

What is a Foreclosure?

A Foreclosure occurs when a homeowner misses his or her payments and defaults on the mortgage. Property in foreclosure is often referred to as "distressed" because the owner is in financial distress and is behind on his or her payments. The owner's financial distress can be caused by a variety of unfortunate circumstances. This often results in a bargain buying opportunity for a well-informed homebuyer or investor, who can end up helping the homeowner avoid serious credit problems.

What is a Pre-Foreclosure?

Pre-foreclosure represents the first stage in the foreclosure process.

In this phase, the homeowner has missed at least one payment and is now considered delinquent on the loan. A pre-foreclosure can also be referred to as a NOD (notice of default) or Lis Pendens, which is a formal warning sent to the borrower on a loan regarding the delinquent payment(s).

What is a HUD Home?

HUD is a shorthand term for the U.S. Government's Department of Housing and Urban Development. HUD's mission is to increase homeownership, support community development and increase access to affordable housing, free from discrimination, for low- and moderate-income Americans. When someone with a HUD-insured mortgage cannot meet the payments, the lender forecloses on the home, HUD takes ownership of the home and pays the lender what is owed. HUD then sells the home as quickly as possible, often at a discounted price.

There is real potential for significant savings in buying HUD's foreclosed property.

HUD Homes are sold "as-is," without warranty. That means that HUD will not pay to correct any problems. Even if a HUD Home needs fixing up (and not all of them do), it can be a real bargain! For example, HUD's asking price on the home will reflect the fact that the buyer will have to invest money to make improvements. HUD might offer special incentives such as an allowance to upgrade the property, a moving expense allowance, or a bonus for closing the sale early. Keep in mind that on most sales, the buyer can request HUD to pay all or a portion of the financing and closing costs. Your real estate agent will have details. We encourage you to get the home professionally inspected before you make an offer so you will know what repairs you may have to make BEFORE you submit your bid.

Can I finance a purchase through HUDforeclosed.com?

HUDforeclosed.com does not offer financing directly. We provide links to businesses that will gladly assist you. These links are located in the members only section of the website. Sign in, click on "Loans", and enter your loan criteria.

Can I still get a house if I filed for bankruptcy?

There are loans available for all different levels of credit, some lenders provide up to 100% financing. You should discuss financing questions with a qualified representative from one of our financing referrals. Using HUDforeclosed.com, you may access these referrals by clicking on "Loans" on the members-only website.

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[Government foreclosures](#) (or bank foreclosures) can be an extremely lucrative opportunity for investors to find great deals on real estate. Unlike buying only at a foreclosure auction, **government foreclosures** offer several types of sales that can work to your advantage, and many buyers find that buying from government sources usually means the properties are in better repair.

Essentially, a government foreclosure works on the same principles that any other foreclosure property does. If a homeowner defaults on their government sponsored home mortgage loan, then the agency in charge of issuing the loan will move to repossess the property in order to sell it and regain some of the money lost on the delinquent loan. Several different agencies have government foreclosures available, and each of them offer different options and ways to buy. One of the most common forms of government foreclosed properties are sold by the department of Housing and Urban Development (HUD). HUD homes offer a fabulous chance for buyers to buy directly from government agencies. Often times HUD homes do not raise enough money at a regular foreclosure auction, and so are awarded to HUD to sell at their own leisure. This gives buyers the opportunity to find HUD home listings and inspect and research the property as much as they want without the pressure of having to learn as much as they can before an auction date. Instead, you can submit a bid to the HUD authorities on a certain property, and if it is accepted, you will be awarded the home.

Most government foreclosures work under guidelines similar to the HUD guidelines, whether they are from the Federal Housing Authority (FHA), the department of Veteran's Affairs (VA) or other groups. There are many sources available on the internet for locating government [foreclosure listings](#), making it simple to pursue these valuable chances for discounted home purchase.
