



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## What to Do to Avoid Foreclosure

An all too common experience nowadays with the deteriorating state of the economy is foreclosure. Once you fall behind in your mortgage payments, you can just about predict that foreclosure would be around the corner if you do not do anything about it. Once foreclosure proceedings have begun, it is difficult to deal with so the best thing to do is avoid it. But the question is, how?

The first thing you should do is contact your bank and explain your financial quandary to them. Your banker will likely be able to help you work out a revised mortgage plan. There is also the option of mortgage forbearance where your mortgage payments are postponed up to 12 months. This gives you the breathing space to settle your debt problems in the meantime.

The other thing you could do is negotiate a loan modification with your banker. A loan modification is where the terms of the original mortgage is changed so that it is more affordable to you. If you are genuine and explain your current financial situation, most bankers would be willing to offer you a loan modification. In this way, you can prevent your home from being auctioned in a foreclosure.

If you have taken the above actions but you still find that it is not enough to improve your debt situation, or your banker is not willing to help you then you are left with one final option to avoid foreclosure. It is to file for bankruptcy.

If your banker has not initiated foreclosure proceedings yet, you can file for bankruptcy and the moment you do, your banker will be issued an automatic stay notification which means he cannot continue with any foreclosure action. Any banker that ignores the automatic stay and

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continues to pursue collection efforts on you can be sued in court. In addition, your home will be federally exempt from any debt restructuring, so your banker cannot force you to sell it in an effort to collect on their debts. Bankruptcy is your right under the law so you should exercise this option to save your home from foreclosure.

In tomorrow's article, I will share on more specific ways bankruptcy can save your home from foreclosure.

If you want to find out more about how bankruptcy can help you avoid foreclosure, call us at (813) 200 4133 for a free consultation.

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