



Mortgage Assistance and Foreclosure Options

(Eligibility Guide)

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Introduction

Foreclosure can be a daunting process, but understanding your options can help you take control and make informed decisions.

This guide provides a detailed overview of various foreclosure prevention options, their eligibility criteria, and application steps.

Seek professional advice from us or housing counselors to navigate your specific situation.



Overview of mortgage assistance options to help homeowners

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Loan Modification

A loan modification changes the terms of your existing mortgage to make payments more affordable, typically by reducing the interest rate or extending the loan term.

Eligibility Criteria:

- **Verified Financial Hardship:** Must provide documentation of hardship (e.g., job loss, medical expenses, divorce).
- **Primary Residence:** Generally only applies to primary residences, though some lenders may consider other properties on a case-by-case basis.
- **Risk of Default:** Mortgage must be in default or at imminent risk (i.e., 60+ days behind on payments).
- **Sustainable Income:** Proof of income sufficient to meet modified payment terms.

Pros	Cons
Reduced monthly payments	Lengthens loan term, leading to more interest
Avoids foreclosure	Application process can be lengthy
Helps rebuild credit with on-time payments	May require proof of ongoing income



Refinance

Refinancing replaces your existing mortgage with a new one, ideally with better terms, such as a lower interest rate or extended repayment period.

Eligibility Criteria:

- **Current Payment History:** Typically requires no missed payments in the last 12 months.
- **Good Credit Standing:** Lenders prefer a credit score of 620 or higher for refinancing; the score required may vary by program.
- **Stable Income:** Proof of stable income for the past two years, verified by pay stubs, tax returns, or other documentation.
- **Minimum Home Equity:** Generally requires at least 5-10% home equity, though requirements vary by lender.

Pros	Cons
Potentially lower monthly payments	Closing costs (1-3% of loan)
Can switch to fixed or adjustable rates	Long approval process
Possible cash-out for equity	Requires strong credit and income verification



Forbearance

Forbearance temporarily suspends or reduces mortgage payments to allow homeowners time to recover from a financial setback, like job loss or medical bills.

Eligibility Criteria:

- **Temporary Hardship Proof:** Must provide documentation of a temporary hardship (e.g., job loss, short-term medical issues).
- **Intent to Resume Payments:** Must have a clear plan or reasonable expectation of resuming regular payments after the forbearance period.
- **Compliance with Terms:** Willingness to adhere to repayment terms following the forbearance period.

Pros	Cons
Temporarily lowers or pauses payments	Missed payments must be repaid
Provides time to recover financially	May still accumulate interest
No foreclosure risk during forbearance	Limited to specific time frames



Repayment Plan

A repayment plan helps homeowners catch up on missed payments by spreading the overdue balance over a specified period, on top of regular monthly payments.

Eligibility Criteria:

- **Ability to Increase Payments:** Proof of income showing capability to make increased payments over a specified period to repay arrears.
- **Mortgage in Arrears:** Mortgage must be behind on payments.
- **Willingness to Commit:** Requires formal agreement with lender to comply with the new, higher payment schedule.

Pros	Cons
Allows homeowner to stay in the property	Requires higher monthly payments
Helps bring mortgage current gradually	May strain finances further
Avoids foreclosure with successful repayment	Limited flexibility in modifying payment terms



Short Sale

A short sale allows homeowners to sell their property for less than the outstanding mortgage balance, provided the lender agrees to the sale.

Eligibility Criteria:

- **Financial Hardship:** Must provide evidence of significant financial hardship preventing regular mortgage payments.
- **Property Underwater:** The home’s value must be less than the mortgage balance.
- **Primary Residence (Typically):** Generally applies to primary residences but may vary.
- **Lender Approval:** Requires lender’s approval to proceed with the sale for less than the amount owed.

Pros	Cons
Avoids foreclosure	Requires lender approval
Allows sale of home with negative equity	Damages credit
Can relieve debt obligations	Sale process can be lengthy and complex



Deed in Lieu of Foreclosure

A short sale allows homeowners to sell their property for less than the outstanding mortgage balance, provided the lender agrees to the sale.

Eligibility Criteria:

- **Severe Financial Hardship:** Must demonstrate significant hardship, like long-term job loss or medical incapacity.
- **No Ability to Sell:** Must show efforts to sell the property at fair market value with no success.
- **Lender Agreement:** Requires the lender’s approval to accept the deed in exchange for canceling the mortgage debt.
- **Clear Title:** Must have a clear property title with no junior liens (e.g., second mortgage).

Pros	Cons
Avoids foreclosure on credit report	Homeownership is lost
Reduces or eliminates mortgage debt	Credit impact similar to foreclosure
Can sometimes include “cash for keys” deals	Lender may not agree



Bankruptcy

Filing for bankruptcy can discharge certain debts or reorganize payments, including mortgage debt, depending on the type of bankruptcy (Chapter 7 or Chapter 13).

Eligibility Criteria:

- **Financial Insolvency:** Must demonstrate that debts exceed assets and the ability to repay.
- **Income and Debt Guidelines:** Must meet eligibility requirements for Chapter 7 or Chapter 13, based on income and debt.
- **Legal Consultation Requirement:** A bankruptcy attorney is generally required for legal filings.
- **Means Test for Chapter 7:** Must pass a "means test" to qualify for Chapter 7, showing limited disposable income.

Pros	Cons
Can eliminate or restructure debt	Significant credit impact
Potential foreclosure protection (Chapter 13)	Legal fees and complex court processes
Provides fresh start financially	Not all debts can be discharged



Government Programs

Various federal programs (e.g., FHA, VA, USDA) offer mortgage relief options, typically through loan modifications or assistance programs.

Eligibility Criteria:

- **Program-Specific Rules:** Must meet each program's requirements (e.g., FHA, VA, USDA) for assistance.
- **Primary Residence Requirement:** Generally limited to primary residences.
- **Income Limits:** Some programs have maximum income thresholds for eligibility.
- **Hardship Requirement:** Must demonstrate financial hardship in most cases.

Pros	Cons
May offer lower payments or interest rates	Limited to specific eligibility
Federally backed assistance	Process can be slow and paperwork-heavy
Can protect credit	May not cover all types of mortgages



Hardest Hit Fund

State-specific programs provide mortgage assistance for homeowners in states particularly affected by economic downturns.

Eligibility Criteria:

- **State-Specific Rules:** Must meet specific state guidelines for eligibility.
- **Proof of Hardship:** Demonstrated financial hardship due to economic downturns or unemployment.
- **Primary Residence:** Typically restricted to primary residences.
- **Income and Asset Limits:** Some states may impose income and asset limits for eligibility.

Pros	Cons
Can help with mortgage payments	Limited to select states and funding availability
May offer direct assistance	Program availability may vary by state
Nonprofit support often available	May have strict qualification requirements



Reinstatement

Reinstatement involves paying the full amount owed, including missed payments, fees, and penalties, to bring the mortgage current.

Eligibility Criteria:

- **Full Payment of Arrears:** Must have the financial means to pay the total amount owed (missed payments, late fees, and penalties) in a single payment.
- **Lender Agreement:** Must negotiate a reinstatement amount with the lender and obtain their agreement to accept payment.
- **Willingness to Resume Payments:** Requires commitment to resume regular mortgage payments after the reinstatement is complete.

Pros	Cons
Quickly brings mortgage current	Requires lump-sum payment
Avoids foreclosure	Limited to homeowners with funds available
Protects credit and property ownership	Not a long-term solution for financial distress



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Who We Are

The District PHX is a locally-owned real estate company specializing in flexible, fast, and compassionate solutions for Phoenix homeowners. We offer a range of services designed to meet the unique needs of homeowners facing financial hardship, foreclosure risk, or urgent cash needs.

Our mission is to help you navigate challenging situations with options that provide immediate relief and peace of mind.

Our approach is rooted in understanding each homeowner's unique situation, which enables us to provide a solution that best aligns with your personal and financial goals.

With extensive local expertise, we know the Phoenix market and are dedicated to offering customized, reliable home-selling solutions without the lengthy timelines or hidden fees common in traditional real estate transactions.

Our core values—trust, transparency, and community—drive us to support our clients beyond a simple transaction, helping you make the best decision for your future.



Our Services

Our Quick Cash for Homes program is ideal for homeowners who need to sell quickly and move forward without the stress of repairs, staging, or traditional real estate fees.

We offer cash offers within 24 hours and can close within days, providing you with immediate liquidity.





Lock & Move

Simple and Fast way to sell home

Lock & Move is a fast, simple way to sell your home for cash. You get a guaranteed cash offer, skip repairs and showings, and close the sale in days instead of months.

Perfect for homeowners who need cash fast or want to avoid the hassles of traditional sales.

How Is Lock & Move Different from a Traditional Sale?

Feature	Lock & Move	Traditional Sale
Timeline	Offer in 3-5 days	Often takes 60-90+ days
Repairs & Cleaning	No repairs or cleaning required	Often Required
Showings & Open Houses	None	Multiple showings & open houses
Fees & Commissions	No Commissions	Typically 5-6% of sale price
Certainty of Sale	Guaranteed cash offer	Depends on buyer financing



Financial Benefits of Lock & Move

Expense Category	Lock & Move	Traditional Sale Costs	Percentage of Sale Price
Real Estate Agent Commission	\$0	\$15,000 - \$18,000	5-6%
Closing Costs	\$0 (covered by The District PHX)	\$3,000 - \$9,000	1-3%
Repair Costs	\$0 (sell as-is)	\$2,000 - \$10,000+	0.7-3.3%+
Home Staging & Cleaning	\$0	\$500 - \$2,000	0.2-0.7%
Mortgage & Utility Payments During Sale Period	Minimal (7-10 days)	\$3,000 - \$5,000	1-1.7%
Home Inspection Fees	\$0	\$600 - \$1,000	0.2-0.3%
Appraisal Fees	\$0	Varies	~0.5-1%
Estimated Total	No Additional Cost		8.6% - 14.0% (Of home's sale price)

Additional Services with Lock & Move

To make your transition smoother, we offer:

- **Moving Assistance:** Help with packing and moving.
- **Temporary Housing:** Assistance finding short-term housing.
- **Financial Guidance:** Access to financial planning if needed.
- **Relocation Help:** Resources for in-state moves.



Unlock & Stay

Sell your home & rent it back

Unlock & Stay is allows you to sell your home for cash but continue living in it as a renter.

This service gives you access to the money tied up in your home without the trouble of moving right away.

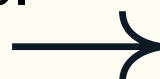
It's an ideal choice if you need cash for expenses, debt relief, or financial flexibility but aren't ready to relocate.



How Is Unlock & Stay Different from a Traditional Sale?

Feature	Unlock & Stay	Traditional Sale
Moving Required?	No	Yes
Immediate Cash?	Yes	Yes, but you must move
Lease to Stay?	Available	Not available
Certainty of Sale	Guaranteed cash offer	Sale can fall through with financing issues
Agent Fees/Commissions	None	5-6% of sale price

Best part customizable rental agreement.
It means you get to decide your moving date.

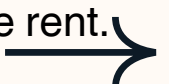


Financial Benefits of Unlock & Stay

Expense Category	Unlock & Stay	Traditional Sale	Percentage of Sale Price	Estimated Cost
Real Estate Agent Commission	\$0	5-6% of sale price	5-6%	\$15,000 - \$18,000
Closing Costs	\$0 (covered by The District PHX)	1-3% of sale price	1-3%	\$3,000 - \$9,000
Repairs and Maintenance	\$0	Varies; often required for traditional sale	0.7-3.3%	\$2,000 - \$10,000+
Moving Costs	\$0 (no need to move)	Costs associated with moving out	0.3-1.7%	\$1,000 - \$5,000
Temporary Housing/Rent During Move	\$0	Rent during gap between homes	0.5-1%	\$1,500 - \$3,000
Mortgage/Utilities During Sale	Minimal due to quick sale	Extra payments during 60-90 day sale period	1-1.7%	\$3,000 - \$5,000
Estimated Total	No Additional Cost		8.6% - 14% (Of Home Sell Price)	Additional \$25,000 - \$40,000

Additional Services with Unlock & Stay

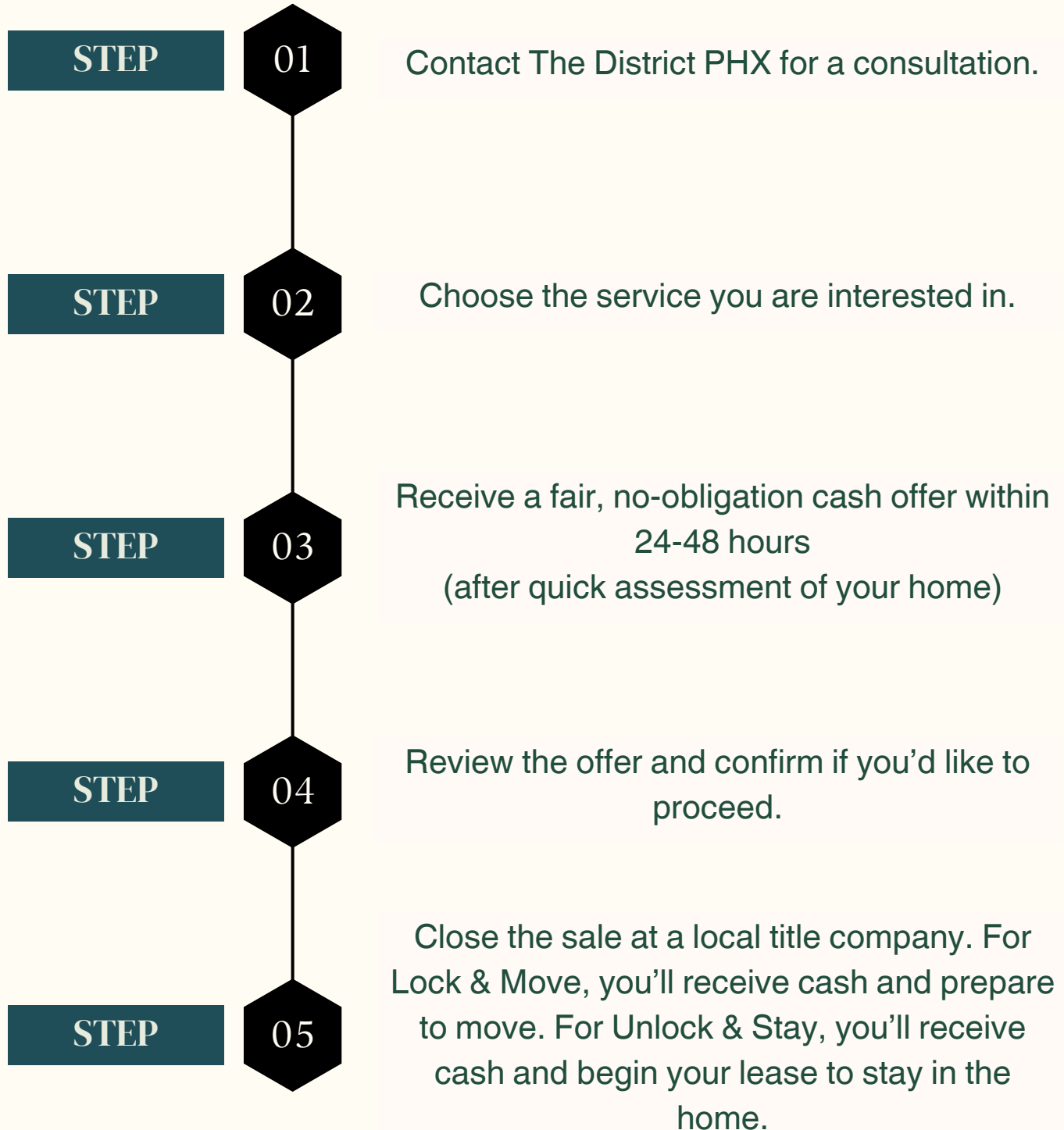
- **Financial Planning:** Access advisors to help manage your new cash flow.
- **Lease Stability:** Secure long-term lease options for added peace of mind.
- **Relocation Assistance:** Get support finding a new place if you choose to move later.
- **Rental Rate Planning:** We work with you to set a fair, affordable rent.



Timeline for Lock & Move and Unlock & Stay

Our services are designed to be smooth and fast, typically closing in about a week.

Here's how to start





Why Choose The District PHX?

Local Expertise

We know the Phoenix market and understand local homeowners' needs.

Compassionate Service

We provide supportive, no-pressure assistance during life transitions.

Local Expertise

We know the Phoenix market and understand local homeowners' needs.

Transparency

Clear, fair pricing with no hidden fees.

Flexible Solutions

Options for immediate cash, leaseback, and more, tailored to your needs.



Connect With Us



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At The District PHX, you're in control—there's no obligation to proceed, no pressure, and no hidden fees.

We're here to offer flexible, straightforward solutions that work for you.

Reach out anytime to explore your options.