



## Fight foreclosure with all you've got

By Ruth Susswein

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You can't pay your mortgage bill. Denial won't help anything. It's time to make a call and see if you can get some help. Here are some things you can do to give your SOS its best shot.

**Be prepared.** Whether you plan to speak with your mortgage lender or servicer, or meet with a HUD-approved housing counselor, be organized and be prepared.

Have the right documents at hand, including your:

- Latest loan statement and loan number.
- Pay stub or proof of income.
- Homeowner's insurance.
- Property tax information.
- Information on other debts (monthly bills).
- Bank account statements (past two months).

**Be clear.** You'll need to explain why you can no longer afford your mortgage payment, and whether the problem is temporary or permanent. Write down your thoughts before the call.

**Be patient.** Housing counselors will spend at least 20 to 30 hours (often more) working to prevent your home from going into foreclosure. That includes meeting with you, examining your documents, negotiating with lenders/servicers, advocating for you and working out a modified mortgage plan, or finding other options.



**Be cautious.** If you are able to modify your loan, be sure you understand the agreement that you've reached with your lender/servicer. Be able to answer these questions before agreeing to anything:

- Is the reduced interest rate temporary? If so, for how long and what does the rate change to?
- Does this payment include principal and interest (P&I)?
- Am I being asked to add missed payments to the original loan amount?
- Can I afford the modified monthly mortgage payment? Is it less than I was paying?
- Are there any fees for modifying the loan and can they be waived?

**Be realistic.** Not every home can be saved from foreclosure. Some home loans were never affordable in the first place and no modification will make them so. If a borrower has been unemployed for several months with no job prospects in sight, modification may not be attainable. If it is not a realistic goal for you, ask what you can do to avoid foreclosure and limit damage to your credit record and your chance of owning a home again in the future. Inquire about alternatives such as a short sale or deed in lieu of foreclosure.



**Be heard.** Counselors, lenders and servicers are overwhelmed by the number of people who need help. If you've had no success reaching a counselor or lender/servicer and you're at risk of losing your home, contact your Congressional representatives for help. Some legislators have devoted staff to help people prevent foreclosure and save their homes.