

# MONEY SENSE

**Genesis**  
FINANCIAL MANAGEMENT INC.

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## NEW BEGINNINGS, DEBT FREE

### Saving Your Home From Foreclosure

The news about the housing market is not good. In many parts of the country, foreclosure rates have been increasing over the last couple of years as sales have cooled and buyers with adjustable-rate and other hybrid mortgages find their payments suddenly going up. It's easy to ignore statistics, though, until you become one of them. What can you do when it's your own home in danger of being foreclosed on?

The first step is to refrain from panicking and/or letting your emotions get the better of you—when in this state, you may be more susceptible to “well-meaning” people who may try to take advantage of your situation or steer you in the wrong direction, ultimately creating a bigger problem or costing you precious dollars. Gather your wits— and your paperwork— together (i.e., this is the time, if you haven't already done so, to pull together a comprehensive breakdown of your monthly income and expenses) so that you can approach your lender well-prepared.

Contact your lender or loan servicer before they have a chance to call you. They may be more willing to work with you— and you may have more options available to you—if you call them as soon as you know there is a problem rather than waiting until you've already missed a few payments. The company holding your loan may have a special department

dedicated to working with borrowers in distress. Keep records of who you speak with and when, and note any deadlines they give you for submitting records or filing paperwork. Also do not ignore any official notices— such as Notice of Default, Notice of Acceleration (which allows the lender to call the whole balance of the loan due at once), court notices, and especially a Notice of Sale, which indicates that a lender has set a date to sell your property, effectively terminating your ownership rights.

Realize that mortgage lenders are not in the business of owning homes, and they will probably be more committed than other lenders to helping you keep your asset and get caught up on your payments. In the worst-case scenario, realize that foreclosure doesn't happen overnight and you won't miss a payment one day only to find a “Notice of Sale” the next. Right up until the actual date of sale— which can take anywhere from 3 months— to a year or more depending on the laws in your state, you may have the opportunity to redeem your home, but you should act quickly.

The options available to you to help save your home are varied and may depend on the type of loan you have and how far into default you are. They may include things like refinancing into another type of loan, maybe with a fixed Vs. adjustable rate or with a longer term for repayment. Or you may be able to arrange a “workout” plan that involves

catching up on missed payments over time while still making your regular monthly payments, tacking missed payments onto the end of the loan, temporarily reducing your interest rate or permanently changing the terms of your current mortgage. Just make sure you understand the exact terms— and consequences— of these plans, as they may have a negative impact on your credit and could have an impact on next year's tax bill.

If all else fails and it isn't financially feasible for you to remain in your home, your lender may offer you the option of a “Deed in Lieu of Foreclosure,” where you voluntarily turn your home over to them, giving up your rights of ownership and forfeiting your right to recover money from their sale of the property. Or they may agree to allow you to conduct a “short sale,” in which you hire a Realtor help you sell the house, and the lender agrees to forgo any lost profit if the proceeds aren't enough to cover what you still owe on the mortgage. A “Short Sale” will not result in a foreclosure mark on your credit history, whereas a “Deed in Lieu” will.

If you're anxious about negotiating with the lender on your own, try locating a certified housing counselor through HUD's national hotline, 800-569-4287. These individuals are trained to know what options might work best in which circumstances.

#### Payment Address

**Genesis Financial Management**  
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**Reminder: You can now enroll in our debt management program through our website, [www.yourgfm.com](http://www.yourgfm.com). The process is fast, easy and can be done 24-7! Do you know someone who could/should be receiving the same benefits you are to help them get out of debt? Now they can get started with just a few mouse clicks!**



### Stop Money Battles!

Money is still one of the most frequent causes of marital discord, but the following suggestions might help couples keep the peace:

- 1) Keep a spending diary for a month so both people can clearly see where money is going.
- 2) Agree on a set limit—\$100 for example—above which neither partner can spend without first getting the other's "ok."
- 3) Give each other veto power over any decision to borrow money.
- 4) Set aside at least 15% of take home pay to help reach your goals.
- 5) Promise each other not to give up on the process. Don't allow one person to assume all the responsibility.

*Verifying the last four digits of your social may not provide the protection you think..*

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## Eating Out on the Cheap

An inexpensive meal doesn't have to involve an establishment that offers a dollar menu. You can eat out well *and* be budget-minded the next time you opt for a meal away from home. Here are a few tips to help you plan your next meal out...

- **Be an early bird.** Restaurants, particularly those of the bar and grill variety, often offer specials to patrons who dine before the peak dinner hour. Discounts can apply to drinks, appetizers, or even entrees. Call ahead to get the details.
- **Eat without meat.** Vegetarian entrees are usually less expensive than

those made with meat. Think pasta primavera, vegetable stir-fry, ricotta-stuffed manicotti.

- **Go ethnic.** You can typically get a lot of food for the money in Chinese, Mexican, Italian, Indian, and Thai restaurants. You'll want to steer clear of most Japanese and French restaurants, though, as prices tend to be high at these types of restaurants.
- **Split a dish.** Restaurants often serve portions too large for one person to finish. Consider sharing an entrée with a companion, but ask the server first if there's an extra charge for doing so.

- **Nix the list.** The markup on beverages is out of this world. A single soft drink can run as much as \$2, a cup of coffee is likely to cost you a \$1 or more, and a bottle of wine rivals the cost of most entrees. Consider drinking water and waiting for an after-dinner beverage at home.

- **Skip dinner.** Eating breakfast or lunch at your favorite restaurant is typically much more economical than ordering from the dinner menu. Breakfast with your sweetie or lunch with your book club friends can also be a refreshing change of pace from the normal night out.

— from the American Center for Credit Education—

## Identity Theft: Finding New Ways to Scam

Due to the recent increase in awareness of identity theft, people have become more cautious when giving out their social security numbers. Even businesses have stopped verifying the entire 9-digits and opt to verify only the last 4. Believe it or not...revealing that final four can be just as dangerous!

The last four digits of your social, coupled with your name and mailing address, are just as valuable as

the entire nine. Surprisingly, the average person could order your credit report, which offers your entire social. In addition, criminals may be able to guess the first five, which are based on your place and date of birth.

How do you avoid this? Well, whenever you are asked for any part of your social security number, demand an explanation. Most people are not aware that legally, you are only obligated to provide that infor-

mation to financial institutions, employers, and others who must report to the Internal Revenue Service. Also avoid using those last four digits as a PIN or security code for anything.

If you receive any other documents that have even the last four digits of your social security number, shred them at once. There is always someone out there looking to scam you. Protect yourself by taking the necessary precautions. You can never be too careful.

## Please Note: Genesis Auto-Dialer

Some of you may recognize that Genesis has been using an auto-dialer. An auto dialer is an electronic device that allows us to make multiple outbound calls at once. It does not provide personal information regarding your account but just lets you know that

you need to contact our offices.

If you receive one of these calls, please contact our Client Services department as soon as possible, as there is important information we need to relay to you.

Delaying or ignoring

these calls may have a negative impact on your account and can possibly cause you to lose your benefits or a proposal to be declined. If you have any questions or concerns, contact our client services department at 1-800-460-8641.

**Check Us Out Online!: [www.YourGFM.com](http://www.YourGFM.com)**