

\$ CASH FOR KEYS \$

If you have received a notice to vacate, or a letter from the bank or property management company about moving out of the property, you can request "**Cash for Keys.**" This means that you set an agreed-upon date to move out and negotiate how much money the bank will pay when you move out. You cannot get the money before you move because the bank has to make sure that you leave the property in good condition.

The "**Cash**" amount varies for each lender or bank. It could be \$1,000 or it could be \$3,000. You need to talk to the bank or property management company and negotiate the payment. After you move out, the bank or property management company will inspect the property and pay you the amount that you have agreed to with them.

Usually, you must leave a key to the property. The house must be left in "Broom Swept" condition, which means a clean home down to the sweeping. Only normal wear and tear will be acceptable with no signs of vandalism from the homeowner. Appliances and fixtures must be left in the house, unless the bank has agreed that you can take them. There can be no pets left behind or junk in the yard or out buildings.

Find out about the Court Rules and New Mexico laws at your library or look at the Rules and laws on-line at:
www.nmcompcomm.us
Use the Public Access Law tab.

KEEP YOUR HOME NEW MEXICO

United South Broadway Corporation partners with the New Mexico Attorney General and with non-profit organizations statewide to help homeowners at risk of losing their homes to foreclosure.

Working together, the partners provide housing counseling and legal services to New Mexico homeowners to help them avoid foreclosure or choose alternatives to foreclosure.

FOR HELP

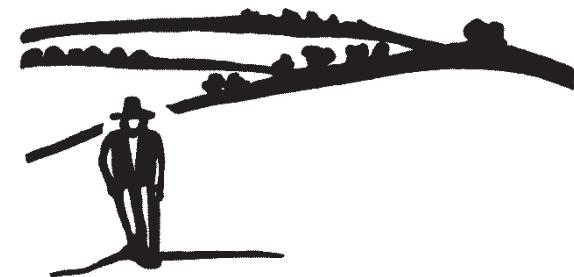
Call the HOTLINE AT
1-855-664-6630 for referral to
housing counseling and legal services.
Or visit the website:
www.keepyourhomemexico.org



Our partners:

CAFé ☐ DNA People's Legal Services ☐
Independent Living Resource Center ☐
New Mexico Legal Aid ☐ N.M. Attorney General ☐
Senior Citizens' Law Office ☐
Springboard ☐ Tierra del Sol Housing Corporation

WHAT HAPPENS AFTER FORECLOSURE?



***The Court has ruled the bank will
get your house.
What can you do?***



**1500 Walter SE, Suite 202
Albuquerque, NM 87102**

505-764-8867

*USBC offers HUD-Certified Housing
Counseling, and Legal Services through its
Fair Lending Center*

FORECLOSURE

The District Court has made a decision that the bank or lender is entitled to your house. The District Court has also decided how much money you owe to the bank. What do you do now?

APPEAL

If you disagree with the judge's decision, you can appeal your case. An appeal is complicated. You should talk to a lawyer about how to appeal. If you can't hire a lawyer for the appeal, you can get information from www.nmcourts.com. The Court of Appeals has an appeal packet.

An appeal must be filed with the Court of Appeals within 30 days of the final decision of the District Court. During the appeal, you have to *post a bond* if you want to stay in the house. You have to ask the District Court to set the amount of the bond.

SALE

Once the District Court has made its decision, the bank will set a date for the *judicial sale* of the house.

The sale is run by a Special Master who is appointed by the Court. In almost every case the bank is the only bidder and the house is sold to the bank that foreclosed. Usually, the bank pays about 2/3 of the value of the house, leaving about 1/3 still owing. This is called the "deficiency."

Once the sale takes place, the Special Master prepares a report for the judge. The judge must approve the Special Master's Report. If you have been participating in the court case, you will get a copy of the Special Master's Report and you will be able to file a response with the Court. If you disagree with the Special Master's Report, and you file a response, you can also request a hearing to explain to the judge why you disagree. Usually your dispute would be based on the sale price, the charges or other fees included in the Special Master's Report.

REDEMPTION

Your mortgage gives you the *right of redemption*. New Mexico law permits up to nine months but most mortgages specify one month. This means that you have one month after the Court signs an order approving the Special Master's Report to buy your

home back from the bank. In order to redeem, you have to pay the bank the amount of the sale price plus fees and charges approved by the judge in the Special Master's Report. New Mexico law has a procedure in which you file a **Petition for Redemption** with the Court. You will have to pay *the full amount paid at the sale plus interest and charges*. This payment must be posted with the Court. Like any other papers filed with the Court, you must give copies of your paperwork to the attorney for the other side of your case.

BANKRUPTCY

If you have a lot of debt, including the money owed on your house, *you can file for bankruptcy at any time during the foreclosure process*. This will place the foreclosure lawsuit "on hold" until the Bankruptcy Court processes your bankruptcy application.

Bankruptcy will give you time to make a payment plan with the bank and make the payments on your house. It may also give you time to apply for a loan modification on your mortgage. You will need to consult with a bankruptcy attorney. You can also purchase a "pro se" (self help) packet at the bankruptcy court. You can find out more about bankruptcy at the Consumer Debt Workshops offered by the New Mexico State Bar. Check the website (www.nmbar.org) or call 797-6000; toll-free 1-800-876-6227, to find out when a workshop is scheduled near you.

EVICTION OR MOVING OUT

Once the sale is approved or your redemption period has passed, you may be notified that you must move out of your house. Sometimes you will receive a three-day notice to vacate the property. If you do not move out on your own, the bank might have to ask the Court for a Writ of Assistance. Sometimes the Writ of Assistance is included in the Judgment and there is not a separate hearing.

If the bank applies for a separate Writ of Assistance, you will need to file a response with the Court if you do not want to move out immediately. Once the Court signs the Writ of Assistance, the bank has the legal right to force

you to move out of the house. The bank can give the Writ of Assistance to the sheriff and the sheriff can change the locks and take other steps to ensure that you leave the house.

Sometimes the bank doesn't do anything and you can continue to live in the house indefinitely.

Sometimes, the bank lets the homeowner stay so that the house is not vacant and subject to vandalism.

If your loan was insured by Fannie Mae or Freddie Mac, you should receive a letter offering to let you apply to rent the property as a tenant. This program gives you the opportunity to apply to rent your home, usually at market rent. The Freddie Mac program is called REO Rental (www.freddiemac.com). The Fannie Mae program is called Deed for Lease (www.fanniemae.com or 1-800-732-6643).

BEWARE OF FORECLOSURE RESCUE SCAMS



Be wary of anyone who:

- Wants an up-front payment to help you modify your loan
- Is an out-of-state law firm offering to obtain a loan modification for you
- Asks you to sign a deed giving them your home
- Claims that you have to move out of the home so they can sell it.

If you think you have been scammed, or have questions, call the New Mexico Attorney General's Office at 1-505-222-9038.