

Home ownership, still the American Dream

For many people, home ownership is still the American dream. Building or buying a house and having it be in your family for generations. But when certain circumstances befall you, that dream could rapidly become a nightmare. "Perhaps they've lost a job, perhaps there's some long term illness that prevents them from making the payments. There need to be about three payments in arrears before the banks are commencing the foreclosure action," said Robert Rock, Attorney. If you have missed some payments, what can you expect? Rock said, "The foreclosure process goes from the initial notification by the bank that there is a default that the payments haven't been made in accordance with the terms of the note and mortgage that were signed at the closing. The next step in the process would be the service of a summons of complaint, which formally commences a foreclosure lawsuit. The next step in a residential foreclosure is mandatory settlement with judge in the supreme court of the county in which the property is located." That step is to see if there is something that can be done for the homeowner to keep the property. Rock said, "The federal HAMP, Home Affordable Mortgage Program. HARP, which is to re-do the entire loan, and pretty much all lenders now have internal processes or procedures to modify a loan to help the people keep it." Nobody wants to be foreclosed on, so it's important to get out in front of it. And it's in the best interest of the lenders as well. Rock added, "The banks really do not want to foreclose on property. What they want to do is make the loan and get repaid on the loan. If the bank does have to take back the piece of property they're not going to want to hold it for any longer than they have to because they're incurring the taxes, they're incurring the responsibility to keep the property up, to keep it heated during the winter." If you think you're in danger of not making your payments on time or won't be able to make any for a while, reach out to your lenders and see what options are available to you.