

# Getting Through Tough Financial Times

## Five Steps to Avoid Foreclosure

No one wants to say the word “foreclosure.” Unfortunately, some families due to a variety of reasons are facing mortgage foreclosure. If you see default payments in your future, it is important to know how to avoid foreclosure. If the process has already started, you can research information that meets the state you reside. If the proceedings have not started, follow the below steps:

### Investigate lenders

Do your research. If you are making a big purchase, it is important to compare. Lenders will offer different interest rates. Know what you can afford. Also know the details of the loan. Always read and reread the fine print. Know what you are getting into before you sign.

### Get financial counseling

If you are on the brink of financial troubles, have a meeting with a financial counselor. Don't count out the Internet for tools to help you keep your finances in good health. Visit More for Your Money website - <http://web.extension.uiuc.edu/money/>

The goal is to make payments on time and avoid default payments, which can lead to foreclosure on your home.

### Pay bills on time

Everybody wants to pay on time. With our busy schedules and family, we may miss making timely payments. The last piece of mail you want to receive is a letter from your lender saying you have defaulted on your home loan. Staying on top of your finances is essential in avoiding foreclosure. Know exactly how much you have in the bank, how much you are spending on bills and insurance. Most banks give the option of online banking which can be extremely helpful. There are many reasons for not paying your debts; however, there is no reason for not communicating with your creditor.

### Get out before the storm hits

Stay on top of your finances. If you realize that you are in over your head, then find a way out of the mess. Don't panic. Talk to your lender, a local investor, or someone you know who can help. You are seeking help to decide if you sell your house, re-finance, or take another loan.

### Know your options

When you are behind on two mortgage payments, it is easy to become overwhelmed and scared. If you foresee financial struggles, know your options. Look at online resources that can guide you in the right path, as well as local investors who solely dedicate their work to helping people in foreclosure.

Source: Adapted from National Association of Foreclosure Prevention Professionals