

I Foreclose Houses for Banks – 5 Strange Realities

About a decade ago, home prices exploded to bizarre levels, then millions of families got behind on their mortgage payments. A financial crisis spiraled out from there, almost destroying the world. Things have improved a bit since then, but it still sucks for lots of people. If you can't make your payments, the bank squares the debt by seizing your home, and you're left out in the cold. In the modern world, it's one of the worst things that can happen to you that doesn't involve a somber doctor asking you to please sit down.

That's where Evelyn comes in. As part of her real estate job, she works with banks to handle foreclosures, evictions, and lockouts. We asked her what it's like watching this tragedy unfold again and again. And yeah, it's a nightmare.

We Chuck All Your Stuff And Find Weird Things

Let's say the bank forecloses on a home, but couldn't get the (former) homeowner to voluntarily move out. Here's how that's going to play out:

We knock, the contractor drills open the lock, and in we go. We remove everything from the home and move it to the front yard. And I do mean everything -- I yank open drawers and pull out individual pairs of underwear. All your dirty magazines, your weed pipes, your bills and mail ... the kid's race car bed, your mother's trashy romance novels, your half-empty tubes of hemorrhoid cream. It all ends up in the driveway for your neighbors to cull through for 24 hours. Everything but food, which is trashed, and weapons or drugs, which go to the police. Then, after 24 hours, I return and dump it all back into the house. That's because companies will bid competitively over who gets to handle the final trash-out.

That whole process is the "lockout." If the occupant has left and taken their stuff with them, then we poke through what they left behind. And that gives a different, weirder look into their lives. There are sad sights. Hospital equipment, like beds and oxygen tanks and toilet chairs -- signs of the illnesses that smacked the owners into poverty. There are scary sights, like when one lady had collected lifelike, three-foot-tall dolls, and I felt like I'd stumbled into some Uncanny Valley Tea Party.

You'll see a child's macaroni picture left next to the father's pile of porno mags. One trailer looked like a torture room, with a meat saw and antique tools. One lady left tens of thousands of dollars' worth of clothing and shoes in her closet. She packed up the rest of the home, but left all this evening wear behind. I still haven't figured out the psychological significance behind that.

And what do we do with that stuff? It all goes to the dump. Your grandmother's heirloom china, the wedding photo album (of the marriage that probably self-destructed, which is how you ended up in foreclosure), your fencing equipment, your old Army gear, all the furniture you leave. We can't (and don't) save or donate any of it. We don't have the time or the inclination. A lot of this stuff is perfectly good and salvageable, but it's too hard to get a charitable organization to get there in our limited timeframe. So save us the hassle and donate your old crap yourself, please.

Sometimes, we see things that make me question my job and how such horrible people can exist in the world. One family left their dog behind, locked in a room for a month with a huge bag of food but no water. The dog had ripped the room apart and soiled everywhere, but he couldn't get out. Animal Care took the dog, and the owner was charged with animal endangerment. I went home and loved my dog a little extra that night.

Some Homes Are Meth Labs, And The Banks Cover It Up

Some homes are secret brothels (you haven't lived until you've combed through used condoms with a lawn rake). And not even classy brothels.

I found a dedicated coke room once whose door had no knob on the outside. And then there was the grow house -- a detached garage set up like a workshop, but with the windows covered with aluminum foil and trash bags. The banks never disclose any of this to buyers. Occasionally, I have a moral argument with myself: Do I tell the buyers about the illegal activity, knowing they'll walk away and the bank will find out? Or do I keep my mouth shut? I almost always keep my mouth shut.

And then there are the meth labs. During one visit, our contractor walked in and the smell was so bad that he could only spend about five minutes at a time in there. He said that it burned his eyes and throat, and he spent the next day coughing. He couldn't quite place it, but said it had an almost ammonia smell. When I talked to an industrial hygienist, she knew we'd stumbled into a, well, *Breaking Bad* situation. But the bank didn't let me test further for this. See, if they know there's an issue, they are required by law to either fix it or disclose it. But if they don't check, then they can say that they didn't know.

And this is worse than, say, covering up that someone died in a house, because ghosts are benevolent 90 percent of the time. When people (like this family) unknowingly buy foreclosed homes that were meth labs, they're liable to get breathing problems, nosebleeds, and mouth sores from the chemical residue. One family only identified the problem after five years and numerous emergency room visits, and then they learned that cleaning out the house would cost \$30,000. One study found that 11 percent of foreclosed multifamily units are tainted with meth.

Owners Will Trash Their Homes Out Of Spite

A lot of people take the attitude that if they can't keep their home, then they'll make sure that no one else can enjoy it either. And when they don't go all the way and try blowing the whole place up, this means at least tearing things up and leaving the place as unusable as possible.

Most commonly, they pour cement down toilets and sinks, forcing us to redo all the plumbing. One guy removed sections of pipes so that the bathroom would flood once the sinks were turned on. Another couple opened every electrical outlet and yanked out the wiring.

We see a lot of places where wall-mounted TVs were straight ripped out of the walls, taking the drywall with them. (Wouldn't that make transporting a TV harder?) People will remove entire kitchens, including counter tops and floorboards. Sometimes, this is to resell the items, but mostly, it's because they spent a great deal of money on a remodel and can't stand the idea of the bank profiting off of that. Plus, don't act like you've never fantasized about trashing a kitchen.

Then there's the food in the fridge. It sometimes take years before someone actually gets assigned to manage a foreclosure. That means years of no electricity, no air conditioning -- just food reveling in decay. It rots in the refrigerator until mold grows so much that it pushes open the door and you can smell it from outside. In that case, we keep kicking the fridge closed until it's time for trash-out, and then duct tape it shut, put it on the curb, and let the city handle it.

We may also need an exorcist.

And once again, you'll see people's entire tragic downfall spelled out right in front of you. I found one home filled with graffiti, and at first figured that neighborhood kids had broken in. But then I realized that the homeowner himself had left a bizarre, painted message about his recent divorce, punctuated with anchors and hearts. This was after his wife had taken all the furniture, leaving him with a pallet of blankets and sheets on the living room floor. He even spray-painted a TV on the wall, complete with "Play" and "Pause" buttons. Yeah, this job is mostly about finding people at the absolute lowest points in their lives.

That's one reason why people don't realize ...

The Banks Could Have Worked With Them ... Or Even Paid Them To Move Out

The movies say that if you approach a bank rep and ask about modifying your loan to lower your payment, they'll smugly laugh in your face. Well, I often see people approach reps with patently false sob stories and then leave with a revised loan, thinking they've successfully fooled the bank. In truth, the bank didn't give a damn about the story; they just wanted any indication that you were going to pay something. It's not that the banks aren't evil and greedy -- they are! -- it's that they make more money this way.

Understand: The bank doesn't want your house. Banks are in the loan business, not the real estate business -- they'd much rather leave you in your home and collect the payments that will earn them double what the house is worth. The bank doesn't give you the loan hoping your life will fall apart. Foreclosing means that the bank is abandoning years of missed payments, paying an attorney to do the foreclosure, paying for the repairs I mentioned above, paying fees and maintenance, sometimes tens of thousands of dollars in homeowners' association back dues, etc. Holding a house without making money on it screws their books, and it all probably ends with auctioning the house off at a reduced price. This means that the bank has all sorts of motivation to work with you.

If the bank insists on foreclosing (and you can't argue because you really are broke and can't make any payments at all), you still shouldn't leave immediately. That's because if you wait, they'll likely pay you to leave through a program dubbed "Cash for Keys." Often, they'll give one percent of the home's value. Wells Fargo sometimes offers 10 percent (say, \$50,000 on a \$500,000 home).

Again, this is all barring your kids showing up unexpectedly the next day with a load of pirate treasure.

Banks say that the payments help with moving expenses and aim to "help the housing crisis." (And the big payments, like the \$50,000 ones, get them good PR.) But what they don't tell you is that it is also to keep you from getting so pissed that you tear the house apart. The payment comes with specific instructions -- you have to leave all appliances, you have to clean the house thoroughly, and you can't go nuts and break stuff -- because the goal is to get the house in a salable state as soon as you leave.

Yet, you'd be shocked at how many people don't take such a deal, or refuse to even listen. I used to visit homes directly to present Cash for Keys offers. But people who have hunkered down hate foreclosure reps, and view us as another arm of the bank that's trying to wreck their lives. One homeowner said that she'd shoot if I ever returned, and when I continued talking about Cash for Keys while standing in the street, she said, "I'm going inside to get my gun, and we'll finish this once and for all." We send those offers by mail now.

When I said earlier that this job is about seeing people at their lowest, I meant it. And I can't end this without pointing out that ...

Lots Of People Facing Foreclosure Kill Themselves

When I break open a lock and enter a home, a police officer always accompanies me. This has nothing to do making the break-in or lockout more legitimate; it's so the officer can search the place for bodies (and illegal activity, but mostly bodies). That's how common suicides are in foreclosed homes. An officer I work with once came upon the body of the previous owner hanging in front of him right after he opened the front door. That's the most common place people do it, because they want you to see their body and feel bad that you, the bank, have forced them into this position.

PTSD is covered under our health plan, right?

One couple did a murder-suicide and were found when the bank came with eviction papers. One man killed himself, and the real estate broker found the body four years later. One woman did a similar thing too, deliberately hiding her corpse. Another one shot herself (after locking her cats in the bathroom). One murder-suicide ended with the man trying to burn the house down. One study links foreclosures to the rising suicide rate between 2005 and 2010 (even beyond all the other economic trouble during that time).

At least our search makes sure that the body's out before the house is sold. Sometimes, a house gets auctioned off to other investors first and never gets into the bank's hands, so we never get a chance at it. So you get the occasional odd case like this guy, who bought a foreclosed home and found the

previous owner's dead body stretched out in the bedroom. It was so decayed that he couldn't tell if it had been a man or a woman.

People look at their home as their only material asset, and foreclosures stay on your credit report for seven years. That's a long time to have people look at you sideways when you apply for credit or a rental. And the logistics are daunting. Where do I go? Will anyone lease to me? What do I do with all my stuff? Where do I come up with a security deposit and the first and last months' rent when I can't even pay my mortgage? People get so overwhelmed that they simply can't handle it.

Lots of others in the same position do manage to move on with their lives, so to be clear, getting foreclosed on is not a good reason to kill yourself. But whether people shoot themselves in their kitchen, cry when they come home to a newly-locked door, or accept a payment from the bank and make the best of the situation, foreclosure's a personal tragedy. These are people's homes. People picked this place out, moved in, fixed it up, lived in it, learned in it. They did the best they could. And it wasn't enough.