

Best Home Seller Guide: 3 Ways To Avoid Foreclosure

The pandemic has undoubtedly impacted the world, affecting people's life and the economy. Many people have suffered the consequences of covid, and it gets reflected on their mortgage payments, leading them to foreclosure. If that's the case for you, with this useful guide you will learn three ways to avoid foreclosure and relieve that stress over your shoulders. We will dive into the benefits, Cons and timeline of each option. Let's start!

Work With a Real Estate Agent

Selling your home is a way to avoid foreclosure. Working with a real estate agent is the most popular way to sell; however, find out if this method suits your needs:

- **Benefits:** Realtors will expose your house to a broad range of potential buyers while taking care of the marketing, showing the property, and putting together the documents.
- **Cons:** It is expensive. Realtors charge high commission fees (from 3% to 6% of the total purchase price), and you have to pay part of closing costs. You will have to show your foreclosed home to potential buyers. Plus, you probably have to make repairs and host people at such an inconvenient time for you and your family.
- **Timeline:** Selling houses with realtors takes six months on average. However, it ranges from 3-12 months.
- **Conclusion:** You should consider choosing to sell it with realtors only if the foreclosure process initiates; that way, you have a good time margin to work within. Also, go for this method if you would still cover what you owe to the lender after paying the expenses and perhaps some money to yourself.

Sell Your House To Homebuyers

Selling your house to homebuyers is probably your best and safest option to avoid foreclosure. Here is why:

- **Benefits:** Cash offers and rapidness are the two words that characterize most homebuyers. Homebuyers will reach your destination, evaluate your home, and within 48 hours, you are most likely to receive a cash offer.

Also, most homebuyers buy foreclosed homes in their conditions, so you won't have to make repairs nor feel embarrassed to host your house in the state your home is. They won't charge you any closing costs nor commissions. You'll have the possibility of getting more money in your pocket.

- **Cons:** In exchange for cash, rapidness, and simplicity, you are selling your home at a discounted price.
- **Timeline:** It usually takes no longer than ten days to receive a cash offer and finalize the deal.
- **Conclusion:** You should consider selling your home to homebuyers if you are in the advanced stages of foreclosure. They allow you to sell your house fast while giving you a fair cash offer that will enable you to start over sooner. If you don't want to handle the hassle of repairs, homebuyers can take care of it.

No commissions nor other costs may allow you to cover your mortgage payment and penalties while still saving your money for you and your family.

Work with The Mortgage Lender and Request Forbearance

Requesting forbearance is the third way to avoid foreclosure. Forbearance is the temporary postponement of mortgage payments. You can try and go for this option as the losses of a foreclosure home fall on the lender. Because they want to minimize the losses, lenders might be willing to negotiate. However, there are a few things to consider.

First, to request forbearance, you must demonstrate that the lack of mortgage payments is due to financial hardship such as illness or the loss of your job. Second, the government has offered forbearance assistance to those who were affected by COVID-19.

In the end, choosing the best option depends on every single case. If waiting for six months for an offer is something that you can deal with, then reaching out to a real estate agent is a good idea. However, If you are in a hurry to sell your house fast because of foreclosure, then working with a local real estate investor or home buying company is the best.

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