

A deed in lieu of foreclosure allows a consumer who does not want to keep the property or fight for a modification, the chance to walk away from the home with a lesser ding on their credit than if the foreclosure lawsuit and judgment proceeded. This process involves negotiating with the bank to accept the debtor's signature granting the title to the home to the bank and his/her leaving the property instead of the bank being forced to file and litigate the foreclosure lawsuit.

This process is a win for the bank because it doesn't have to pay its lawyers to process the foreclosure lawsuit, and it doesn't have to wait the seven or more months that that process would take.

This process is sometimes a win for the homeowner because s/he can leave the property with no worry of looming lawsuits, collection actions, or a possibly worse stain on his/her credit.