

## **The Bottom Line**

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### **U.S. Home Foreclosures Set Another Record in July**

*- Gary L. Seymour, Esquire*

I read an article today from *CNN Money* which indicates that despite supposed economic good news foreclosures continue to grow at unprecedented rates across the country. I can attest to this personally as I see new foreclosures clients daily. This happens many times when lenders and servicers drag their feet on short sale approvals or simply rejecting decent offers. Many have the audacity to demand that homeowners who are already broke sign new promissory notes for unforgiven loan balances or be responsible for the existing note EVEN AFTER A SHORT SALE IS COMPLETED.

The government's response to the foreclosure crisis, which has been the call for nearly wholesale modification of loans, is perhaps even more alarming than the foreclosure boom. I have clients who are trying to save their homes that are being asked in return for a better interest rate or term of loan to agree to remain liable for hundreds of thousands of dollars of underwater debt on that same home. What does this mean? It means the true problem, which is lack of equity in millions of homes, is not being addressed. Consequently, homeowners who have modified their loans and later (even years later) find themselves in the position of having to sell due to sickness, illness, divorce, relocation, etc. will still be in a short sale position. It is almost as if the plans in place are designed to delay foreclosures by camouflaging them as bad modifications.

#### **THE BOTTOM LINE:**

***There is NO REAL PLAN that actually helps the struggling homeowner. Symptoms alone are being treated and the illness is being placed in remission.***

***Thankfully, we have devised real ways of dealing with this crisis that leave the homeowner in a much better position than any government program to date.***

***Please make sure that you, your clients, your family and friends that may be facing a mortgage crisis obtain all options at their disposal BEFORE committing to pursue either an ill-advised short sale or modification.***

#### **CNN Money Article Link:**

[http://www.money.cnn.com/2009/08/13/real\\_estate/july\\_foreclosures/index.htm?postversion=2009081307](http://www.money.cnn.com/2009/08/13/real_estate/july_foreclosures/index.htm?postversion=2009081307)

For more information

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