



# Keys to Preserving Homeownership

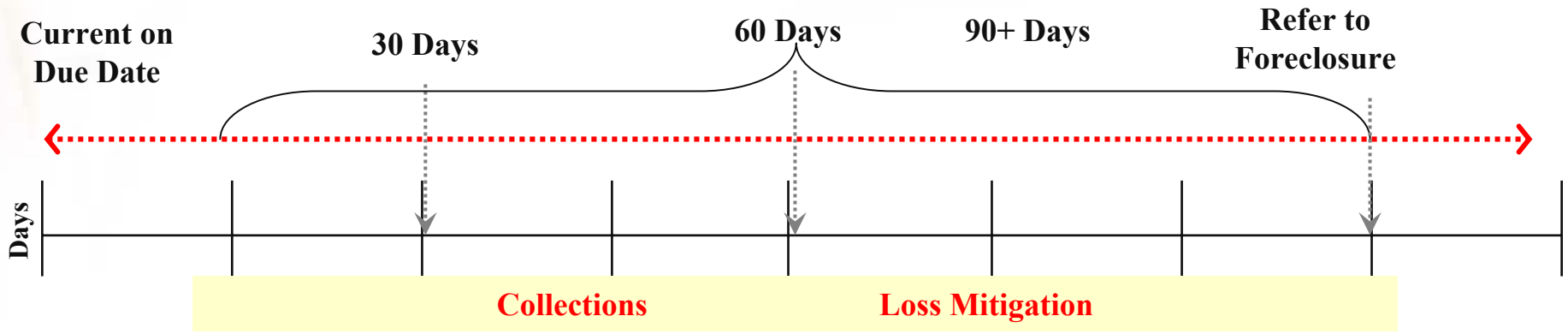








# Delinquency Cycle



➤ **Take Action Now!**  
➤ **Call your Lender for assistance early!**

➤ **More options may be available when you ask for assistance early!**







## **TRUSTED SOURCES: HOPE Hotline & State of California Website**

**1-888-995-HOPE (4673)**

This Hotline is answered 24 hours a day, 7 days a week in several languages by experienced counselors who will help you for free.

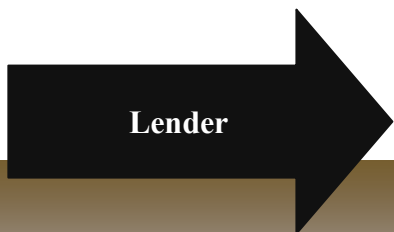
Information is also available on the State's website at: [www.yourhome.ca.gov](http://www.yourhome.ca.gov)

[www.sucasa.ca.gov](http://www.sucasa.ca.gov)



# Role of the Counselor

**Partnering for a  
Workable Solution**





# Lender – Required Documentation

- Letter explaining your circumstances (hardship letter)
- Disclosure of financial information:
  - **Pay stubs**
  - **Tax returns and W-2 forms**
  - **Bank Statements**
  - **Debts and obligations**
  - **Assets**

**Other Documentation as requested**



# Loss Mitigation Options

- **Keeping Your Home**
  - Special Forbearance Plans
  - Repayment Plans
  - Loan Modifications
  - Partial Claims
- **Not Keeping Your Home**
  - Pre-foreclosure Sale
  - Deed-In-Lieu of Foreclosure



# Options For Keeping Your Home

- Special Forbearance Plan
- Repayment Plan
- Loan Modification
- Partial Claim





# Special Forbearance Plan

- A signed agreement
- Allows the reduction or suspension of a homeowner's monthly payments for a specific period of time
- Requires:
  - **Regular monthly payments plus additional amounts as agreed**
  - **Payments continue until the loan is current**



# Repayment Plan

- Regular monthly payments plus additional amounts as agreed
- Payments are made until the loan is current



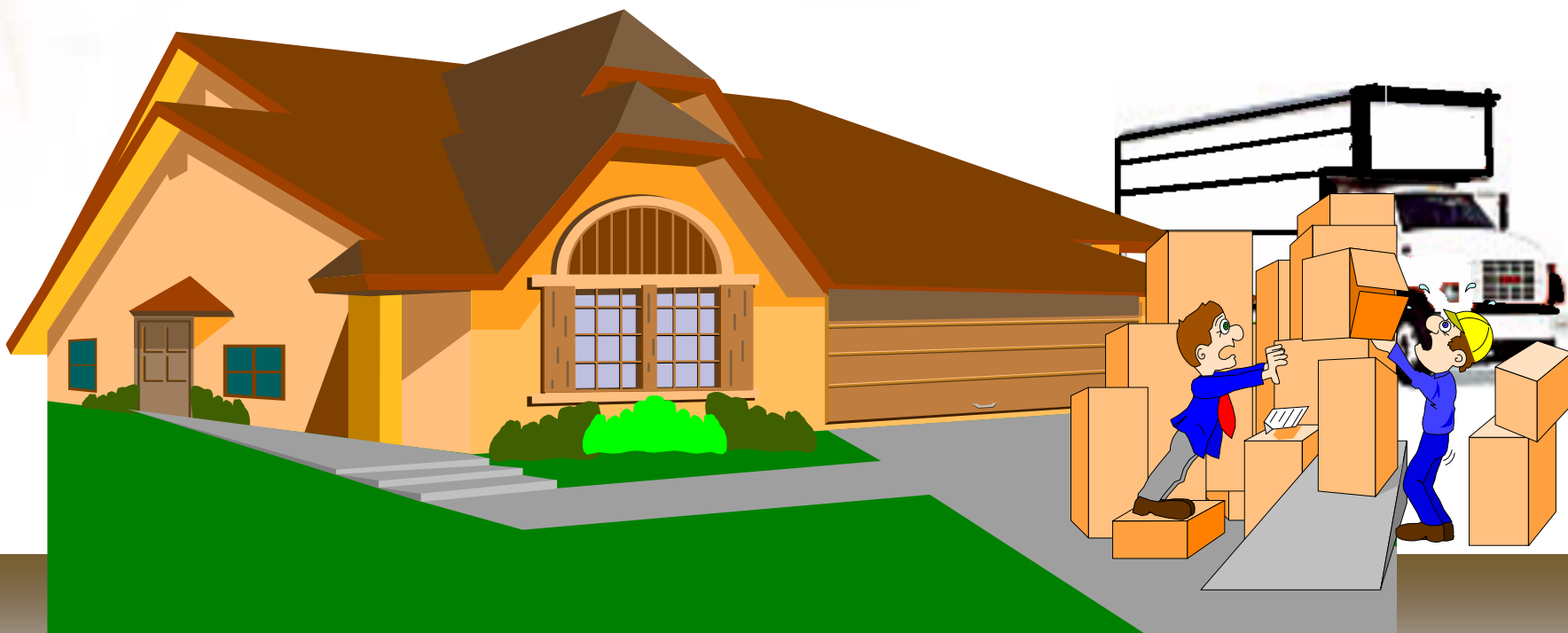
# Loan Modification

- Involves changing one or more terms of the original mortgage agreement, usually:
  - **Delinquent payments and other costs may be added to the loan balance**
  - **Interest rate changes and/or**
  - **Length/term of the mortgage changes**
- May result in a lower payment amount





# Not Keeping Your Home



**What Options Do You Have?**



## Pre-Foreclosure or Short Sale

- Sale of the property at fair market value
- Lender agrees to accept the proceeds of the sale even though it is less than the full payoff amount in order to avoid foreclosure



## Deed-in-Lieu of Foreclosure

- The lender must agree that the homeowner can voluntarily sign the deed over to the lender to avoid the foreclosure process
- The Homeowner is required to vacate the property at the time the documents are signed or other negotiated date



# Take Action....Ask Questions

- What options are available to me?
  - Not all options are available with all Investors
  - Lenders or Investors may offer other options
- Will I still owe money to the lender?
- How will this be reported to the credit bureaus and/or the IRS?
- Will a judgment be issued against me?
- Can I stay in my home?

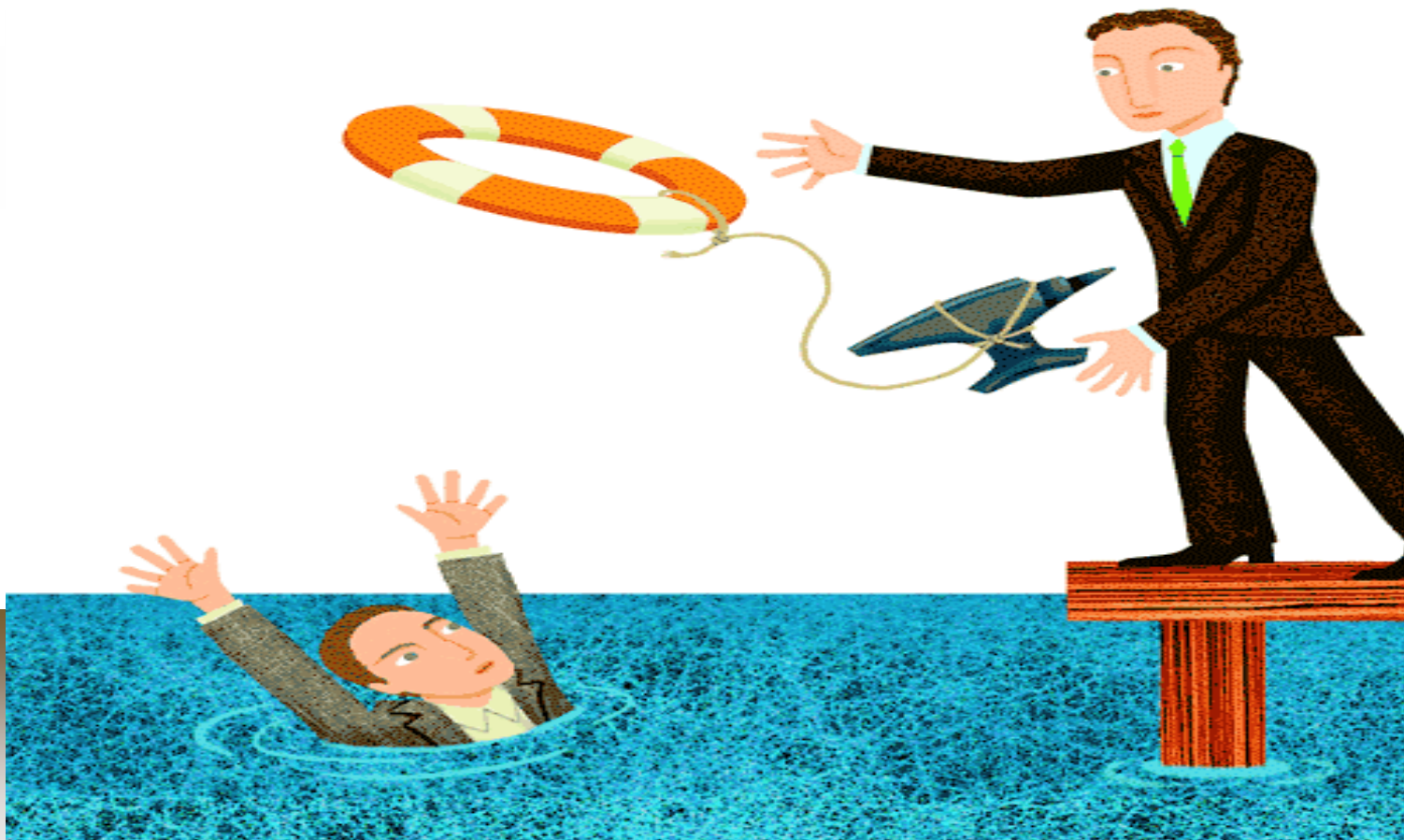


# Take Action...Get Involved

- Call your lender to answer your questions
- Work with a counselor to get answers
- Ask what options may be available for you because each situation is unique
- Work together to find a realistic, permanent solution



# Beware of Foreclosure Rescue Scams





## Common Scam Types

- **Phantom Help** – the “rescuer” charges high fees for work the homeowner could do themselves or charges for strong representation that never materializes
- **Bailout** – includes various schemes where homeowners surrender their title to the house thinking they will be able to remain as renters and buy the house back
- **Bait and Switch** – homeowners think they are signing documents for a new loan to make the mortgage current, but sign away the home and are left holding the mortgage on a home they no longer own
- **Equity Stripping** – a buyer purchases the home for the amount of the arrearage and flips the home for a quick profit



## Protect yourself from scams

- Don't panic
- Talk to your lender
- Find out the rules in your state – how much time do you have
- Never sign a contract under pressure
- Never sign away ownership of your property
- Don't make payments to anyone other than your lender
- Beware of a home-sale contract where you aren't formally released from your mortgage
- Don't sign anything with blank lines or spaces
- If you don't speak English, use your own translator
- Beware of those offering to pay your arrearage and take the house off of your hands (equity stripping)



## Meet with Lenders & Counselors

We look  
forward to  
*partnering*  
for *solutions!*

