

Late on a Mortgage in a Pandemic

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This report is written and produced to assist the public and homeowners to assess and discern the risks of being late on a mortgage and near foreclosure. We do this for free and as goodwill towards consumers. Hopefully, if you need to sell your home, you will know right away how to find a real estate agent that cares about their clients and has systems in place to help you get the most money possible. That agent would be my firm, and myself.

The Facts: There is a moratorium (ban) on evictions and mortgages now until September 2021. This has allowed many people to be late on them without consequence. No eviction or foreclosure can take place until the ban is lifted. But the lenders are hurting and losing money, so there is pressure to get the ban lifted. This creates a day of reckoning for those tenants and homeowners coming up in a few months from now.

Once a lender files a foreclosure, thousands of dollars of legal fees are added to the mortgage and owed by the borrower to the lender in addition to the balance owed. Plus, all of the payments missed, and late charges are all added on too, plus a host of other administrative fees also. All this cost eats up a person's equity in their home very quickly.

Read on: September is quickly approaching, and the banks are in trouble right now so they have all of their paperwork ready to immediately file foreclosures on millions of properties the very day they are allowed to. Some homeowners haven't made a payment in a year!

During the last crash of 2008, it made sense to stay in your home as long as you could because equities were less at risk and it was just going to go to foreclosure and the lender would take the house. That is because in 2008, people had smaller equities to lose.

With as high as home values are now, most of today's owners are sitting on equity in the home. Even if they have missed multiple payments, they could still sell right

now and walk away with a big fat check. That is after paying late fees, late payments, various fees and more.

However, as soon as the foreclosure is filed, that **DRASTICALLY** changes things for the owner. It increases the expenses by a massive amount, regardless if they find the money to bring the loan current or renegotiate to add it to the end of the loan, etc. Attorney fees are often well over \$5,000 and court costs can get crazy too.

Plus, the homeowner/borrower is losing the equity to the accruing monthly payment that isn't being made, along with all of the fees that go with being late. In turn, a person is whittling away their equity to absolutely nothing, rather than being proactive and selling now and walking away with a big fat check by doing whatever is needed to do.

Why wait until they have a foreclosure filing on their credit? As the foreclosure is filed, their credit takes a hit right then due to the late mortgage payments. How would their credit look with an additional foreclosure filing and collections? And they walk away with much less money, and sometimes nothing.

They won't qualify to buy another house due to credit issues. And frankly, if they have a pending court case for a foreclosure, there's a really good chance they may not be able to rent anywhere. That's why it makes sense to sell the home quickly before September, so the escrow can close by then, and preserve whatever equity they have left and get a fresh start renting before a foreclosure is filed. They will be surprised how quickly the late fees are made less significant if they show 12 months of on-time rent payments in the place they move to.

The home may **NEVER** be worth more than it is today and in turn, their equity position would **NEVER** be higher than it is today, before extremely large expenses are tacked on in September. The next 45 days is a window with which to act and get out from under a coming problem.

Lastly, my firm has helped many get their homes sold, and we got them a great price. I spent a few years developing a network and following in the San Francisco Bay Area, where there are millions of people, and thousands of "all cash" buyers who would love to buy houses in Sacramento or Placer counties. Then, we have a system to market a person's home to the Sacramento Valley Tri-county area of Sacramento, Placer and El Dorado counties so a person can get multiple offers on

their home of people that are bidding with each other to get them even more money on their sale.

If you would like to discuss this with me more, and pick my brain for free advice, call me. I would be happy to come by and show you the home values in your close proximity and see your home and discuss it further. I am here for you, whatever you need. And if you are not selling, I would also be happy to discuss ideas to keep the home.

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Listen to a 4-minute “late on mortgage” video from me, Greg Nichols of MFN Realty, because this discussion fills in some gaps quickly. <https://fb.watch/6EgBxjdfWo/> (I give some insightful information in this video.)

I discuss high home values in the marketplace, and how much people are getting for their houses here in this **2-minute video**. We are at the peak of value now in our market. <https://fb.watch/6Egruek1bc/> (2-minute video from me)

I discuss how we serve our client’s interests in this 15-minute video. **Watch this video before approaching any other agents** to see what we do for our clients. <https://fb.watch/v/NSS8o1z3/>

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Please disregard this report and solicitation of you are currently listed with another broker!