

Options:
Before & After a Sheriff's Sale

Before a Sheriff's Sale:

1. **Reinstate** your mortgage by paying the full amount of delinquent mortgage arrears in a lump sum by a specific date.
2. **Work out a loss mitigation strategy** directly with your mortgage company. The loss mitigation options available to you will depend upon your specific loan type. To be eligible for a loss mitigation work out option, you must submit a formal application and any required paperwork to your mortgage company. Most commonly, the required paperwork includes; 2 most recent pay stubs, 2 most recent bank statements, 2 years of income taxes, a letter of hardship and corresponding proof of your hardship.
3. **Refinance** your mortgage. If you choose this option while you are delinquent on your mortgage, **PROCEED CAUTIOUSLY** as you will be refinancing at a time when you would be considered to be a "high-risk". Your lending options may be with sub-prime lenders. Sub-prime lenders are lenders who specialize in lending to those considered to be a high credit risk. As a result of your credit risk, you will pay more in fees and costs to originate the loan. You should consider the following when looking at this option: your credit, unsecured versus secured debts, interest rates, balloon payments, and up front charges. Keep in mind, there are costs associated when refinancing a mortgage.
4. **Consult an attorney about filing for chapter 13 bankruptcy.** This should be considered as a last resort option! Filing for a chapter 13 bankruptcy will automatically stop a sheriff's sale from taking place and may allow you and your attorney to negotiate a repayment agreement with your mortgage company on the delinquent arrears. Bankruptcy will have a long term **NEGATIVE** affect on your credit history.
5. **Sell your home.** You should consult with a realtor to determine your selling options.

After a Sheriff's Sale:

After the sheriff's sale occurs, your mortgage will be extinguished and you will automatically enter into a six-month redemption period. During these six months you will continue to hold the title to your property and therefore the following options are available:

1. **Refinance your mortgage.** Again, you should be cautious of the various offers being presented to you during this time. Predatory lenders may target you. Predatory lenders differ from sub-prime lenders. Attached is an informational sheet that outlines some warning signs to watch out for predatory lenders.
2. **Sell your home.** Again, you should contact a realtor to determine your selling options.