

## How To Stop A Foreclosure

Written By: Bill and Kim Cook

In last week's column, we promised to talk about the five ways a property owner can stop a Foreclosure dead in its tracks.

Why is it important for Real Estate Investors to know how to stop a Foreclosure? Typically they are the only ones who *fully* understand how the Foreclosure process works and the five ways it can be stopped. Few, if any, property owners know and understand all of their options. When the property owner calls his mortgage company, he is told to call the Foreclosing attorney. When he calls the Foreclosing attorney, he is told to pay up the arrears or pay off the loan, period!

If the property owner calls a real estate agent or mortgage broker, unless that agent or broker also happens to be a Real Estate Investor, the property owner will not find answers to his questions.

So to whom does the property owner turn for the answers? Real Estate Investors, that's who. Since Foreclosures are such a big part of a Real Estate Investor's business, the investor had better have a thorough understanding of the five ways to stop a Foreclosure, as well as how the Foreclosure process works in Georgia.

Said in a bigger way, a Real Estate Investor needs to be **THE** Foreclosure expert to whom property owners and real estate professionals turn to for the answers.

So what are the five ways a property owner can stop a Foreclosure?

1. **ERROR IN THE FORECLOSURE PROCESS:** If the Foreclosing attorney makes an error in the Foreclosing process, the auction must be postponed. What are the two most common errors Foreclosing attorneys make? First, a property owner's Foreclosure Notice must appear in the county's "Paper of Record" for four consecutive weeks before the auction. If this doesn't happen, the property cannot be sold at auction the following month on the courthouse steps.

Second, the property can only be auctioned in front of the county's courthouse doors on the first Tuesday of the month, between the hours of 10 a.m. and 4 p.m. If the attorney gets to the courthouse after 4 p.m., he cannot auction the property.

2. **MORTGAGE IS PAID IN FULL:** If the property owner is able to pay off the balance of the mortgage that is in Foreclosure, then the Foreclosure process ends.

Problem is, if the property owner is in Foreclosure, rarely will he be able to qualify for a new mortgage. This means he must borrow the mortgage balance from family or friends. Unfortunately, very few folks have family or friends who have \$100,000 cash just sitting around doing nothing.

3. **CATCH UP THE ARREARS:** *This is the most common way folks stop a Foreclosure.* This is a pretty straightforward method. Let's say a property owner is behind on his mortgage payments by \$3,000. If he is able to get the \$3,000 to the Foreclosing attorney before the auction, the Foreclosure process stops cold. Let's face it, it's a lot easier to borrow \$3,000 from family or friends than it is to borrow \$100,000 to pay off the mortgage.
4. **BANKRUPTCY:** While declaring bankruptcy will stop or postpone a Foreclosure, it is a pretty complicated thing. Be sure to seek the council of an experienced bankruptcy attorney who gives solid, real world advice. Remember, all bankruptcy attorneys are not equal, some are much better than others.
5. **THE PROPERTY IS SOLD:** If the property owner sells his property and the buyer pays off or catches up the mortgage, the Foreclosure ends right then and right there. In the Real Estate Investing world, this is known as buying a property Pre-Foreclosure. This is often the best course of action for the property owner to take, and it is a great way to buy investment property.

What are the two main advantages to the property owner if he chooses to sell instead of losing his house at the Foreclosure auction? First, he keeps a Foreclosure off his record. Second, instead of getting nothing, he is able to put some money in his pocket at the time of sale.

Hope this series of columns has helped you to better understand how the Foreclosure process works in Georgia.