

Resources for Homeowners Experiencing Difficulties with Their Mortgage

Industry Resources:

1. **Mortgage Servicers.** The company where homeowners make their mortgage payments is where they should first seek help. Homeowners should ask to speak to someone directly in the loss mitigation department. Many times mortgage servicers will negotiate with the borrower to restructure the loan to keep it from going into foreclosure. They should contact their mortgage servicer immediately and explain their circumstances, requesting possible solutions to their situation.
2. **HOPE NOW.** HOPE NOW is an alliance between counselors, mortgage companies, investors, and other mortgage market participants. The alliance maximizes outreach efforts to homeowners in distress to help them stay in their homes and has created a unified, coordinated plan to reach and help as many homeowners as possible. You can reach Homeowners HOPE Hotline at 888-995-HOPE (4673) or visit their website at www.hopenow.com.
3. **Homeowner's HOPE™.** This is a counseling service provided by the Homeownership Preservation Foundation that can work with homeowners to find a solution to their mortgage problem. If borrowers feel like they may be in danger of facing foreclosure and need immediate help, they may call 1-888-995-HOPE or www.visit995hope.org.
4. **The National Association of REALTORS.** NAR maintains a website (http://www.realtor.org/home_buyers_and_sellers/protect_your_home.html) offering numerous resources on saving a borrower's home from foreclosure. These include HUD's "Help for Homeowners Facing the Loss of their Home" and a list of counseling agencies by state.

Federal Resources:

5. **Making Home Affordable.** This Obama Administration affordable housing program enables lenders to **offer assistance to homeowners** making a good-faith effort to make their mortgage payments, while attempting to prevent the destructive impact of the housing crisis on families and communities (www.financialstability.gov/roadtostability/homeowner.html). Not all mortgages qualify for this program, please see # 9 in the Virginia Housing Development Authority section of this document.

Counseling Resources:

6. **Certified Housing Counselors.** These individuals have been trained and certified to assist homeowners in preventing foreclosure. They can see the homeowner one-on-one in their office or by telephone if the homeowner is unable to travel to the counselor's office. Counselors can assist the homeowner in developing a spending plan, developing a plan that may prevent foreclosure, and negotiating with the mortgage servicer on behalf of the homeowner. Homeowners may find the location and telephone number of housing agencies nearest their home by selecting this link for certified foreclosure prevention counselors at www.virginiaforeclosureprevention.com. Additionally, HUD approved counseling agencies offering foreclosure prevention counseling may be located at <http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=VA&filterSvc=dfc>.

For example, H.O.M.E., Inc. is a HUD approved housing counseling agency that provides assistance on a statewide basis. It has recently developed public information materials to assist at-risk homeowners in understanding the steps they need to take to prevent foreclosure. H.O.M.E. is located at 700 E. Franklin St., Suite 3A, Richmond, VA 23219, phone: (804) 354-0641, fax: (804) 354-0690, and e-mail: help@phonehome.org.

State Resources:

7. **Virginia Foreclosure Prevention Task Force.** The Virginia Foreclosure Prevention Task Force, established by Governor Kaine and Chaired by Secretary of Commerce and Trade Patrick Gottschalk, was created to assist Virginians experiencing or at risk of foreclosure. Information and resources regarding foreclosure prevention are available from the Task Force's official website: www.virginiaforeclosureprevention.com. This website also has data related to foreclosure trends in Virginia.
8. **Virginia Housing Development Authority.** VHDA issues bonds to finance single family loans. **If a borrower has a VHDA loan** and is experiencing difficulty paying his mortgage, then staff can explore options for providing assistance. VHDA does not have resources available to help with loans held by other lenders and is not eligible to participate in the Obama Administration's Affordable Housing Program, which is limited to mortgage loans held by Fannie Mae and Freddie Mac. VHDA's website (www.vhda.com) also provides a link to the Virginia Foreclosure Prevention Task Force website.
9. **Virginia Department of Housing and Community Development.** DHCD's website (www.dhcd.virginia.gov) provides information on homelessness prevention programs and resources, and the new federal Neighborhood Stabilization Program (NSP), which provides grant assistance to local governments and nonprofit organizations to purchase and rehabilitate distressed, foreclosed properties in order to help stabilize communities hard hit by foreclosure activities. Properties acquired through the NSP initiative are either resold to new homebuyers or used to provide affordable rental housing.
10. **State Corporation Commission.** The Bureau of Financial Institutions (BFI) is a regulatory division of the Virginia State Corporation Commission (SCC.) The division is involved in consumer protection through administration of state laws and regulations pertaining to state chartered depository institutions and state licensed or registered non-depository institutions. Consumer information relating to mortgage loans can be found on BFI's website at: (www.scc.virginia.gov/bfi/c_info.aspx) and includes information on foreclosure rescue scams.
11. **Virginia Employment Commission.** VEC's website (www.vec.virginia.gov) provides information on job seeker services and Virginia's Workforce Centers.

NOTE: Regardless of the best efforts of all involved, not everyone may be assisted to stay in his home by modifying the terms of the loan. In those and other instances, continued homeownership may not be in the best interest of the individual or family. Also, because of their obligations to investors who own securities backed by mortgage loans, lenders/servicers may not always be able to offer the assistance that is needed for borrowers who are experiencing major financial difficulties.

For additional information about the challenges lenders and servicers in assisting homeowners at risk of, or experiencing foreclosure, please see the link to the Federal Reserve Bank of Boston's, Public Policy Discussion Paper, "Why Don't Lenders Renegotiate More Home Mortgages, Self-Cures, and Securitization," Public Policy Discussion Paper No. 09-04, by Manuel Adelino, Kristopher Geradi, and Paul Willen. (www.bos.frb.org/economic/ppdp/2009/ppdp0904.htm)