

What Options are there Other than Foreclosure?

by Isaac Benmergui, Esq on April 1, 2015

When you can no longer afford your home, foreclosure doesn't have to be your only option. There are several ways you can get out from under a home without foreclosing, although they all affect your credit score to some degree. However, a foreclosure can be devastating to your credit and it stays on your credit report for seven years, so other options are worth considering.

- **Loan Modification** – A loan modification is something you can work out directly with your lender. These take about a year to complete, and require only a tax return, debt report and a hardship letter. Many times lenders will give you a payment reduction in the short term or waive your payments until your modification is complete. You don't have to be behind on your payments to get a loan modification.
- **Deed-in-lieu** – This is like a foreclosure, but instead of going through the process, the homeowner just hands over the keys and walks away. Your credit report will indicate that the debt was settled for less than was owed, so even if you never had a late payment, it will still damage your credit.
- **Short Sale** – A short sale is when the bank approves a sale of your home for less than what is owed. These generally won't be approved unless you are behind on your payments. Short sales do affect your credit but won't stay on your credit as long as a foreclosure. You will need to find a real estate agent who is experienced with these types of sales since they take longer.

Call [Miami Real Estate Lawyer Isaac Benmergui](http://www.miamirealestatelawyer.com) at 305.397.8547 and set up a no charge, no obligation consultation to discuss your case. We have close to 10 years of experience handling Real Estate, Personal Injury, Immigration and Commercial Litigation cases throughout Miami and South Florida, and will use our expertise to help your case to the best of our abilities.

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