



THE CITY OF
CLARKSVILLE™
TENNESSEE'S T O P S P O T

Foreclosure Assistance Tool Box

City of Clarksville

Office of Housing and Community Development

Tips for Avoiding Foreclosure

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Top 10 Tip for Avoiding Foreclosure

1. Don't ignore the problem.

The further behind you become, the harder it will be to reinstate your loan and the more likely that you will lose your house.

2. Contact your lender as soon as you realize that you have a problem.

Lenders do not want your house. They have options to help borrowers through difficult financial times.

Top 10 Tip for Avoiding Foreclosure

3. Open and respond to all mail from your lender.

The first notices you receive will offer good information about foreclosure prevention options that can help you weather financial problems. Later mail may include important notice of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.

Top 10 Tip for Avoiding Foreclosure

4. **Know your mortgage rights.**

Find your loan documents and read them so you know what your lender may do if you can't make your payments. Learn about the foreclosure laws and timeframes in your state (as every state is different) by contacting the State Government Housing Office.

Top 10 Tip for Avoiding Foreclosure

5. **Understand foreclosure prevention options.**

Valuable information about foreclosure prevention (also called loss mitigation) options can be found on the internet at

portal.hud.gov/portal/page?_pageid=33,717348&_dad=portal&_schema=PORTAL.

Top 10 Tip for Avoiding Foreclosure

6. **Contact a HUD-approved housing counselor.**

The U.S. Department of Housing and Urban Development (HUD) funds free or very low cost housing counseling nationwide. Housing counselors can help you understand the law and your options, organize your finances and represent you in negotiations with your lender if you need this assistance. Call (800) 569-4287 or TTY (800) 877-8339 to find a HUD-approved housing counselor near you.

Top 10 Tip for Avoiding Foreclosure

7. **Prioritize your spending.**

After healthcare, keeping your house should be your first priority. Review your finances and see where you can cut spending in order to make your mortgage payment. Look for optional expenses-cable TV, memberships, entertainment-that you can eliminate. Delay payments on credit cards and other "unsecured" debt until you have paid your mortgage.

Top 10 Tip for Avoiding Foreclosure

8. **Use your assets.**

Do you have assets-a second car, jewelry, a whole life insurance policy-that you can sell for cash to help reinstate your loan? Can anyone in your household get an extra job to bring in additional income? Even if these efforts don't significantly increase your available cash or your income, they demonstrate to your lender that you are willing to make sacrifices to keep your home.

Top 10 Tip for Avoiding Foreclosure

9. **Avoid foreclosure prevention companies.**

You don't need to pay fees for foreclosure prevention help—use that money to pay the mortgage instead. Many for-profit companies will contact you promising to negotiate with your lender. While these may be legitimate businesses, they will charge you a hefty fee (often two or three month's mortgage payment) for information and services your lender or a HUD approved housing counselor will provide free if you contact them.

Top 10 Tip for Avoiding Foreclosure

10. Don't lose your house to foreclosure recovery scams!

If any firm claims they can stop your foreclosure immediately if you sign a document appointing them to act on your behalf, you may well be signing over the title to your property and becoming a renter in your own home! Never sign a legal document without reading and understanding all the terms and getting professional advice from an attorney, a trusted real estate professional, or a HUD approved housing counselor.

Common Foreclosure Myths

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Common Foreclosure Myths

- **MYTH: My mortgage company would rather foreclose on my home than keep me in it.**
- The mortgage company sustains an average loss of about \$58,000 when foreclosure occurs (Tower Group study). They are in the business of providing mortgages - not owning or selling homes - and would always prefer to keep you in your home.

Source: Homeownership Preservation Foundation

Common Foreclosure Myths

- **MYTH: Foreclosure is an uncommon problem – I’m all alone in this.**
- Foreclosure is a challenge faced by millions of Americans every year from all walks of life. Rich, poor, young, old - the list is as diverse as society itself. It's nice to know there are resources available to provide you with assistance if you find yourself struggling with your mortgage.

Source: Homeownership Preservation Foundation

Common Foreclosure Myths

- **MYTH: I've only missed one payment – I can likely catch up.**
- The most important thing to remember when playing catch-up with your mortgage is you owe any delinquent payments plus the current month's payment. So, if you're a month behind, you actually owe two payments - last month's and this month's. The sooner you seek help, even before you've missed a payment, you will have more options available to you.

Source: Homeownership Preservation Foundation

Common Foreclosure Myths

- **MYTH: I've missed too many payments to get help.**
- There's always time to get help. Service providers can't work miracles, but they can always give expert advice for any situation. That being said, the availability of assistance is far more constrained if you're eight payments behind than if you're one or two behind. The sooner you seek help, the better chance you have of avoiding foreclosure.

Source: Homeownership Preservation Foundation

Common Foreclosure Myths

- **MYTH: It's impossible to stay in my house after foreclosure proceedings begin.**
- Contrary to what you might think, there are still options available to you after the foreclosure process has started. The sooner you seek assistance, the more tools are available to help you fix your situation.

Source: Homeownership Preservation Foundation

HUD-Approved Housing Foreclosure Assistance Agencies

Homeownership Preservation Foundation

The Homeownership Preservation Foundation is a 501(c)(3) nonprofit which creates partnerships with local governments, nonprofit organizations, borrowers and lenders to help families overcome obstacles that could result in the loss of their homes.

Homeownership Preservation Foundation

Counselors are certified and trained to set up a plan of action designed just for you and your situation. Spanish-speaking counselors are also available. Services are provided at no charge.

HPF doesn't just offer general advice, they help you take action. Representatives will arm you with education and support that assists you in overcoming immediate financial issues.

Homeownership Preservation Foundation

The Homeowner's HOPE™ Hotline is available 24 hours a day,
7 days a week by calling 1-888-995-HOPE (4673).

Clearpoint Financial Solutions, Inc.

- Services include:
 - Loss Mitigation
 - Money Debt Management
 - Mortgage Delinquency and Default Resolution Counseling
 - Repurchase Counseling
- Call: 1-877-877-1995
- Email: customerservice2@clearpointfs.org

HUD's Guide to Avoiding Foreclosure

- Whether you're in foreclosure now or worried about it in the future, we have information that can help.

<http://www.hud.gov/foreclosure/index.cfm>

- Get Help Now!
- Keep Your Home
- Refinance Options
- If You Can't Keep Your Home

US Dept. Of Veterans Affairs

- Although your lender has the primary responsibility of servicing your loan, VA provides what is called supplemental servicing on VA guaranteed loans. The Atlanta Regional Loan Center has loan counselors ready to offer assistance and financial counseling. Please have the 7 digit VA loan number available when contacting us. If you are unable to locate your VA loan number, please contact your lender.
- Call 1-888-768-2132 for assistance.

US Dept. Of Veterans Affairs

Available Services

- **Forbearance/Repayment Schedule** – Most common way of resolving loan default. Must contact loan company to work out a repayment schedule.
- **Refunding** – VA can buy a loan and take over the servicing to keep veterans in their homes.
- **Private Sale** – If you can't cure the default, you can sell your home to a buyer or another veteran willing to assume your loan.
- **Reamortization** – The amount of your delinquency is added to your loan. Payments may increase but may be slight if loan term is increased as well.

HUD's Foreclosure Website

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