

# Tip Sheet

## Crumbling Foundations and Mortgages

If you live in Tolland County and the surrounding areas, you know that home values have been negatively impacted by the crumbling foundation crisis. Should you be concerned?

### Consider the following:

*Was your home's foundation poured between 1983 and 2016 in the Tolland County area with concrete that may contain too much pyrrhotite that could weaken the foundation?*

**OR**

*Do you live in a neighborhood where other houses have a crumbling foundation?*

If you answered yes to one of the above and you still pay a mortgage, plummeting home values caused by these deficiencies can either prevent you from selling your home altogether or force you to sell at a price that prohibits you from paying off your existing mortgage.

As dire as this sounds, you have options. However, because each homeowner's situation is unique, there isn't a one-size-fits-all solution. That's why Sarah Poriss, Attorney at Law, LLC offers a strategy session at her office to answer all your questions, including:



- Should I continue to pay my mortgage?
- What happens if I want to sell?
- Is there relief for me if I want to fix my foundation?
- I may want to move in the near future; what should I do in the meantime?

**Call today at (860) 233- 0336**

# A GUIDE TO STRATEGIC MORTGAGE DEFAULT

Strategic mortgage default is a common solution for many homeowners dealing with crumbling foundations. Keep in mind, this option is not right for everyone and timing is key. In other words, Strategic Mortgage Default may not be right for you NOW, but it could be in the future.

## **Don't delay!**

Contact Sarah Poriss, Attorney at Law, LLC to schedule your strategy session to discuss the right plan for your household at (860) 233-0336.

## **What is Strategic Mortgage Default?**

- The act of intentionally stopping payment of your mortgage to allow the loan to default for a specific, strategic purpose.

## **What will happen if I stop paying my mortgage?**

- Your lender may call you and send default notices; eventually, you will get a notice of foreclosure from a local attorney
- You may be served with foreclosure papers, usually between five-to-12 months after your last payment.

## **Why would I ever stop paying my mortgage? Isn't that illegal?**

- You are not required to pay a bill you can't afford or no longer makes sense to pay.
- Of course, there are negative consequences, but homeowners who have crumbling foundations have lost all their home equity. Strategic default allows you to save money, which partially makes up for the loss of home equity.

## **Will it affect my credit score?**

- Yes, non-payment and defaulting on your mortgage will cause a negative impact on your credit score.

## **What are the benefits of Strategic Mortgage Default?**

- Defaulting on your mortgage allows you to save your monthly payment and accumulate savings.
- Non-payment does NOT result in immediate foreclosure or a mandate to vacate your home immediately. It allows you to save money and plan for your next move
- Non-payment can buy you the time you need to get organized, find your next home, and recoup some of the equity you've lost due to decreased home values caused by the crumbling foundation crisis.

## What are the consequences of Strategic Mortgage Default?

- Non-payment of your mortgage will affect your credit score; technically you are breaching your loan agreement.
- A foreclosure will likely commence.
- There may be some tax implications and some risk of being asked to repay any deficiency.

**No one should stop paying a mortgage without legal counsel and advice! Schedule your strategy session today at (860) 233-0336 to review your options and discuss in detail the benefits and consequences of strategic mortgage default.**

## What if I have already stopped paying my mortgage? What can I expect?

If you've already stopped paying your mortgage, you will likely be served with a foreclosure lawsuit within five-to-12 months of your last mortgage payment. However, you have the same rights as any other homeowner in foreclosure, including participation in the court's foreclosure mediation program

## Should I file for bankruptcy?

While Sarah Poriss, Attorney at Law, LLC is not a bankruptcy law firm, we can determine if a homeowner with a crumbling foundation would benefit from a conversation with a bankruptcy attorney. If a consultation with a bankruptcy attorney is in your best interest, we can recommend several who are aware of the special circumstances homeowners with crumbling foundations face.



We hope this TIP SHEET was helpful to you. If you're ready to explore your options with Strategic Mortgage Default, call Sara Poriss, Attorney at Law today at (860) 233-0336 to schedule your strategy session!

*Not to be construed as legal advice. There is no attorney-client relationship until a retainer contract is offered and signed, and fees paid.*