



Chamber's foreclosure-prevention seminar promotes community stability

Experts invited by the Novato Chamber of Commerce offered a crowded audience advice on avoiding foreclosure at the Novato Unified School district board room on May 12. Novato has one of the highest foreclosure rates in Marin County and the Novato Chamber of Commerce presented the seminar to promote homeownership stability in the community.

Entitled "Preventing Foreclosures," the forum offered homeowners an opportunity to ask panelists questions pertinent to their specific situations. More than 50 people signed up to attend.

Panelists talked about the options available to people facing steep mortgage payments or foreclosures. All panelists urged people concerned about their situation to take action immediately.

"There are a lot of options (for people facing foreclosure)," said Andy Falk of Bradley Real Estate. "Go to the bank and find out what is going on with your loan."

Falk said banks have employees specifically tasked with trying to avoid mortgage defaults. "It's important to try to talk with someone in the mitigation department," said Falk. "Whether it's loan modification, refinancing, or forbearance, there are all kinds of options available."

That sentiment was echoed by Peter Richmond of Pacific Union. Richmond said people had plenty of options, but that too many were reticent in seeking out available help.

"Pick up the phone and call the bank, immediately," said Richmond. "If you don't want to talk with the bank, there are scads of governmental and non-governmental agency counseling services available."

For people who can't or don't want to retain ownership of their home, short-selling rather than renegotiating loans might be the best option, according to Paul Hickman, president of California Land Title's San Rafael office. 'Short selling' is selling the home for less than the amount of the mortgage currently owed on it.

Hickman said banks and lenders that are facing unwanted real estate inventory were increasingly willing to short sell now, rather than sell foreclosed homes later.

“I’m going to read a few quotes from the Wall Street Journal, said Hickman. “Short sales...can also be a good way lenders and investors to minimize losses. They typically result in losses of 19 percent of the loan amount, compared with an average loss of 40 percent for homes that are sold in foreclosure.”

Short selling is also better for a borrower’s credit rating, because foreclosure can cause crippling damage to the borrower’s credit.

For people in truly desperate situations who have allowed their warning notices to pile up for months, there is still hope, said Paul Cohen of Legal Aid of Marin, which works to secure homeowners’ rights and prevent people from becoming victims of predatory lending practices.

“The seventh month (after the first failure to pay) is generally when the notice of foreclosure (is served),” said Cohen. “But there’s always until the very last moment, and even after the fact, sometimes, time to go back to the lender and figure things out.”

Cohen also said former owners and tenants facing evictions have certain occupancy rights, and urged people to contact agencies such as Legal Aid of Marin for help.

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