

Emotional Stages of Losing your Home - What Stage Are You In? Written by Jeanine Corcoran



When I was losing my home back in 2009, I didn't realize that my own experiences would later come to help other people as they go through the emotions of losing their home. It is for that reason, that I am moved to write down the emotional stages of losing your home that I began to recognize in each new family that I met. It is my hope that anyone reading this will understand the process and what they can expect. Stage One (decision time/afraid): I can't afford the house anymore and I'm sinking deeper and deeper into debt. I've exhausted every avenue of trying to keep up on the mortgage payment. I've borrowed from my 401 k. I have maxed out my credit cards by charging groceries so I can feed my family. I've borrowed from Peter to pay Paul...so to speak. This is my home. This is where I

raised my family. There are so many memories here, how can I just walk away? What will people think? My whole life I have had so much pride in how high my credit score is. How can I ruin that now?

Stage One...it's decision time: This for me was a difficult decision. It was at this stage that I found I had to make a decision. I thought...It can't keep going on like this. Some people at this stage may decide to reach out to their lender for help for a loan modification or maybe they decide to stop making payments on their mortgage to ease the pain like I did...at any rate, it is at this point where I had to make a decision and you will too. It is at this point that I felt so alone. It is at this point that I was being private about my situation. I was not talking about it with my friends and neighbors....after all, it was embarrassing that we got ourselves in this position to begin with, isn't it? Stage one, in my opinion, is the hardest stage to face.

Stage Two (frustration/anger): It's during stage two that I was very frustrated. Time had gone by and a loan modification didn't work for me . You too may find that doesn't work for you. Maybe your bank came back with a payment that you don't agree with. Or maybe, like me, I just gave up and decided not to pay my mortgage and decided to ignore the bank phone calls and the late notices. I even started to think by ignoring the situation, it will just go away. I still had a roof over my head but for how long? It is at this stage that I had a lot of frustration. I also began to have a lot of anger, not at myself, but at my bank. After all, if they would have lowered my payments to where I could afford them, everything would be ok, wouldn't it?

Stage Three (education/confusion)

It is at this stage that I realized I should educate myself. I realized that I was not alone. I was not the only one in this position. I started to pay attention to see what other people were doing. I talked to friends and co-workers, I talked to an attorney and of course, I searched the internet to see what I could find out. During this education stage, I was bombarded with so much advice from people that I didn't know what to do. I was confused. One person said they did this and then the next person said the opposite. Will the bank come after me for the rest of my life if I just walk away? Will they one day just knock on my door and tell me to leave by the next day? What is this "notice" the bank sent to me? It is at this point that I realized that an action has to be taken and I can no longer ignore the inevitable—the bank will foreclose and take my house.

Stage Four (action/clarity)

Once I went through the education process, I decided to take action. I took the action that was best

for me. For me, it was bankruptcy. I was going through a divorce and this was the best course for me. Whether you choose bankruptcy first because you have a lot of debt or just a short sale or a deed in lieu...Whatever your choice is, you realize it is time for ACTION. It is during this time, that I started to feel emotionally better about the situation because I was taking action and felt more in control of my life. I realized that the memories were not in the house itself, but were in my heart and those memories came with me. I realized that new memories and traditions will be created in my next place of residence. It is during this time, that I detached myself emotionally from my house. That I came to the realization, that when this is over, I can move on and rebuild. In my opinion, this action period for me was the most refreshing and hopeful. (stage 5 for bankruptcy clients only- otherwise, move on to stage 6)

Stage 5 (bankruptcy discharge/confusion)

My bankruptcy was discharged and I felt comfortable that the bank cannot come after me. I thought it was over and I could now move on with my life, but I was still receiving correspondence from my lender and my homeowner's association! I just wanted it to go away. My thoughts were "C'mon already. I gave the house back to the bank in the bankruptcy, didn't I?" I never had guidance from my attorney as to what happens AFTER the bankruptcy. The house was still in my name on title until some action was taken by the bank (foreclosure) or by me (short sale). Unfortunately, for me, the foreclosure happened but it took 3 years! I wanted to speed up the process through a short sale but I needed the cooperation of the other person on the title and when you are going through a divorce, that's not so easy. My recovery time on my credit was delayed during those 3 years. If I would have managed to do a short sale and remove my name off of the house sooner, it would have allowed me the recovery time the lenders wanted to obtain another mortgage—a more affordable one.



Stage 6 (Freedom/rebuilding)

For all those who were proactive in removing their name off of the title, you did it! You finally feel freedom! You didn't just WALK AWAY from your home. You have removed your name off of the title of your house. You are confident you made the right choice. You had an attorney read and interpret your short sale approval letter to help you understand it because when lenders use the words "deficiency" and "1099" and "consult your accountant", you made sure you understood what it all meant. Your timeline starts now for that future lender. You may be even thinking you never want to own a home again but that may change. It did for me.

Everything that happened to me was a lesson learned and it has allowed me to understand and help as many people as I can. This is my personal mission. Whatever stage you are in, I'm here to help. All of my short sales have an attorney review your approval letter when it comes so you understand what is going on. There is never a charge to you for doing a short sale or having an attorney do the review.

Don't just walk away! A quote from Andy Andrews author of The Noticer. "Rebuild with a grateful heart. You may have lost a house, but you did not lose your home. Remember, you are still breathing."

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(all the info contained in this pamphlet was written by me, Jeanine Corcoran and is not meant to be advice. You should always consult an attorney and your accountant. This was my personal experience and my goal is to educate as many people as I can so they too can move on with their lives)