

FORBEARANCE AGREEMENT BREACH OF CONTRACT: Loss of Family Home

Current economic news appears to be turning cautiously optimistic. During the last two years, however, many homeowners experienced the devastating loss of their home through foreclosure. We represented a couple in their mid-60s whose property had been owned by their family for over 50 years. They were struggling financially and had defaulted on their mortgage. The lender had offered, and our clients had accepted, a forbearance agreement that was intended to stop the sale of the property while the parties worked out a resolution. Without notice or warning, there was a knock on the door and the visitor announced that he had just purchased their property at a foreclosure sale. Our clients had to vacate their home within in 30 days. Although the forbearance agreement clearly stated that it could not be "...terminated for any reason whatsoever...without written notice," it was terminated without any notice, written or otherwise, and our clients suddenly found themselves homeless.

They turned to our firm for help. We sued the lender for damages because there was no way to unwind the sale and restore our clients' ownership of the property. The judge determined that the lender had broken its promise and, just before the jury was to assess the damages which that broken promise had caused, the lender settled by paying a substantial amount of money. With this settlement, our clients now can get on with their lives, but the family property has been lost forever.

If you have had a similar experience, please give us a call. We may be able to help you too. Please contact Steve C. Baldwin for further information.

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