

# Help for Mortgage Issues



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If you are having trouble making your mortgage payment, here are some things to keep in mind:

- 1. Get a financial consultation through your employee assistance program (EAP)** if you are experiencing difficulty now, or anticipate problems meeting your expenses in the near future. A financial expert can help you identify areas in your budget where you can reduce expenses in order to make your mortgage payment or make trade-offs that can prevent problems later, as well as enable you to make an informed decision regarding the options available to avoid foreclosure, if needed.
- 2. Contact the lender** as soon as you are having trouble keeping up with your mortgage payment. If you contact them, lenders are often motivated to offer alternatives to foreclosure, such as modified payments or extended contracts.
- 3. Contact a Housing and Urban Development (HUD)-approved housing counselor** if you are having trouble communicating effectively with your lender. Counselors can help you understand the law, organize your finances, and represent you in negotiations with your lender, if needed. To find a HUD-approved housing counselor near you, call (800) 569-4287 or TTY (800) 877-8339, or visit [www.hud.gov](http://www.hud.gov).
- 4. Avoid foreclosure prevention companies.** They will charge you a hefty fee for information and services your lender or a HUD-approved housing counselor will provide for little or no cost.

- 5. Be aware of foreclosure recovery scams.** Never sign a legal document without reading and understanding all the terms.
- 6. Get advice from a qualified attorney** if you are considering bankruptcy.

## If you can no longer afford the home

Discuss these possibilities with your lender:

- **Sell the home:** If you are behind on your mortgage payment and you can no longer afford your home, your lender will usually give you a specific amount of time to find a purchaser and pay off the total amount owed.
- **Pre-foreclosure sale or short payoff:** If you can't sell the property for the full amount of the loan, your lender may accept less than the amount owed.
- **Assumption:** A qualified buyer may be allowed to take over your mortgage, even if your original loan documents state that it is non-assumable.
- **Deed-in-lieu of foreclosure:** As a last resort, you "give back" your property to the lender, and the debt is forgiven. This will not save your house, but it is less damaging to your credit rating.

Keep in mind that lenders want to help borrowers keep their homes; foreclosure is expensive for them. Please call for help, the sooner the better.

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