

# COMMENT

## Some ways to fight back on foreclosures



**DELAWARE VOICE**  
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Tough financial times continue for many homeowners in Delaware, as reflected in Delaware's very high mortgage foreclosure rate. A report by RealtyTrac, a company that crunches numbers on foreclosure rates in all 50 states, indicates that Delaware's rate of one home in 674 is more than double the national rate.

There are many reasons contributing to the high foreclosure rate. In many areas of Delaware, the rate of recovery in the housing market has been slow. During the recession, some homeowners got mortgages that they could not afford. They hoped to refinance them at lower rates, but as home values dropped, they were unable to refinance. Adding to the problem was the fact that the income of many families declined during the Great Reces-

sion, and incomes have not yet fully recovered. Skyrocketing health insurance premiums, deductibles, and co-pays have also made things worse.

As a homeowner falls further and further behind in mortgage payments, mortgage companies often will reject partial payments.

Additionally, the mortgage company will sometimes accelerate the mortgage, and then demand large lump sum payments to reinstate the mortgage. If the lump sum payment is not made, the matter is often referred to a local attorney to file a mortgage foreclosure action in the court.

As an attorney in private practice for almost 40 years, I have met with many families throughout the state facing foreclosure. I've seen the stress, anguish, and desperation of Delaware homeowners and their families facing foreclosure.

Fortunately, Chapter 13 of the Bankruptcy Law provides a perfectly legal way for many homeowners to stop mortgage foreclosure actions and save

paid off, the mortgage will be reinstated, and they will no longer face the threat of a foreclosure. As an additional bonus, if the home is underwater, second mortgages can also be stripped off.

Chapter 13 provides additional real-world benefits to Delaware homeowners. In many cases, repossessed cars can be returned, car loans payments can be reduced, taxes can be paid, and credit cards can be discharged, all under court protection.

Chapter 13 wage earner plans provide a real and powerful way for Delaware homeowners to fight back to save their homes. It is a complicated process, so time is of the essence.

The sooner the petition is filed, the better the chances of ultimate success. My advice is very simple: homeowners facing foreclosure need to speak to an attorney familiar with the consumer bankruptcy law as soon as possible.

You can fight back, but you have to know your rights first.

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their homes. Upon the filing of a Chapter 13 petition, an automatic stay goes into effect and mortgage foreclosure sales are stopped.

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