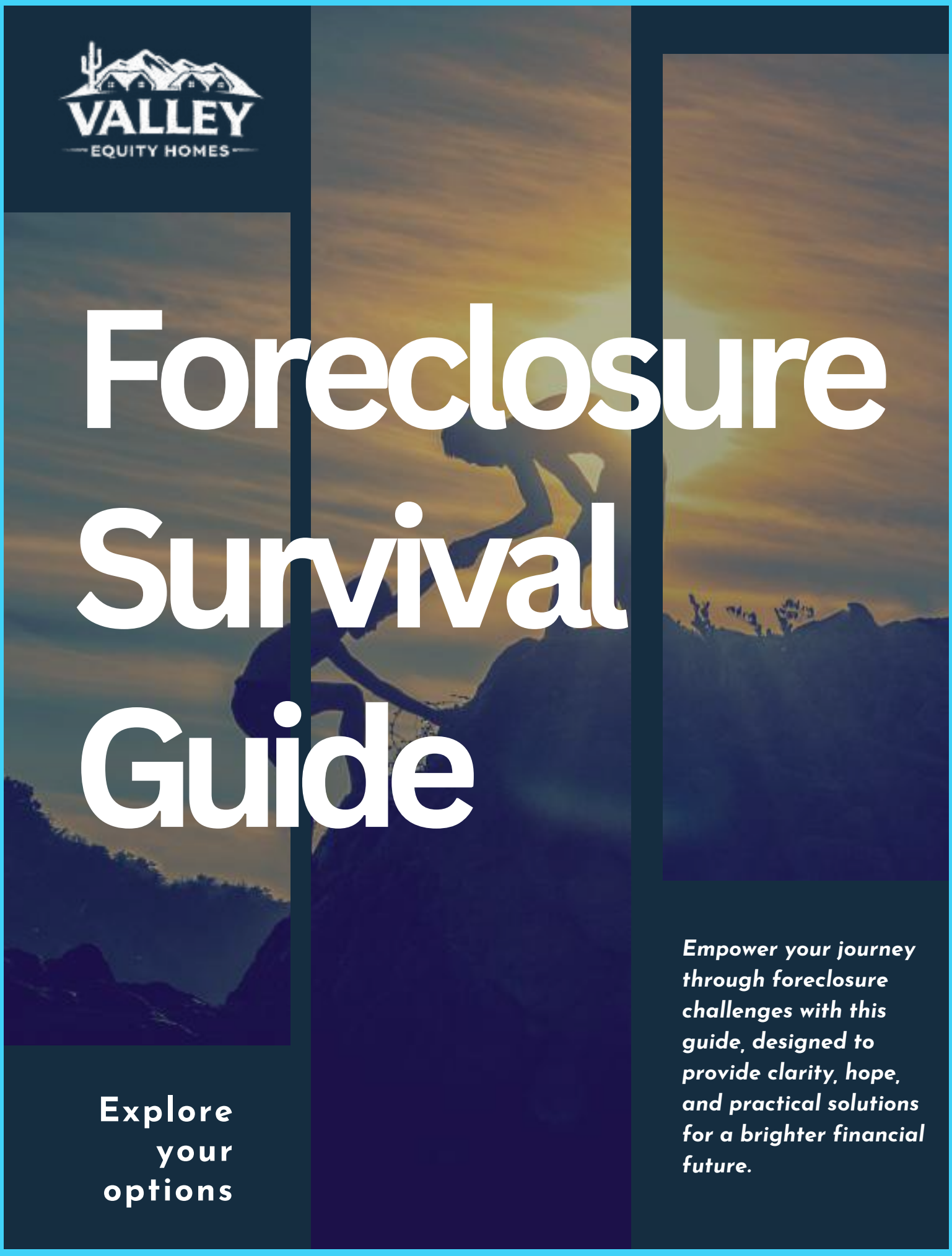
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Foreclosure Survival Guide



Explore your options

Empower your journey through foreclosure challenges with this guide, designed to provide clarity, hope, and practical solutions for a brighter financial future.

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Summary for Homeowners

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1

Understanding Loan Modification

- A loan modification is a change made to the terms of an existing loan by a lender.
- It typically involves reducing the interest rate, extending the payment period, or reducing the principal balance.
- Aimed at making the loan more affordable for the borrower.

Types of
LOAN MODIFICATIONS:

2

1. **Rate Reduction:** Lowering the interest rate to reduce monthly payments.
2. **Term Extension:**: Increasing the loan term to spread out payments over a longer period.
3. **Principal Forbearance:** Temporarily reducing or suspending principal payments.
4. **Principal Reduction:** Permanently reducing the loan balance.

3

Loan Modification Statistics:

- High approval chances if earning 1.5 - 2x the mortgage payment and having stable employment.
- If you've applied for a modification within the past 12 months, you will likely not get approved.
- Large institutions like Wells Fargo or US Bank are difficult to work with, (but we have some tricks up our sleeve!)





4

Our Resources:

- Less than 5% of people who attempt a modification on their own are approved
- Introducing our "DIY Guide to Modify Your Loan in 3 Steps" for better success.

5



Our Expertise and Success:

- Assisted over 100 families with loan modifications in 2023.
- Successfully helped more than 88 families avoid foreclosure.
- 13+ years of experience working with lenders.
- Direct contacts in many lender offices, ensuring efficient communication.
- Expertise in presenting cases for the best odds of approval.

6

Navigating the

LOAN MODIFICATION

Process

- **Initial Consultation:** We provide a free assessment of your financial situation and loan status.
- **Document Preparation:** We guide you in gathering and preparing all necessary financial documents.
- **Application Submission:** Assistance in accurately completing and submitting the loan modification application.
- **Negotiation with Lenders:** Our team negotiates on your behalf to achieve the most favorable terms.
- **Ongoing Support:** Throughout the process, we provide continuous support and updates.
- **Successful Modification:** Our goal is to achieve a loan modification that ensures long-term affordability and stability.



Key Advantage: By partnering with us, homeowners gain a knowledgeable ally to navigate the complex loan modification process, increasing the likelihood of a successful outcome.

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DIY GUIDE TO MODIFY YOUR LOAN IN 3 STEPS

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WHAT IS A LOAN MODIFICATION

A loan modification is a change to your mortgage terms, designed to make your payments more affordable during times of financial hardship:

1. **Job Loss**
2. **Huge Medical Expenses**
3. **Increased Expenses**
4. **Adjustable-Rate Reset**
5. **Loss of a Family Member**
6. **Etc.**

A Loan Modification could save your home from foreclosure and protect your credit score during these tough times.

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WHAT IS A LOAN MODIFICATION

Here's what can happen with a loan modification...

1.Cut the interest rate: Your lender can lower the interest rate on your loan, which reduces the amount you pay every month.

2.Extend the repayment period: Your lender can make the loan last longer (for example, changing a 30-year loan to a 40-year loan). This means you pay less each month, but you'll end up paying for a longer time and will pay more in interest over the life of the loan.

3.Reduce the principal: Sometimes the lender might reduce the amount you owe on the loan. This can significantly lower your payments, but be aware that this forgiven debt may be considered taxable income.

4.Convert to a fixed-rate loan from an adjustable rate: If you have a loan where the interest rate changes (adjustable rate), your payments can vary a lot. Switching to a fixed rate stabilizes your payments by setting one interest rate that won't change over the remainder of the loan term.

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Start by collecting all the documents that paint a picture of your financial situation.
You'll need:

1.Financial Statements: This includes bank statements, pay stubs, and any other documents that show your current financial status.

2.Tax Returns: Gather your last two years of tax returns to show your earnings and taxes paid.

3.Hardship Letter: Write a detailed explanation of your hardship, why you need the loan modification, and how you plan to keep up with the new payment terms.

4.Expense List: Detail all of your monthly expenses to illustrate why your current mortgage payment is unsustainable.

GATHER YOUR INFORMATION



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Understand whether you need a short-term fix or a long-term solution to your financial hardship. Know the details of what you're asking for—be it a reduced interest rate, an extended loan term, or a different type of relief.

See the sample Hardship Letter Below:



PLAN YOUR CASE

[Your Full Name]
[Your Address]
[Email Address]
[Phone Number]
[Today's Date]
[Loan Number]

XYZ Lender
[XYZ Lender Address]

Attention: Loss Mitigation Department

Subject: Request for Mortgage Assistance – [Your Full Name], Loan Number [Your Loan Number]

Dear Sir/Madam,

I am writing this letter to explain the unfortunate set of circumstances that have caused my mortgage payments to become delinquent. I fully understand my financial responsibilities and am deeply saddened to find myself in this position, but I have recently lost my job and am actively searching for employment. It was always my intention to fulfill my obligations, and I am reaching out in the hope of finding a solution that will allow me to do so in the future.

Since [insert job loss date], I have been without a job, which has severely impacted my financial situation. My unemployment benefits have not been sufficient to cover my monthly expenses, and, despite cutting back on non-essential expenses and actively job hunting, I have fallen behind on my payments. Please understand that this is not a reflection of my willingness to pay, but rather a reflection of my current inability to do so.

I am determined to keep my home and avoid foreclosure. I am proactively seeking a new job, and I am optimistic about my prospects. In the interim, I am requesting assistance to lower my monthly payment to a more manageable amount. A reduced interest rate or an extension of the loan term could significantly help reduce my financial burden.

I appreciate that XYZ Lender has always been a partner to homeowners, helping them to navigate through difficult times. Here is how I plan to get back on track:

Rigorous Job Search: I am dedicating my time to securing new employment and have registered with multiple recruitment agencies.
Strict Budgeting: I have created a stringent budget plan to ensure that all available funds are allocated towards essential expenses and loan repayments.
Financial Counseling: I am willing to undergo financial counseling to manage my finances more effectively.
I humbly ask for your help to modify my loan. I am willing to provide all necessary documentation to demonstrate my financial hardship and to work with you to find a solution that is mutually beneficial.

Please consider my application for a loan modification. I am hopeful for an opportunity to regain my financial footing and continue honoring the agreement between us. I would greatly appreciate any options you can provide for lowering my monthly payments to avoid further delinquency.

Thank you for your time and understanding in this matter. I await your positive response and am willing to discuss this with you at your earliest convenience.

Sincerely,

[Your Full Name]



3 CONTACT YOUR SERVICER

Reach out to your mortgage servicer:

1.Initial Contact: Call your servicer, stating clearly that you are interested in applying for a loan modification. Be polite but persistent.

2.Application Process: Follow their process, which usually involves filling out a list of forms and submitting your documents.

3.Follow Up: Lenders are inherently bad at following up. We recommend you follow up every 2-3 days to check on the progress of your application.

4.Appeal: If you're not approved and you believe the decision was made in error, or if your circumstances have changed, request a second review—especially if you're within the critical three-month period before a foreclosure sale.

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1.Keep Copies: Save copies of all documents you send to your lender.

2.Stay Organized: Keep a log of all communications with your lender, including dates, times, and the names of any representatives you speak to.

3.Be Honest: Present an accurate picture of your finances. Misrepresenting your situation can lead to more trouble.

4.Patience Is Key: The process can be slow. Stay on top of it, but be prepared for it to take time.

5.Professional Advice: Consider seeking help from a HUD-approved housing counselor for free guidance on your options.

Following these steps can significantly increase your chances of getting your loan modification approved and stabilizing your financial situation.

IMPORTANT TIPS FOR APPLYING

YOU'RE APPROVED!! WHAT NOW?

After You Get Approved for a Modification, You Should Ask:

1.Is this a permanent change or just for a short period?
2.What will my new monthly payment be?

You should also be cautious about:

1.Understanding the long-term cost. Sometimes modifications that lower your payments now can lead to paying more in the long run.

2.Avoiding modifications that might have low payments for a few years but then a significant increase after that (a balloon payment).

3.Modification Scams: **NEVER WIRE FUNDS TO ANYONE CLAIMING THEY CAN GET YOUR LOAN MODIFIED FOR AN UPFRONT PAYMENT**

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LOAN MODIFICATION CHECKLIST

The next page outlines everything you'll need to round-up in order to submit a full and complete application.

Make sure you submit everything all at once. Otherwise your application is at risk of be tossed out!

LOAN MODIFICATION CHECKLIST

- [ ] *1. Financial Documents:*
  - *a. Bank statements*
  - *b. Pay stubs*
  - *c. Any other proof of income*
- [ ] *2. Tax Information:*
  - *a. 2 years of tax returns*
  - *b. IRS Form 4506-T if required*
- [ ] *3. Hardship Letter:*
  - *a. A personal letter detailing the circumstances of your hardship*
- [ ] *4. Expense Details:*
  - *a. A comprehensive list of your monthly expenses*
- [ ] *5. Loan Information:*
  - *a. The current terms of your mortgage, including balance and interest rate*
- [ ] *6.Contact Details:*
  - *a. Information for your mortgage servicer and any counselors or attorneys assisting you.*
- [ ] *7. Case Plan:*
  - *a. A clear outline of what you're seeking, whether it's a temporary or permanent modification.*

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UNDERSTANDING SHORT SALES

A GUIDE FOR HOMEOWNERS

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Key Takeaways

- A short sale occurs when a lender agrees to sell a property for less than the outstanding mortgage balance.
- The process involves both the bank and the seller.
- Patience is key for both buyers and sellers due to the intricate process.

1

10 Benefits of A Short Sale

2

1. Sell at market value, which is less than the mortgage owed.
2. Eliminate mortgage debt, often with debt forgiveness.
3. Less damaging to credit score compared to foreclosure.
4. Maintain the dignity of selling your home.
5. Stay in your home until the sale is completed.
6. Operate on your own timeline.
7. No fees – the bank covers all costs.
8. Sell "as-is" without any home repairs.
9. Discreet handling of the sale.
10. Potential for bank-provided "relocation assistance

3

What Is Required to Complete A Short Sale?

- Home value must be less than the mortgage balance plus selling fees.
- Must have an extenuating circumstance preventing mortgage payment or home retention.
- Foreclosure, unemployment, or mortgage delinquency is not required.



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4

Why Would A Lender Accept a Short Sale?

- It's often less costly than foreclosure.
- Foreclosures involve longer processes, risks of property damage, and high legal fees.



5

Why Do Homeowners Choose To Do a Short Sale?

- Preferable to foreclosure for reasons like control over the process, reduced credit impact, and potential tax benefits.
- No cost to the homeowner and no profit made.

7 Steps of the
SHORT SALE
Process:

6

1. Hire a real estate agent.
2. Contact the lender(s).
3. List the property and accept an offer.
4. Submit a short sale package to the lender(s).
5. Await lender review and approval.
6. Enter and complete the escrow period.
7. Close escrow.



7

The Short Sale Experts at Valley Equity Homes!

1. We have short sale experts on our team that have 10+ years of experience.
2. We've negotiated up to $5,000 for our clients at closing.
3. We handle the entire process and you get to stay in your house ***without paying a single mortgage payment*** for up to 9 months!



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DIY CREDIT REPAIR GUIDE & CHECKLIST

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ASSESS YOUR CREDIT SITUATION

- **Introduction:** Understand why your credit scores dropped.
- **Check Your Credit Scores:** Access free credit scores through your credit card company or online services.
- **Examine Your Credit Reports:** Obtain free annual credit reports from Equifax®, Experian™, and TransUnion® via AnnualCreditReport.com.
  - *Look for errors, fraud, late payments, and over-limit accounts.*
- **Create a Plan of Action:** Identify areas needing improvement. Consider seeking help from a credit counselor if needed.

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DISPUTE INACCURATE INFORMATION

- **Initiate Disputes:** If you find inaccuracies in your credit reports, dispute them with the relevant credit bureau.
- **609 Dispute Letters:** Utilize section 609 of the Fair Credit Reporting Act to dispute items. Send certified letters to each credit agency for verification.
  - *Use the template letter on the next page as your guide. Send these to creditors where you believe you have found an inaccuracy.*
- **Response and Further Steps:** Await bureau responses and follow up as necessary. Consider additional actions like contacting the Consumer Financial Protection Bureau or a consumer protection attorney for unresolved disputes.

[Your name]
[Your return address]
[Date]

Complaint Department
[Company Name]
[Street Address]
[City, State, Zip Code]

Dear Sir or Madam:

I am writing to dispute the following information in my file. I have circled the items I dispute on the attached copy of the report I received.

This item [identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.] is [inaccurate or incomplete] because [describe what is inaccurate or incomplete and why]. I am requesting that the item be removed [or request another specific change] to correct the information.

Enclosed are copies of [use this sentence if applicable and describe any enclosed documentation, such as payment records and court documents] supporting my position. Please reinvestigate this [these] matter[s] and [delete or correct] the disputed item[s] as soon as possible.

Sincerely,
[Your name]
[Phone number]

Enclosures:

[List what you are enclosing.]

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- **Importance of Debt Reduction:** Reducing debt significantly impacts your credit score.
  - ***Snowball Method:*** *pay off debts from smallest to largest, gaining momentum as each smaller debt is cleared.*

- **Strategies:** Pay a little more than the minimum on credit cards, consider debt consolidation for high-interest debts, and keep old credit card accounts open.

- **Negotiate with Lenders:** If struggling, negotiate for manageable repayment plans or settlements with your creditors.

- **Handling Collection Accounts:** Exercise caution with old collection accounts to avoid reactivating them. It's usually best to wait until you have the entire amount that's due. Collection accounts are deleted from credit reports 7 years after the date of default.

PAY DOWN DEBTS

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LEARN RESPONSIBLE FINANCIAL HABITS

- **On-Time Payments:** Never miss loan or credit card payments. Set up autopay to avoid late payments.
- **Minimize Interest:** Aim to pay the entire balance on credit cards monthly to avoid added interest.
- **Monitoring:** Regularly check your accounts to confirm payments and track your credit health.
  - ***Credit Karma*** *is a FREE app that will keep you up to date on your credit!*
  - ***Rocket Money*** *is an app designed to manage finances by tracking spending, canceling unwanted subscriptions, and negotiating bills to save money.*

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- **Become an Authorized User:** Ask a family member or friend with good credit to add you as an authorized user on their credit card. This can help improve your credit based on their payment history, although not all card issuers report to credit bureaus.

- **Open a Secured Credit Card:** Take a look at opening secured credit card where you make a refundable deposit to set your credit limit. Use it responsibly and it can help rebuild your credit, despite the initial impact of a hard credit inquiry.

- **Credit Builder Loans:** These loans involve making fixed payments and receiving the loan amount at the end; they are designed to help build your credit and work well alongside secured credit cards to diversify your credit profile.

BUILD NEW CREDIT

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- **Assess Your Credit Situation:** Begin by understanding why your credit score is low and review your credit reports for any discrepancies.
- **Dispute Inaccurate Information:** Challenge any errors found in your credit reports to ensure accuracy.
- **Pay Down Debts:** Work on reducing your overall debt, prioritizing high-interest debts first.
- **Learn Responsible Financial Habits:** Consistently make on-time payments and monitor your credit and financial accounts regularly.
- **Build New Credit:** Consider becoming an authorized user on a reliable person's credit card, open a secured credit card, or try a credit builder loan to improve your credit mix.

Patience and Persistence:

Credit repair is a journey that requires time and patience. The effects of your efforts to manage debts, correct inaccuracies, and build new credit will gradually become evident in your credit reports. This process can take anywhere from a few months to several years, depending on the complexity of your credit issues.

Remember...

Consistent and dedicated effort is key to repairing bad credit. There are no quick fixes, but with commitment and the right strategies, you can steadily improve your credit score. Don’t hesitate to reach out to us for help or revisit this guide whenever needed to stay on track.

CREDIT REPAIR GUIDE SUMMARY

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CREDIT REPAIR CHECKLIST

The next page outlines what you'll need to do in order to start the credit repair process

If you have any trouble, our credit repair specialist can help!

CREDIT REPAIR CHECKLIST

Request Copies Of Reports

- [ ] 1. Go to *annualcreditreport.com* and request a FREE credit report from each of the reporting agencies - Equifax, TransUnion, and Experian (you can get 1 free copy every 12 months)
- [ ] 2. Review your reports carefully and take note of any errors
- [ ] 3. File disputes for any errors with each agency online:
    a. equifax.com
    b. transunion.com
    c. experian.com
- [ ] 4. File disputes for any errors with each information provider (each bank or credit card company)

Pay Bills On Time

- [ ] 1. Make at least the very bare minimum payment on all accounts (paying a few dollars more than the minimum can have a more positive impact on your credit than the bare minimum).
- [ ] 2. If you have any delinquent accounts, work to get those current ASAP.

Pay Down Credit Cards

- [ ] 1. List all of your accounts with balances, interest rates, and monthly minimums in a spreadsheet. Then organize by outstanding balance from the smallest to largest.
- [ ] 2. Determine how much money you can put toward paying down debt monthly.
- [ ] 3. Put any extra money toward paying off the account with the lowest balance and make minimum payments on all other accounts.
- [ ] 4. Once the lowest is paid off, work to pay off the account with the next lowest balance in the same way.
- [ ] 5. Continue this strategy for all creditors.
- [ ] 6. Try not to use your credit cards unless it's an emergency to prevent further debt pile up.

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Equity CAPTURE

Selling Guide for Homeowners

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1

What Now?

- If you aren't approved for a loan modification, or you just want to sell to avoid foreclosure, our Equity Capture program is simple and straightforward.
- Our approach ensures a quick sale, putting an end to the foreclosure and cash in your pocket .
- Ideal for those seeking a hassle-free sale and quick relief from the pressure of foreclosure.

STEP-BY-STEP Sale Process**:**

2

1. **Agreement:** We begin with a clear and fair purchase agreement.
2. **Title and Due Diligence:** Handling all title searches and necessary due diligence.
3. **Closing:** Either at the title office location or we can come to you. We will pay off any loans and liens, the rest is yours!
4. **Cash in Your Pocket:** You'll receive the funds directly into your bank account within 24 hours of closing (unless there is a weekend or holiday the next day).

3

More Than Just Cash:

- **Cash Advance:** We can pay you up to $15,000 after we sign an agreement.
- **Extended Stay:** Option to remain in your home post-sale for a period of time. Typically up to 60 days.
- **Moving and Storage Assistance:** Help with movers and storage solutions.
- **Relocation Aid:** Support in finding your next home or temporary lodging.





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Valleyequityhomes@gmail.com



Comprehensive
RELOCATION
Services

- Access to our network of 6000+ investors for housing options in Kansas City.
- A personalized moving guide and a new home wishlist to tailor your move.
- Exclusive benefits guide providing resources for a smooth transition.

4

5

Our Commitment to You:

- Focused on creating a plan that benefits you most during the sale.
- Alleviating the stress of the selling and moving process.
- Dedicated to helping you smoothly transition to the next chapter of your life.



6

In-Depth Support

- **Market Analysis:** We provide a comprehensive analysis of the market to help you make the most informed decisions.
- **Personal Consultation:** In-depth discussions to understand your unique needs and goals.
- **Tailored Solutions:** Crafting customized selling strategies to maximize your cash at closing and other benefits we provide.
- **Financial Guidance:** Expert advice to navigate financial aspects of the sale.
- **Post-Sale Support:** Continued support even after the sale. You'll forever be a part of the Crown City family!



MOVING GUIDE

WHAT TO EXPECT



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MOVING GUIDE

1. What to Expect: Valley Equity Homes works diligently



- **Quick Process:** Our team works diligently to ensure a swift and efficient sale, making the transition as seamless as possible for you.
- **Dedicated Point of Contact:** We provide you with a dedicated representative to ensure all your queries are addressed promptly and to streamline the communication.
- **Supportive Staff:** Throughout the closing process, our dedicated team will be right by your side to answer any questions and assist you every step of the way.

2. Utility Setup & Transfer



- **Preparation:** Compile a list of all utilities such as water, electricity, gas, internet, and cable.
- **Contact:** At least two weeks before your move-out date, inform your utility providers about the transition.
- **Setup in New Residence:** To ensure you're not left in the dark, set up utilities at your new home ahead of your move-in date.

3. Packing Hacks



- **Start Early:** Tackle seldom-used items first. Box them up well in advance.
- **Labeling:** Color-coded stickers for different rooms can be a game-changer. They'll make unpacking at the new place faster and more organized.
- **Use Linens:** Protect breakables by wrapping them in towels or blankets, thus minimizing the need for bubble wrap.
- **Document:** Snap pictures of electronic setups; it'll be a lifesaver when reconnecting them in your new home.

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MOVING GUIDE



4. Change of Address

- Postal Service: Don't miss your mail. Update your address via USPS.com.
- Update Records: Notify your bank, insurance provider, and other key institutions about your new address.

5. Essential Moving Kit

Before moving day, pack a box or suitcase with must-haves:

- Toiletries: toothbrush, soap, toilet paper.
- Essential medications.
- A change of clothes.
- Quick snacks and bottled water.
- Basic tools: think scissors or a flashlight.
- Crucial documents.

6. Farewell Checklist

- Final Walkthrough: Before leaving, ensure a thorough walkthrough. Check every room, nook, and cranny to ensure nothing gets left behind.
- Stay Connected: Before departing, note down any essential information or instructions about the house that might be useful to the next family.

7. Additional Tips

- Pets: Plan for your pets on moving day. Consider enlisting the help of pet care services or a trusted friend.
- Eat Up: Use up perishable foods and consider donating non-perishables.
- Declutter: Moving is a great time to let go. Consider donating items you no longer need, ensuring they find a new home too.

CONTACTS



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Real Estate Recovery Group

Loan Modification
Specialists

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com

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