



Propertywise



THE 5 STEPS GUIDE TO SAVING YOUR HOUSE FROM MORTGAGEE SALE





1 TALK TO THE BANK



Work out with the bank how much you owe them in back payments and interest. If you have the money, pay them back or work out an affordable payment structure to get the mortgage back on track. Banks are open to helping you and if you are genuine in your intentions the bank can be very understanding.

If you don't feel confident about negotiating with your bank ask your lawyer to do it on your behalf. We have helped many people through this simply by picking up the phone. Working out an agreement with the bank could save your home



2 HAS THE BANK OR LENDING COMPANY FOLLOWED THE CORRECT PROCEDURE?



Although you have missed your mortgage payments the mortgagee must carry out certain legal requirements, including serving you (the "mortgagor") with the proper notice.

They must serve you with a notice under section 92 of the PROPERTY LAW ACT 1952. This notice must adequately inform you of:

- ☐ The nature and extent of the default complained of (that is, the amount by which you are in default)
- ☐ The date by which you must remedy the default

☐ The rights that the mortgagee is entitled to exercise if you don't remedy the default by the specified date.

If these requirements aren't met then you may be able to apply to the court for a remedy. It would be wise to contact your family lawyer and advise them of the situation and they will help you from here. If you are low on money then a trip to citizen's advice bureau would also be helpful.



3 REFINANCE WITH ANOTHER BANK

You can go to another lending institution, mortgage broker or bank and ask them to refinance your house. If you have equity in the house they may look at helping you change banks. Equity is the value of your house minus the mortgage amount.



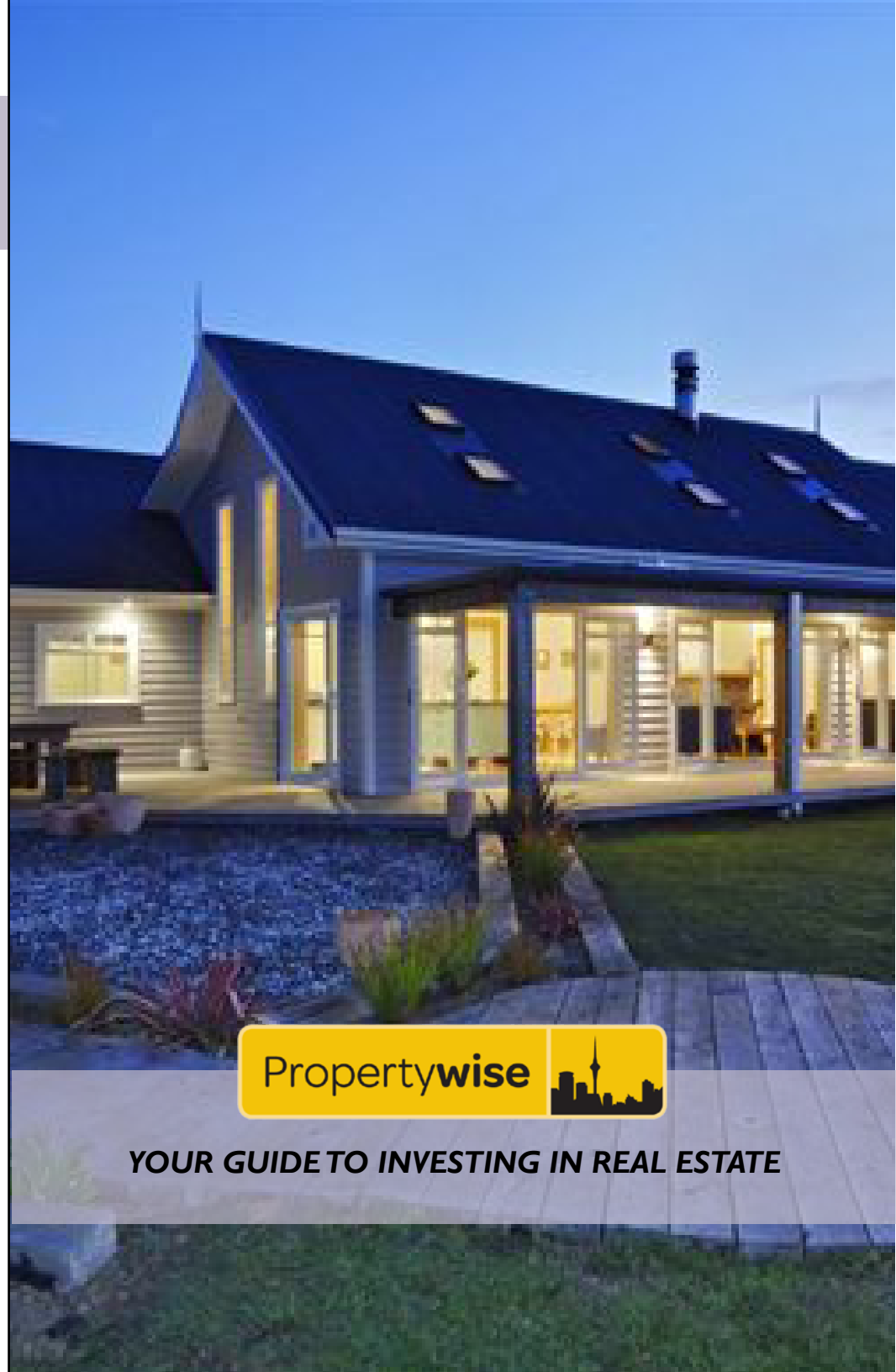
If you owe more than the house is worth then it can be difficult to refinance because banks want financial security.

A word of caution.

Be wary of loan sharks.

A lady I was helping with a house signed an agreement to have a loan arranged. By signing this agreement she incurred \$3000 in fees with no result. So be very careful as some loan sharks have hidden charges and interest rates you may not be able to afford. You are better to use a MBA Broker which stands for Mortgage Brokers Association. These people have a strong code of ethics and are skilled in lend criteria.

If you are unsure of who to contact for refinancing then call us or email us at admin@property-wise.co.nz and we can discuss the situation. We will offer you some mortgage brokers to visit.





4 BORROW FROM A FRIEND OR RELATIVE



A small loan from a friend or relative could help you to catch up on your payments. If you borrow from a friend or relative make sure that you can make the future payments and that the problem that caused you to fall behind has been fixed and will not occur again.



5 SELL YOUR HOUSE

This is step five because if you want to keep the house this is the last resort. If you must sell your house it is far better to sell it yourself than sit and wait for the bank to sell it at mortgagee sale. Once a mortgagee sale happens not only is your home gone but you could owe the bank a lot of money. Worse still, your credit rating is absolutely destroyed and even getting a stereo or electricity account can be difficult. You can use a real estate agent to sell your house or contact us. We often buy houses quickly on the terms and conditions that suit your situation.

Because we at Property-Wise are private buyers our purchase price is what you get.



Using agents will incur an agent commission and possibly advertising fees. The average saving in commission in the Auckland region is around \$25,000 dollars per house.

Propertywise

