



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Tips for Helping Homeowners Avoid Foreclosure

(from www.hud.gov/foreclosure)

1. Talk to a foreclosure avoidance counselor
 - a. Find one at www.hud.gov/offices/hsg/sfh/hcc/fc/ or
 - b. call HUD Housing Counseling at 800-569-4287
2. Talk to your lender.
 - a. Make sure your paperwork is in order
 - b. Don't stop trying to make contact
3. Other contacts:
 - a. HOPE NOW (888-995-HOPE) and www.hopenow.com
 - i. Help you find your mortgage company and housing counseling
 - b. MakingHomeAffordable.gov
 - i. Help you find your mortgage company
www.makinghomeaffordable.gov/loan_lookup.html
 - ii. Help you find housing counseling
<http://www.makinghomeaffordable.gov/counselor.html>
 - iii. Treasury's HAMP Escalation email address¹: escalations@hmpadmin.com
 - c. HUD's National Servicing Center (FHA Loans) 877-622-8525
 - i. NSC's escalation email address²: nsc.congressionals@hud.gov
4. Workout options:
 - a. **Repayment Plans:** Lenders may agree to help you repay the amount you owe on your loan, plus late fees, by increasing your regular monthly payment and setting a final repayment date. This may be a good option if you are only a few payments behind and can make increased payments now.
 - b. **Forbearance Agreements:** Lenders may temporarily suspend, reduce, or increase your payments; in return, you agree to make a lump sum payment or several partial payments at a later date. This option can help those facing a temporary financial setback like a job loss.
 - c. **Loan Modifications:** Lenders may agree to modify your existing mortgage to make it more affordable. A lender might reduce your interest rate or principal in order to lower the monthly payment, change a variable interest rate to a fixed rate, or extend the loan's term. Certain eligibility requirements or fees may apply to such modifications.
 - i. **Making Home Affordable**
(programs for loans owned or guaranteed by Fannie Mae or Freddie Mac).

¹ For use only by government staff

² For use only by government staff

1. Home Affordable Modification Program (HAMP)
2. Second Lien Modification Program (2MP) offers homeowners a way to modify their 2nd mortgage to make them more affordable when their first is modified under HAMP.
 - ii. **FHA-HAMP** – for FHA loans only - a combination of mortgage modification with a partial claim.
 - iii. **FHA Mortgage Modification**
- d. **Emergency Homeowners Loan Program** (temporary mortgage payment assistance to 32 states and Puerto Rico)
 - i. http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-225
- e. **Treasury's Hardest Hit Fund** (temporary mortgage assistance plans developed by the states not under EHLF)
 - i. <http://www.financialstability.gov/roadtostability/hardesthitfund.html>
- f. **Partial Claim** (for FHA loans only) - Lender advances up to 12 months delinquent payments to bring the mortgage current. A subordinate mortgage for this advance is prepared in the name of the Secretary of HUD.
- g. **Refinance** your conventional mortgage under MHA Home Affordable Refinance Program (MHA HARP) If you are a homeowner who is current on your mortgage payments but unable to refinance to a lower interest rate because your home value has decreased, you may be able to refinance.
- h. **Deed-in-Lieu of Foreclosure** A lender can accept title to your home in exchange for canceling the remainder of your debt;
"Short Sale" Lender allows homeowner to sell home and forgive any shortfall between the sale price and the mortgage balance.

Both arrangements can help you liquidate the mortgage without foreclosure and cause less harm to your credit rating. However, homeownership is lost under these tools.

- i. Available under MHA's Home Affordable Foreclosure Alternatives (HAFA) Program
- ii. Available for FHA loans
- iii. FHA short sale is formally known as the Preforeclosure Sale (PFS) Program

5. Avoid Scams!!!!

- a. Beware of anyone who asks you to pay a fee in exchange for a counseling service or modification of a delinquent loan.
- b. Assistance from a HUD-approved housing counselor is FREE.
- c. Beware of people who pressure you to sign papers immediately, or who try to convince you that they can "save" your home if you sign or transfer over the deed to your house.
- d. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- e. Never make a mortgage payment to anyone other than your mortgage company without their approval.