







IF YOU'RE FALLING BEHIND IN YOUR MORTGAGE

You may feel overwhelmed and are getting confused messages and advice. Regardless of the reasons you are behind in your mortgage, there are steps that can help you move forward.

The sooner you begin to ask for help, the better chance you will have to find a solution that will work in your situation.

Things You Can Do to Help Yourself:

Step 1 —	 Open your mail from your lender.
Step 2 — Work on a Budget and Try to Save Money	 The first question your mortgage company will ask you is → What is your budget? <ul style="list-style-type: none">• Try to save money to go towards your past due payments → this shows your lender you are serious.• What can you delay, cut out or eliminate from your budget?• Can you increase your monthly income?
Step 3 — Call For Help	 See below for a suggested list of HUD-approved agencies, who can: <ul style="list-style-type: none">• Advise You on Your Options• Come Up with a Plan• Help You Contact Your Mortgage Company
Step 4 — Contact Your Lender	 Your lender may agree to help you work out your loan. You want to talk to the <i>Loss Mitigation</i> or <i>Loan Workout</i> department. <i>See the back of this sheet for tips and more detailed information.</i>
Step 5— Contact An Attorney	 There may be protections in the law that could keep you from foreclosing. Based on your circumstances, legal advice may be free, or at a very low cost. <i>See below for some suggested legal resources.</i>
Step 6— Be Very Careful About Scams	 There are many companies out there that may try to take advantage of you. Be aware of “quick fix” plans. If it sounds too good to be true → it probably is!

HUD Approved Housing Counseling Agencies:

Housing Opportunities Made Equal, Inc.....804-354-0641
NeighborWorks® Resource Group.....804-329-2500
Southside Community Development and Housing Corporation.....804-231-4449
Catholic Charities.....804-545-5920
ClearPoint Financial Solutions.....877-877-1995

If Legal Assistance Is Needed:

Central Virginia Legal Aid Society.....804-648-1012
Virginia Poverty Law Center.....804-782-9430
Virginia Lawyer Referral Service.....804-775-0808

For Additional Needs, Contact:

United Way by dialing 211 or.....804-275-2000

LOSS MITIGATION — TERMS & TIPS

Q. What is Loss Mitigation?

A. Loss mitigation is a loan workout program offered by mortgage companies to help the homeowner avoid foreclosure. They are divided into two options:

- 1) Those that allow you to keep your home.
- 2) You give up your home, but do not go into foreclosure.

Q. What are the options that allow me to keep my home?

A. The mortgage company will offer you one of the following:

- 1) Repayment Plan
- 2) Forbearance Plan
- 3) Partial Claim
- 4) Loan Modification

Q. What are the options to give up my property but not foreclose?

A. You've tried to sell it, but you couldn't. 1) The bank may agree on a sale for less than what you owe. This is called a "short sale" or being "upside down" on a loan. 2) Deed in lieu of foreclosure.

Q. Do all mortgage companies have Loss Mitigation programs?

A. Most mortgage companies do have loss mitigation programs, however the only way to be certain is to contact your mortgage company. Your specific loan and situation will determine what they are able to do.

Q. When can I apply for Loss Mitigation?

A. Most mortgage companies allow you to apply for loss mitigation once your loan is two-three months or more past due. Some may allow you to apply sooner. It's important to apply before your loan reaches the foreclosure process. You may not be eligible for loss mitigation if you filed Chapter 7 (after purchasing the home) and failed to sign a reaffirmation agreement.

Q. How can I apply for Loss Mitigation?

A. Contact your mortgage company and request an application. The mortgage company may mail you an application or they may assess your eligibility by phone.

Q. What helps my chances of being approved for a Loss Mitigation plan to keep my home?

A. Your mortgage company will decide if they are willing to help you avoid foreclosure. Most require you to have enough income to pay your mortgage and your other monthly bills. You will also need some money that you can contribute to what you owe and/or the costs of a workout plan.

[This may be at least one mortgage payment or a third of the total delinquent balance.]

It is also better not to have a pending foreclosure sale date less than two weeks away.

Q. How long does it take for approval?

A. Loss mitigation may take anywhere from 30 to 120 days. Therefore, it is important that you apply for these programs as soon as possible.

For further information and detailed explanation, go to www.phonehome.org or call 804-354-0641.