

FORECLOSURE DEFENSE TIPS E-BOOK



JOAQUIN F. BENITEZ

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Introduction

Have you noticed that foreclosures are no longer making headline news as they used to a few years ago? Is it because the economy has finally turned around in North America? I doubt it.

I must admit that on the surface the financial situation in the United States and Canada appears to be promising. The unemployment numbers have come out better than expected, the stock market is at a five year high and it seems as though foreclosures are a thing of the past, giving us the false impression that we are once again enjoying the good old days of prosperity. However, this may not be the case.

Last December, I was shocked to read on the news that a lady was forcefully evicted from her home only a few days before Christmas. Someone forgot to tell the bailiff that they are “**NOT**” to remove homeowners from their foreclosed homes before Christmas. They (mainly the big banks) did not want to make headline news again. They did not want to give the public the impression that they are heartless, insensitive and indifferent to human suffering especially during such a sensitive time of the year, as if it makes a difference what time of the year it is when you are being forcefully evicted from your home.

Then it dawned on me, forceful evictions are still happening. I started to search the internet for this type of news and I discovered that homeowners continue to be forcefully evicted from their homes and it seems that there is no end in sight. Just because it is not making headlines, it does not mean that it is no longer happening.

The issue that bothers me about foreclosures is the lack of help and the absence of reliable information available for the struggling homeowner who must choose between making their mortgage payment and feeding his or her family. The greatest challenge for a struggling homeowner facing foreclosure is finding reliable information on how to defend their home. Most, if not all struggling homeowners have no idea where to start, who to turn to for help or where to go to obtain information. It is unfortunate that the

majority of information available on the internet is on how to take advantage of “***GREAT FORECLOSURE OPPORTUNITIES***”. What that means is that someone wants to steal the equity in your home before the bank takes away the roof over your head. Unfortunately these people (real estate investors) take advantage of your current financial and emotional situation and walk away with great deals.

I know the psychological and emotional pressure that struggling homeowners are enduring, the threatening letters, the never ending abusive phone calls from collection agents, the disconnection notices, etc. I know the feeling quite well, I experienced it myself many years ago. Words cannot express the emotional turmoil, the shame, the anguish, the agony and the fear. The fear of not knowing what is going to happen, the fear of being kicked out on to the street with no place to go and with no money to buy food to eat.

I remember vividly those days, as they were the darkest years of my life. It took me nearly twenty years to overcome the shame associated with a foreclosure, and muster up enough courage to publicly admit that I did lose my house in a foreclosure. Then, I decided to write a book about my own traumatic foreclosure nightmare and offer struggling homeowners the basic information on how to defend their home from an impending foreclosure.

The objective of this E-book is to give you enough information to encourage you to make the decision to defend your house. The Foreclosure Phenomenon E-book was written with the purpose to educate homeowners with ideas and strategies that can be quickly implemented regardless of your financial situation. Even if your property is “***underwater or upside down***”, there is always something that can be done. You could save your home!

Chapter

The Bank has Threatened to Foreclose My House - Now What Do I Do?



Your worst nightmare has come true: the bank has threatened to take away your home. Now what?!

The very last thing you needed at this point in time was for the bank to start harassing you, demanding immediate mortgage payment and threatening you with foreclosure. As if you did not have enough to deal with already! You are late with your car payments and repossession could happen any day now, not to mention the never-ending calls from collection agencies demanding money that you don't have. **What can you do?**

I want you to realize that you are not alone; in fact foreclosures are a major challenge for thousands of families across the United States and Canada. I know that having this piece of important information does not help you solve your problem, but understand that others are experiencing similar financial struggles.

First of all, you must keep cool, stay calm and avoid panicking – especially in front of your family. You need to maintain a level head in order to survive this ordeal. I know that your current emotional state is unbalanced at this moment and the constant calls and letters from the collection agencies are not helping to improve your state of mind. You must take charge of the situation! Do not allow your spouse and/or children to see you afraid or in a panic mode; instead, encourage them with the assurance, “We will make it through. I’m not yet sure how, but I know that *everything is going to be ok.*”

Secondly, realize that you can't afford to sit and do nothing. ***The bank can and will take away your home*** if you do not take some sort of action. Apart from harassing you to tears until you make up your late payments, foreclosure is the only legal tool that the bank has at its disposal to recover its losses.

The worst thing that you can possibly do is to ignore your problem. We sometimes mistakenly believe that 'to do nothing' is to postpone a decision, when in actuality 'to do nothing' is to make a choice by default. You literally cannot afford to make the same mistake that thousands of people have already made. The consequence of doing nothing affects not only your finances but also your physical, emotional, and spiritual well-being. The truth is that your situation will not improve and go away on its own. The bank can and will repossess your home if you do not take the appropriate actions.

Another obstacle in the foreclosure process is the lack of reliable information available. The majority of books and general postings on the internet are on "how to take advantage of great foreclosure deals." They want to exploit your current financial situation for their own gain. There is very little information out there that helps the struggling homeowner avoid going into foreclosure. It seems that everyone is out to get you: the bank, the collection agencies, and now, the real estate investors.

When you find yourself buried under a pile of unpaid bills, the relentless phone calls from collection agencies, disconnection notices, lack of food in the house to feed your children. Can it get any worse? Yes, you ***"just got served"***. You just received the Notice to Foreclose from the bank informing you that they filed a demand with the court to foreclose on your house. In such a desperate situation, will it not make the strongest of us tremble and weep?

First of all let me tell you that regardless of how you feel at the moment, losing your house in a foreclosure is not the end of the world; life will go on even if it must come to that. You and your family will not cease to exist because of it.

You know you are in deep financial trouble and must be wondering if there is anything that you can do to defend your house from an imminent foreclosure.

The very first thing that I would encourage you to do is to assume the role of the adult in the family and take full responsibility for the situation whether it was your fault or not.

Now more than ever your family needs you to take control of the situation, to encourage them and give them hope.

Now that you have assumed full responsibility of your financial situation, what are you going to do? Let me ask you another question, are you hiding or seeking? More specifically, are you hiding from the bank collection agent? Or are you seeking a solution to your problem? If you keep hiding and fail to confront this matter, you will never be able to find a solution. Why? ***Because you are simply not looking for a solution.***

Let me ask you again, what are you going to do? Are you going to keep hiding or are you going to start seeking? ***If your answer is to start seeking then I may be able to help you.***

The second thing that you must do is to make the ***unwavering decision*** to defend your house. Do not let the bank take away what belongs to you and your family. The simple act of making the decision to stand and fight for what is rightfully yours, will dramatically improve your chances of successfully defending your home. Your physiology, the way you feel and think will change. Now you are no longer running scared and hiding. Now you are taking a stand and ready to defend what belongs to you.

There are a few things that you can do you to improve your situation:

- **First, take an inventory and figure out the cause of the problem.**

You must identify the cause of the problem, why can't you make the mortgage payments? Is it because you lost your job? Is it because you have lost your ability to earn an income? Or is it because you spent too much and you no longer can make the minimum payments? A wise man once said that "***an identified problem is half solved***" and I agree with that statement. When you identify the cause of your problem, you are half way there.

- **Once you have received the “Petition to Foreclose” letter from the court, respond within the allotted time (in most cases it is 21 days).** The foreclosure process is time sensitive and varies in every state in the USA and in every province in Canada. If you fail to respond, you will forfeit your rights as a homeowner and you will be unable to defend

yourself in a court of law. The foreclosure process will continue without you. Therefore, you will lose your right to defend your interest in your home.

- **Seek legal advice.** You may feel that you can't afford it, but the reality is that you cannot afford not to get legal advice. It is extremely important that you do so as soon as you possibly can. Since the real estate laws vary in every state and/or province, and you need to know how to protect yourself within the court system, you must gain knowledge of your rights and obligations specified under the law as a homeowner.
- **Share your financial situation with family and friends.** No one likes to talk about finances or the lack of them, especially when their finances are not good. We pretend that our finances are in good standing and we hide the truth from our loved ones and pretend that everything is fine until it is too late. When a foreclosure order has been granted to the bank, a bailiff will come to your house and remove you, your family and all of your possessions from your home. Understand that there is nothing to gain by hiding the truth. I am sure that there are people in your life who care about you, and if you open up to them about the truth of your financial situation they will be able and willing to help you. Believe me, there is less shame in telling friends and family members that you are struggling financially than to have to tell them later that you have lost your home in a foreclosure.
- **Make an appointment to speak with the bank collection agent.** I know that you do not want to hear this, but you need to call the bank collection agent and make an appointment to come to see him/her. I know that this is the very last thing that you want to do, but only the bank collection agent has the power to stop the foreclosure process and you need to talk to him/her.

Keep in mind that the bank does not want to foreclose on your property. However, they can and will foreclose on your property if you do not offer them any other option. Furthermore, you must convince him that you are willing to work with him in order to avoid losing your home and for that you need his help to work out a new arrangement either by forgiving the missed payments or asking him to put the payments at the back end of the mortgage, missed payment repayment program, interest reduction and or a reduction of the mortgage balance. Solicit his help and don't be afraid to ask for what you need. You both have a common goal - you both do not want to proceed with a

foreclosure. To you it means financial losses and your credit ruined for several years and to the bank foreclosure represents tens of thousands of dollars in losses.

Chapter 2

The Secret the Banks Don't Want You to Know!



Perhaps you will be shocked to find out the banks' worst kept secret, or perhaps it is something that you already knew, but never recognized as a valuable piece of information.

Lending institutions protect themselves by securing the loan with the property that they are financing. This gives the moneylender some assurance that the property owner will pay back the borrowed money on time as specified in the original mortgage agreement and as long as you keep making your mortgage payments, everybody lives happily ever after.

However, if the homeowner begins to fall behind on mortgage payments, the dream of owning a home could become your worst nightmare, not only for you but also for the lending institution.

What is the secret that the bank does not want you to know? ***The bank does not want to take away your home!*** I know it sounds absurd, but by the time you finish reading this article you will be persuaded that it is an accurate statement. Allow me to go a step further; the very last thing that the bank wants to do is foreclose on your property. It will become an extra expense that they don't need to incur and it will cost them thousands of dollars to take a property through the foreclosure process. Now you may be asking yourself: If that's true, why are they threatening me with foreclosing my property? What do they really want?

There is a simple answer; the bank collection agent wants to scare you into making up the late mortgage payments, and by doing so, ensure you will continue to make your payments on a

regular basis until the end of the term as specified in the mortgage agreement. ***The threat of foreclosure*** is the only tool that the bank has at its disposal to persuade you to make the mortgage payments.

Furthermore, once the bank initiates the foreclosure process, the laws regulating the banking industry require them to report that property as a ***non-performing asset***. Doing this will hinder the bank's capacity to borrow more money and ***will affect its overall credit rating***. The bank must try to avoid having to report a non-performing asset on its books at all cost. In many cases, banks intentionally delay initiating a foreclosure proceeding for up to six months, and sometimes even up to a full year, to avoid reporting the property as a non-performing asset.

The 'non-performing asset' problem or the NPA, as it is commonly known in the banking and financial industry, affects the banks in more ways than you and I may care to know. These three simple letters strike terror in the banking sector and business circles. The dreaded NPA rule simply states that: ***"When interest on a loan or any other monies is due to a bank and it remains unpaid for more than 90 days, the entire bank loan automatically becomes a non-performing asset"***. They will go to great lengths to avoid having to report a property as a non-performing asset.

Why would three simple letters, "NPA," cause such terror to a financial institution?

There are a number of problems that will arise from having too many NPAs on the bank's books. The biggest problem is that the bank must have a certain amount of dollars in cash reserves. If their levels of non-performing assets become too high, they will have to put more cash into their reserve account to compensate for these non-performing assets. This means they now have less money to lend. In addition, they now have to deal with a house that they don't want because it will become a money pit. Furthermore, they will not be able to make a profit on it because of the way mortgages are structured.

In their quest to maximize their profits, banks structure mortgages in a way that they are paid the majority of the interest up front or at the beginning of the loan term. This is called a frontloaded mortgage, and most mortgages are structured in the same way. This means that in the early years of your mortgage you have not built much equity in the house because the majority of your mortgage payment was slotted to pay for the interest on the loan.

Often banks find that their asset (your house) is worth less than what they lent out, and once the bank takes ownership of your property, they not only have an administrative and legal nightmare, but they are about to take a financial bath!

Even though I am not a bank advocate, I am certain that if you were in the bank's situation, you would be forced to do the exact same thing. The bank does not have any other recourse. The only legal recourse available to them is foreclosure in order to try to minimize some of their losses. However, that is their very last option.

Can you see the predicament that lending institutions find themselves in? On the one hand, they are losing money by not receiving your mortgage payment and on the other hand, they can't really afford to foreclose on you because of the negative consequences this will bring them.

While this is an admittedly simplified explanation of how financial institutions operate, the bottom line is that banks are in the *“money buying and selling business.”* To put it in clear and simple terms, the bank's profit is generated by the spread created between the interest rate that they pay you on your money and the interest rates that they charge on the money that they lend out. The bank pockets the difference. For the bank to make any money, it must lend out the funds in its possession, or find some sort of investment vehicle that will guarantee a rate of return greater than its cost of borrowing.

Consider the main motivating factor for a bank to be in business. It is not to provide a service to the general public; they are in business to make money. In a foreclosure case, they will most likely lose money. As the old saying goes, “the best way to make money is to stop losing money.” Having the knowledge of how lending institutions operate is empowering. Since you now know that lenders don't want to foreclose on your property – and you don't want them to foreclose on you – you have common ground to work out an agreement that will stop the foreclosure process and satisfy both of your needs. Remember: ***The bank does not want to foreclose your property.***

Chapter 3

How to Handle Underwater Properties!



What can you do if your home is slipping underwater? I guess it all depends on just how deep it is.

Let's consider the worst possible situation as an example. Say you are two months late on your mortgage payment because you lost your job, the unemployment insurance check does not cover all of your expenses, and your savings account is completely empty. You have maxed-out all of your credit cards and you can no longer make the minimum monthly credit card payments. Furthermore, your house has lost 50 percent in value and you are locked in at a 5.5 percent interest mortgage rate, and to make the situation even worse, your car just broke down! I am not sure that it could get any worse than this.

This example may sound like a joke, but this is the reality that many families are facing. I really hope this is not your case. However, if you are experiencing this or a similar situation, you may be wondering if anything can be done. The answer is yes, there is something that can be done. Although there is no single strategy that you can use, a combination of strategies can be employed to improve the situation.

Before you go any further, *you must identify the cause of the problem*. Why can't you make the mortgage payments? Is it because you lost your job? Is it because you have lost your ability to earn an income? Or is it because you spent too much and you no longer can make the minimum payments? A wise man once said that "an identified problem is half solved" and I agree with that statement. When you identify the cause of your problem, you are half way there.

Grab a sheet of paper and write on top of the page "**Problem**" and under that heading write the cause of your problem. At this point in time it will be wise to create an income and expenses sheet to determine exactly how much your monthly deficit is and how much money is required to cover all your expenses.

Leave a few empty spaces and write another heading "**Required.**" Under this heading write in bold letters exactly how much additional money you need to generate to become current with all your payments and to cover your monthly deficit.

Leave a few empty spaces and write another heading "**Solution**" here you will start to brainstorm possible solutions to your problem. In this section write every possible idea that comes to mind, now you are engaging your mind in the most effective way and since you are looking for a solution, you will surely find it.

#1: Analyze your household finances in order to bring clarity to your specific situation. To do this effectively, you must create an income and expense sheet, listing every dollar that comes in and goes out of your house. Identify any unnecessary expense that can be eliminated or drastically reduced. Go over every item on this list and find a way to cut down your expenses.

Let's say that you need \$5,000.00 to become current with all your payments, how are you going to get your hands on that kind of money? When was the last time that you looked at all the stuff that is stored in your garage or basement? Why not sell all that stuff you haven't used in the last 5 years on EBay or a garage sale? That stuff is worth money and someone will be willing to give you money for it. That is the fastest way I know to generate quick cash in a very short period of time.

What can you do about your monthly deficit? You must take a good hard look at you income and expense sheet in order to reduce or eliminate all unnecessary expenses, especially those little things that we fail to consider as expenses. Take a cup of coffee as an example, if you drink one cup of Starbucks coffee a day. That one cup of coffee is costing you \$600.00 per year, are you willing to sacrifice a cup of coffee to save the roof over your head? What other little expenses can you eliminate? They all add up at the end of the month.

#2: Look at household items purchased on credit from a department store. As you know, all department stores charge the borderline usury rate of 29.9 percent. If you have purchased something on credit that you do not use, find out if you can return it. If not, see if you can sell it on e-bay or Craigslist and use that money to pay off the credit card. Believe me, at 29.9 percent interest, you will never finish paying off that credit card.

#3: Determine the real value of your property. You could hire the services of professional real estate estimator or use the free services of a qualified realtor. Invite one to your house for a market evaluation of your property and once you have that figure ask him/her to back-up that number with a list of sold comparables in your area.

Underwater Strategies

As for your house, what can you do to improve the underwater situation? You are in a very difficult situation because you can't even give your house away. No one in their right mind will want to buy something for more than what it is worth, as the saying goes, "***it is not a bargain at any price.***" In fact it is such a rotten deal that not even the bank wants it back!

I know you do not want to hear this, but at some point in time you will need to call the bank collection agent and make an appointment to come to see him. I know that this is the very last thing that you want to do, ***but only the bank collection agent has the power to stop the foreclosure process*** and you need to talk to him. Keep in mind that the bank does not want to foreclose your property. However, they can and will foreclosure if you do not offer them any other option.

What are you going to tell the bank collection agent? You must convince him that you are willing to do whatever you can to avoid losing your house and for that you need his help to work out a new arrangement that will be beneficial to both. You both have a common goal - you do not want to proceed with the foreclosure. To you it means losing the roof over your head and a ruined credit for several years, to the bank foreclosure represents tens of thousands of dollars in losses and having to report your property as a "NPA" (non-performing asset) which affects them adversely.

When considering your options, keep in mind that in real estate "*everything is negotiable*". Let's consider some ideas:

- **Ask the bank agent for a lower interest rate on the balance of your mortgage.** Would that help you avoid foreclosure? If they are willing to lower the interest rate, you could continue to make the mortgage payments.
- **Ask the bank agent to forgive the late payments or to put the late payments at the back end of the mortgage.** What that means is that they will add the payments to the balance of the mortgage. You will have to pay interest on that money, but at least you won't have to come up with the money right away.
- **Ask the bank agent for a reduction in the mortgage balance to bring it to par with the current market value of property (shorting the mortgage).** That would be a huge step forward in avoiding foreclosure. Remember, you had nothing to do with your property's dramatic drop in value. It is a reality of the current real estate market.

Why would the bank even contemplate such a ridiculous offer? Consider the bank's options for a moment. In reality, they only have two: to scare you into making up the late payments in full or to continue the foreclosure process - and the latter is not in the bank's best interest.

If the bank chooses to continue with the foreclosure process, it will take six to eight months for the bank to obtain a court order to take back possession of your house. That means that they will not receive a single mortgage payment during that time. That reason

alone represents a few thousand dollars in lost revenue for the bank. During the foreclosure process there will be additional expenses such as court filing fees, lawyer fees, etc. As you know, lawyers are not cheap and they have a tendency to charge astronomical fees, which the bank will have to pay. This will increase the losses by a few thousand dollars more.

The bank will threaten to sue you in order to recover their losses. However, if the bank sues you for the deficiency on your loan, you can declare bankruptcy. In such a case the bank will have to absorb the losses. Due to their hard-nosed attitude towards the homeowner, when he or she is sued for thousands of dollars in a mortgage deficiency lawsuit, the homeowner has no other choice but to declare bankruptcy - and the bank has ended up with nothing more than a tax write-off.

Once the bank takes possession of the property and you are out of the house, the bank still needs to spend more money hiring a managing company to take care of the property, continue to pay for all of the utilities, pay property insurance, and hire a realtor to sell the property. These are significant expenses. Realtor fees alone will add a few thousand dollars. Not to mention that the property will most likely sit on the market for months due to the huge number of properties for sale. The bank will not receive any revenue related to that property during this time, which will increase its losses even more.

The most compelling reason why a bank may be willing to forgive a big chunk of your mortgage balance when facing foreclosure is the current market value of the property. When the bank lists the property with the realtor, what do you think the listing price will be? It will have to be the fair market value of the property. If they want a quick sale, they may have to lower the listing price below the fair market value. This is their reality and a compelling reason to consider your offer. If they stop to think about it, they will find that your offer is the best one that they are going to receive.

What have you accomplished? You have reduced your interest rate and mortgage balance, thereby drastically reducing your mortgage payments. If the new payment is something that you can afford, your underwater problem is solved and you have saved your credit record from further deterioration.

I hope that by now the information I've shared has encouraged you. Unfortunately, the majorities of homeowners don't have this information and end up losing their home and ruining their credit. Remember, when it comes to real estate, *everything is negotiable*.

You can defend your house from foreclosure. Make the decision to defend your house, create an affordable financial plan, present a financial alternative to the bank collection agent in a way that is beneficial to both of you and free yourself from the threat of a foreclosure.

Chapter 4

How to Overcome the Emotional Trauma of Foreclosure



If you find yourself in a foreclosure situation, emotions will overtake you - so it's critical that you deal with them in order to keep a clear head and survive the trauma. Most, if not all, of your emotions will be negative in nature and none will help you get out of the hole you are in. Furthermore, none will help you find good ideas to solve your impending foreclosure.

Your emotions play a vital role in dealing with life's ups and downs. It is the engine that moves your body into action, and if you are in peril of losing your home in a foreclosure, you will probably experience a great deal of anger, fear, anxiety and shame.

Anger may emerge first, and many times the anger that is bottled up inside of us bubbles up and explodes. When this happens, innocent bystanders suffer the consequences. Unfortunately, more often than not, we take out this anger out on our loved ones, especially our spouse and children. Before you explode or direct your anger at them, consider that they are as scared as you are. Don't take out your frustrations on them; your financial woes are not their fault.

Overcoming anger

Many years ago, a corporate lawyer told me that in his personal and professional experience, someone who loses his temper is usually very afraid. My advice to you is that before you explode in anger, stop for a moment and consider what is making you afraid. *If you can figure out what is making you afraid and you deal with that fear, your anger will go away.* Consider this statement and try to incorporate it into your daily life. If you can stop and identify what is frightening you, you can deal with it in a composed manner.

Overcoming fear and anxiety

Fear is defined as “a distressing emotion aroused by impending danger, evil, pain, etc. whether the threat is real or imagined.” This emotion does not originate with fear itself, but with worry.

When you begin to realize how bad your financial situation is, you begin to worry. To worsen the situation you begin to receive letters from your creditors demanding payment and disconnection notices from your utility company, and to top it all off, you begin to receive abusive and threatening calls from collection agencies. All of these calls and/or letters serve as a permanent reminder of your poor financial situation.

When fear dominates your emotions for a prolonged period of time, it will produce anxiety. Anxiety will produce depression and depression will lead to numerous mental and physical issues.

Many people today suffer from anxiety and depression, and doctors numb them with drugs. However, drugs will never solve your problem. When external circumstances have caused your depression, consider the root of your anger and the fear associated with it. Deal with that fear and be released from your anxiety.

Fear is a destructive emotion that produces a negative vibration. How do you move out of this? The best way is to focus on the solution to the problem rather than the problem itself. Otherwise, you will only attract more problems. If instead you dedicate all your attention to finding a solution, ideas will begin to appear naturally. By focusing your conscious

attention on the solution, you will move out of the negative vibration and into a positive vibration, and you will find a solution.

Overcoming blame and guilt

Whenever we experience a negative event in our lives, by nature we try to find someone to blame. Blaming someone or something will never help you solve your current problem, even though blame may be fully justified. Blame will not help you deal with the real issue. While you are spending all of your time playing the blame game, the foreclosure clock is ticking. If you do not take any countermeasures, you will end up losing your home.

Blaming someone, blaming yourself, or blaming something will not help you deal with the real issue, which is the foreclosure preceding. If you don't believe me, test it for yourself. See how much progress you make by blaming someone.

This is the test. Go to your bank and ask to speak to your bank manager or lending officer and start blaming everyone and everything for your financial problems. Try to justify not making the mortgage payments by blaming your spouse or your former boss for laying you off. You will soon learn that they really don't care who is to blame. Their only concerns are (1) how will you make up your late mortgage payments and (2) how will you pay back all of the money they lent you. They do not care why you can't make the mortgage payments on time or who is to blame. The bank's only concern is that you are late with the payments and they want their money now.

Guilt and blame are closely related. While blame is anger or resentment directed at someone else, guilt is anger directed at ourselves. In our personal lives, we all have done things in the past that we are not proud of and that we may be ashamed to admit. You must learn to forgive yourself; neither you nor I can change the past - and it is time to let it go.

It's best to avoid any thoughts or feelings of guilt and blame. As soon as your thoughts begin to drift into blaming someone, quickly discard them and start to consider solutions

instead. It does not matter who is to blame; what matters now is that you only entertain thoughts that will help you solve your problem.

Overcoming shame

Shame is another negative and paralyzing emotion, and probably the biggest obstruction to finding a solution to your financial problems. It causes you to hide the problem from the people who may have the ability to help.

It is no secret that no one likes to talk about their personal financial situation, especially if the picture is not good. When we are experiencing financial challenges, we hide this information, even from our spouse, or in some cases especially from our spouse. It is considered a very private matter that should only be discussed if it is absolutely necessary. However, like all things, the truth eventually does come out. Once the truth comes out and your true financial status is exposed, it may be too late for any financial assistance that a family member and/or friend could have offered. By this, I am not suggesting that you should tell everyone you meet about your financial problems, but I am sure there are a handful of people in your life that you can entrust with your financial challenges. If you trust them enough, you may want to solicit financial assistance from them or, at the very least; they should be able to give you moral support. They may even be able to offer you an idea that may help you solve your financial problem.

What your friends or family say or think of you should be the least of your worries. Yes, there a great deal of shame to admit that you have lost your house to a foreclosure, but it is what it is. You are not the first person to lose a house and most likely will not be the last. Bad things happen to good and bad people alike and unfortunately, you are no exception. There may be good reasons as to why they happened, or there may be poor reasons. Now looking back on my own experience, it would have been less shameful to ask for financial help from my family and friends than to have to admit that I lost my home to a foreclosure.

The choice is yours. Do you tolerate a little shame now by having to ask for help from your family and friends? Or do you have a bigger shame later when you have to admit that you lost your home to a foreclosure?

You are well able to defend your home from foreclosure, but first you must take control of your emotions. And you will survive!

Regardless of the outcome, you will have done your best to defend your house. If you are successful, and I sincerely hope that you are successful in defending the roof over your head, I rejoice with you and congratulate. If you are not successful, I am sorry that I was not much help to you. However, remember the six words that my wife used to say to me: ***“Everything is going to be o.k.”*** I am a living testimony of those six words.

Looking back and pondering that particular situation in my life, my wife was right and I can tell you now that everything turned out okay. In fact, losing our house in a foreclosure was the best thing that could have happened to us. Once I was released from the burden of carrying a mortgage payment that I could not afford, it presented me with the opportunity to finish my education. My education allowed me to build a successful career and even now, it has allowed me to share my story with you, to give you hope and encouragement that in the course of time, ***“Everything is going to be o.k.”***

I wish you the best in your endeavor to defend your home and I pray that the Lord will bless you with His abundant grace and give you the strength and courage to accept His will in your situation.

If you are struggling to make your mortgage payments or know of someone who may be in danger of losing their home, ask them to visit www.theforeclosurephenomenon.com or Amazon.com today to purchase the full version of the book *The Foreclosure Phenomenon*, where I guide you through the foreclosure process. In the book I will tell you which information you need, how to obtain that information, how to analyze it, how to create a proposal that is acceptable to the bank and how to present the information to the bank collection agent to improve your chances of saving your home from an impending foreclosure. Go to www.theforeclosurephenomenon.com and learn how to defend your home.

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Joaquin Benitez personally experienced foreclosure and is the author of the new book, *The Foreclosure Phenomenon: How to Defend Your Home from an Impending Foreclosure*, available at Amazon.com and BarnesandNoble.com