

## Guest Column: Work with your lender to avoid foreclosure

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Let's talk about foreclosures.

During the 2020 COVID situation many lenders offered their borrowers deferred mortgage payment options. Unfortunately, there was a misconception about the finance companies' offer to defer these payments.

If you were like most buyers, you thought those payments would be pushed to the end of your loan. The sad reality is that those payments became due at the end of the pandemic "grace period."

Equally, if you are like most buyers, you do not have a pocket full of cash to pay the past due payments to bring your mortgage current. Now you may be faced with the reality of having to come up with quite a lot of money in a short period of time.

There is a tendency to feel overwhelmed. You may be planning to just walk away from your home and your loan as many did during the 2008 housing crisis.

If you feel like walking away from your home and your loan, let me urge you to please think this through. Besides the obvious reality of what having a foreclosure against you will do to your credit, there are other reasons to hang on to your home and pay your mortgage if possible.

A couple of weeks ago I told you about the harsh reality of limited inventory in the housing market. The fact is that limit is not only on the sale side of the real estate market, but also on the rental side of the market.

I manage rental properties in Del Norte County, and in any given week I probably get about 30 calls from people looking for a home to rent. When a vacancy comes available there are many applications.

Finding a rental in Del Norte County is difficult. If you think you will just move out of the area, finding a rental any place in California is difficult right now.

My advice is to work with your lender to develop a way to keep you in your home. They do not want to foreclose any more than you want to be foreclosed on.

Time is of the essence. If you are unable to work something out with your lender to remain in your home, a better strategy may be to place your home up for sale. In this hot market you may very well sell your home before it is foreclosed upon, saving both your credit and your equity. And your lender may be far more willing to work with you if you are in the process of selling your home.

A knowledgeable and experienced local Realtor will work you and your lender to give you the opportunity to obtain the highest price in the shortest time that the current local market will allow.

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