



Bankruptcy Guide: 6 Ways to Navigate Bankruptcy

BANKRUPTCY CAN OFFER SHORT-TERM RELIEF, BUT A LONG-TERM PROPERTY STRATEGY IS ESSENTIAL. WHETHER YOU CHOOSE TO REORGANIZE, REFINANCE, OR SELL, TAKING PROACTIVE STEPS CAN HELP YOU REGAIN FINANCIAL CONTROL AND AVOID FORECLOSURE.

FILING FOR BANKRUPTCY CAN PROVIDE TEMPORARY RELIEF FROM FORECLOSURE, BUT IT DOESN'T ELIMINATE THE NEED TO ADDRESS YOUR PROPERTY. WHETHER YOU WANT TO KEEP YOUR HOME OR LIQUIDATE IT TO SETTLE DEBTS, CHOOSING THE RIGHT STRATEGY IS CRUCIAL. HERE ARE SIX WAYS TO HANDLE REAL ESTATE IN BANKRUPTCY:

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6 Ways to Navigate

1

Filing for **Chapter 13 bankruptcy** allows homeowners to restructure debts and create a repayment plan over 3–5 years. This can help catch up on missed mortgage payments while keeping the home.

Best for: Homeowners with a steady income who want to stay in their home.

Considerations: Requires court approval and strict adherence to the payment plan. Failure to meet payments could still lead to foreclosure.

2

Sell for Cash: If keeping the home isn't feasible, selling to a cash buyer can provide fast relief by settling debts and preventing foreclosure. A quick sale allows homeowners to move forward without financial stress.

Best for: Homeowners who need immediate funds to settle bankruptcy debts.

Considerations: Cash buyers often offer below market value, but the process is fast, with no need for repairs or long waiting periods.

3

Subject-To Transfer: A subject-to sale allows an investor to take over the mortgage payments while keeping the existing loan in place. This can relieve financial pressure without requiring refinancing or immediate home equity payout.

Best for: Homeowners who want to avoid foreclosure but can't afford to keep the property.

Considerations: The original mortgage stays in the homeowner's name, meaning they are still legally responsible if the investor fails to pay.

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4

Refinance or HELOC: If there's equity in the home, refinancing or taking out a home equity line of credit (HELOC) can provide funds to pay off creditors and reorganize finances. This strategy can be a lifeline for those looking to recover while keeping their home.

Best for: Homeowners with good credit or sufficient equity to qualify for a loan.

Considerations: Refinancing may come with higher interest rates, and approval depends on income and creditworthiness.

5

Lease Option: Renting the home to a tenant-buyer who agrees to purchase it later can generate immediate income while allowing time for financial recovery. This can help cover mortgage payments while preserving ownership.

Best for: Homeowners who need extra time to stabilize finances before selling.

Considerations: Finding a reliable tenant-buyer can be challenging, and the final sale isn't guaranteed.

6

Seller Financing: Instead of selling for a lump sum, homeowners can offer seller financing, where the buyer makes payments over time. This creates an income stream while still liquidating the property.

Best for: Homeowners who want to sell but need structured payments to maximize financial benefits.

Considerations: Payments depend on the buyer's reliability, and legal agreements must be structured carefully to protect the seller's interests.

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Take Action Today!

The sooner you take action, the more options you have. If you're unsure which solution is best for you, let's talk! We help homeowners navigate Bankruptcy and find the best path forward.

Call/Text: 661-936-4406

Email: contact@werescuehomes.com

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**You have options—don't wait until it's too late.
Reach out today!**