

Published based on [What You Should Do If You Can't Pay Your Mortgage](#)

What You Should Do If You Can't Pay Your Mortgage

What if you can't pay your mortgage?

In the last few years, the real estate market has been in turmoil. People who purchased their homes at extremely high prices and got a fixed rate mortgage have found themselves in a very financially stressful position. Many of them have lost their jobs and have been unable to find other employment. In the end, with no money coming, people are having a difficult time paying their mortgages. Ultimately, untimely payment or no payment at all will result in home foreclosure. However, does this always have to be the case? Are there ways to avoid foreclosure when you cannot afford to make your monthly payments for reasons beyond your immediate control?

Fortunately, there are. Your situation is not a good one, but there are still a few steps you can take to save your home and credit.

1.) Communicate with your lender. We cannot stress the importance of this. Give your lender a call right away and let them know what your situation is. Some lenders will actually help you get on an alternative payment plan. Empathy is high during these difficult economic times. You might be pleasantly surprised with the deals that can be worked out.

2.) If you have an adjustable rate, try to get an interest rate freeze. Once again, in order to do this, you will need to speak with your lender. Not everybody qualifies for an interest rate freeze. The work is done on case-by-case basis. Nevertheless, it is worth consulting one.

3.) If the above two plans fail, it is time to get serious about selling your home before it forecloses. There are many reasons why you would want to do this, and one of them is because you do not want to have a foreclosure on your record. They are extremely damaging to your credit. Contact a Realtor as soon as possible about getting your home on the market and selling it quickly.

4.) You may also need to contact a credit counselor who can speak with your lender. These days, lenders are getting more phone calls about potential mortgage defaults than they can handle. A credit counselor will be able to get in contact with them and plead your case so you can focus on other things like finding a new job. But be careful, there are many scam-artist credit counselors out there. Make sure yours is accredited.

Being near foreclosure on a home is everyone's worst nightmare. It can have some serious consequences for you if you do not see it coming and fail to prepare yourself. Communication is key. It could be the difference between owning a home in the next few years or continuing to rent. If you find yourself in this unfortunate situation, contact everyone you can about it and try to take all possible steps to fix it. When a foreclosure happens, it makes us face the bleak reality of not being able to find a loan for a new home. Don't let this happen to you. Be as proactive as you can.

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