

This Sunset is Beautiful,

But Not all Sunsets Are...

When the sun sets on the Mortgage Debt Relief Act on **December 31, 2012** many will regret missing the huge tax breaks. Don't let this happen to you.



CERTIFIED DISTRESSED
PROPERTY EXPERT™

Not all Sunsets Are Beautiful...

When the Foreclosure Crisis began in this country, millions of homeowners who found themselves in danger of losing their homes were looking for a dignified solution that could help them walk away without jeopardizing their future. The banks, which also found themselves facing the prospect of having to take back millions of homes they weren't prepared for, eagerly sought foreclosure alternatives.

These alternatives included options like loan modifications, debt forgiveness, and short sales among others. Almost every option had one thing in common: Banks agreed to release homeowners from at least some of the debt they owed. For the banks, they almost always got more money out of an option like a short sale than they would have in a foreclosure. For the homeowners, they could walk away without having a foreclosure on their credit.

This, however, brought about a new problem. Typically, when a bank forgives any or all of a debt, the amount of the debt that is forgiven is reported to the IRS as "income." This income carries with it a tax liability. For homeowners who were already in dire financial circumstances, suddenly having to pay these taxes (sometimes called "phantom taxes") was often more than they could handle. They were essentially trading one unmanageable debt for another.

In 2007, Congress addressed this issue by passing the Mortgage Debt Relief Act. This act removed the tax responsibility on mortgage debt. Originally set to expire in 2010, it has since been extended twice and has become one of the most successful relief programs since the beginning of the housing crisis.

It was always intended to be a temporary solution. Barring an act of congress extending the act, the Mortgage Debt Relief Act will sunset at the end of 2012. For distressed homeowners, this means that time is running out for you to take advantage of this program.

There is a bill in Congress that would extend the act, but it is unclear whether or not it will pass. What is clear is that waiting to see if the act gets extended could end up costing you dearly. This report is designed to answer the most common questions about the Mortgage Debt Relief Act. The important thing to remember is that you must act quickly to take advantage of this program that has already saved millions of homeowners thousands of dollars.

What is a short sale?

If you are struggling with your home payments, you're not alone. An estimated one fourth of all U.S. homeowners are upside down on their mortgage—meaning they owe more on their home than it is worth – and millions are behind on their payments.

Often the best solution for homeowners in this situation is a short sale in which the bank agrees to accept less than is owed on the mortgage. The bank doesn't want to foreclose on your home, and short sales are more common than ever before.

According to the National Association of Realtors, 14% of all real estate transactions in February 2012 were short sales!

The situation is complicated and the stakes are high. Never has it been more important to have a local market advocate on your side.

Contact me today and let's get started!

Does the Mortgage Debt Relief Act apply to all forgiven or cancelled debt?

No. Only debt which was forgiven or cancelled on a homeowner's **primary residence** is included in the Mortgage Debt Relief Act.

What is the maximum amount of debt than can be forgiven?

The maximum amount of debt that is exempt from taxes under the Mortgage Debt Relief Act is \$2 million (or \$1 million if the borrower is married but filing separately at the time of forgiveness of the debt).

What does this mean for you?

*This is the easiest question to answer. It means that **you have options.***

Even if you find yourself among the millions of homeowners who are in danger of losing their home to foreclosure and you aren't even sure if any options are available for you, you can be helped.

Fortunately, you are looking for information before time has run out. However, to take advantage of the Mortgage Debt Relief Act, you must act quickly. Not only does the act expire at the end of this year, but in order to take advantage you must complete any foreclosure alternative you choose before Dec. 31, 2012. That is why it is crucial that you begin now to ensure the process can be completed in time.

THIS CAN SAVE YOU THOUSANDS OF DOLLARS. More importantly, it can give you peace of mind and a fresh start on the future.

As a Certified Distressed Property Expert (CDPE), I am uniquely qualified to talk to you about your options, to guide you through the process and to help you save your home from foreclosure.

The clock is ticking. The quicker you act, the better your options are. The good news is you have already taken the first step. You are looking for the information that will help you change your situation. Take a look at my website. Go through the reports. Write down your questions and then **contact me today and schedule your free, confidential consultation.**

Mortgage Debt Relief Act Frequently Asked Questions:

When does the Mortgage Debt Relief Act Expire?

December 31, 2012.

How much debt can be forgiven?

\$2 million

(\$1 million if you are married and filing separately.)

Does this apply to any debt that is forgiven?

No, the Mortgage Debt Relief Act applies only to debt forgiven on your primary residence.

Who determines how much debt is forgiven?

The lender is required to report any forgiven debt that is over \$600.

Will this be reported on my credit?

If a foreclosure was started, then it probably will be, although it will be less impactful than if the foreclosure is completed.