

Foreclosure Prevention Workbook

A decision-making tool for homeowners exploring ways
to save their homes and their financial well-being
from the foreclosure crisis.

Presented by the Utah Housing Coalition
to the people of Utah.



This workbook was adapted from a book created by the
Pima County, AZ Foreclosure Prevention Coalition.

Call 2-1-1 for more information

**Utah Foreclosure Prevention Taskforce
would like to thank the following organizations
for making this workbook possible:**

Pima County, Arizona



The Utah Housing Coalition



**American Express
Center for Community Development**



Table of Contents

Page

<u>TOPIC 1: Phases of Foreclosure</u>	5
Your Personal Challenges	6
Diagram of the Delinquency Cycle - 180 Days	7
Think about Your Situation Worksheet	9
My Notes	10
<u>TOPIC 2: Show Me the Money</u>	11
Show me the money/What do I have?	12
Monthly Expenses/Where is my money going?	13
Household Assets/Budget Outcomes	14
Affordability Analysis/ Am I able to keep my home?	15
My Notes	16
<u>TOPIC 3: Know your Mortgage</u>	17
Promissory Note	18
Deed of Trust	18
Prepayment Penalty Rider	18
Truth in Lending	18
HUD 1 Settlement/Closing Statement	18
Adjustable Rate Mortgage Rider	18
What about My Mortgage	19
My Notes	20
<u>TOPIC 4: Know your Options - What happens now?</u>	21
Options involving and not involving a lender	22
Options to keep your loan/your home	22
Options not keeping your home/Exiting gracefully	23
My Notes	24

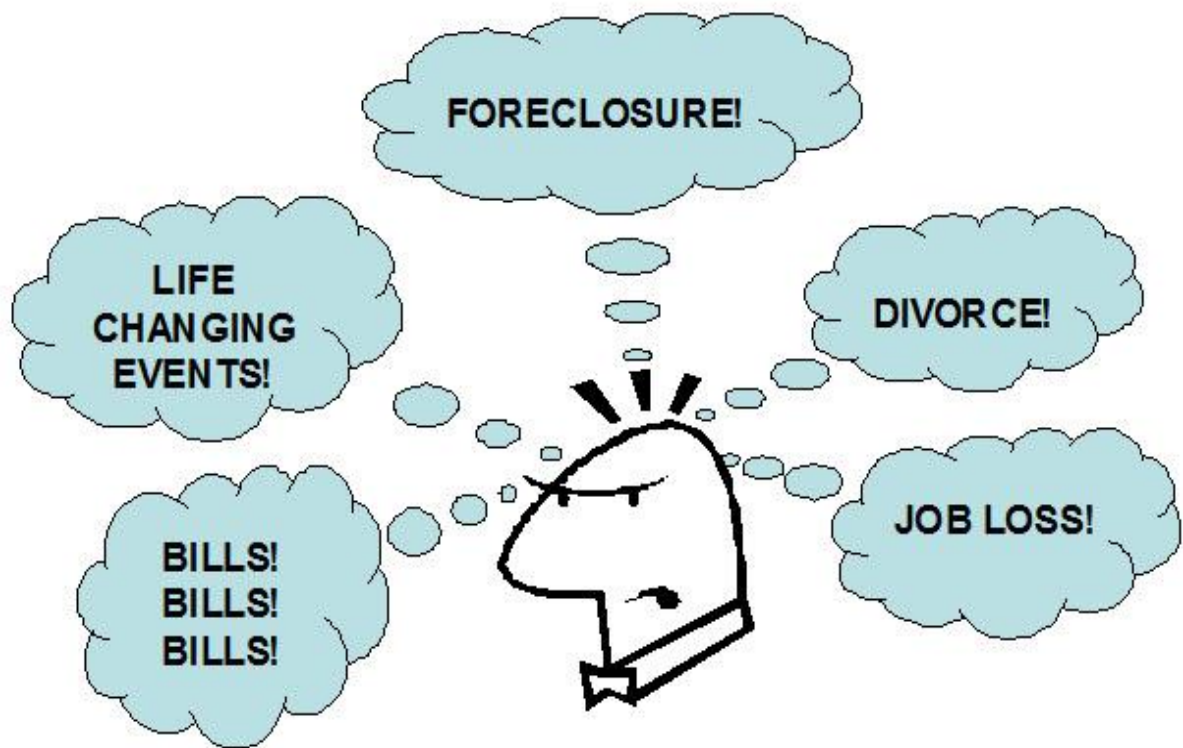
Table of Contents (continued)	Page
<u>TOPIC 5: Beware of Scams</u>	25
Bailout	26
Bait & Switch	26
Equity Stripping	26
Foreclosure Scams	26
Phantom Help	26
New Scams	26
How to Protect Yourself	27
<u>TOPIC 6: Rebuilding after Foreclosure</u>	29
2-1-1 Information and Referral	28
Legal Assistance	28
Housing Assistance	28
Community Action Programs of Utah	29
Housing and Financial Counseling	29
Helpful Organizations and Websites	30
<u>APPENDIX (Tools)</u>	34
Document List	35
Keep on Top Communication Log	36
Release of Authorization Letter (Sample)	38
Hardship Letter (Sample)	39
Authorization to Release Information (Sample)	40
Counselor and Homeowner Agreement (Sample)	41
Know your Lingo	43
Homeowner Information Sheet	45
What's My House Worth?	46
My Notes	50
Disclaimer	51
Utah Foreclosure Prevention Taskforce 2008	52

TOPIC 1

Phases of Foreclosure

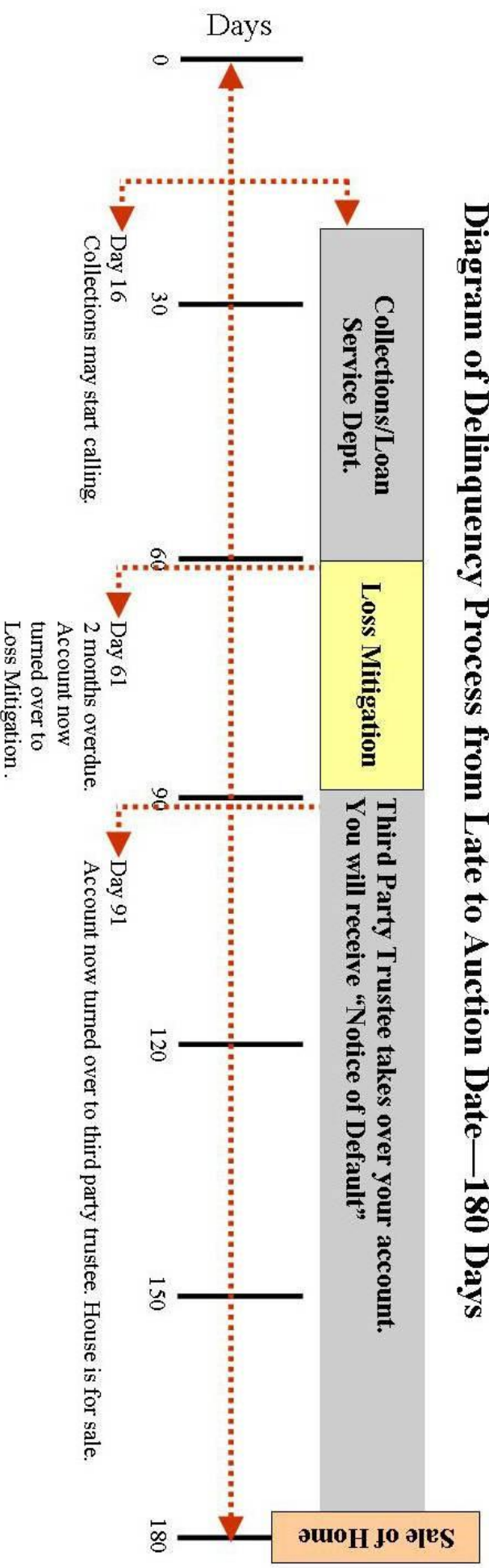


Your Personal Challenges



THERE IS HELP!

Diagram of Delinquency Process from Late to Auction Date—180 Days



Process from Late to Auction Date 180 Days

Although you are late from the 1st day after the due date, the **COLLECTIONS**, sometimes referred to as the **LOAN SERVICING Department**, of your mortgage company will start calling you between the 16th and the 30th of the month.

What happens after I am 30 days late?

What is the Collections or Loan Servicing Department?

- Collections is a loan servicing division of the mortgage company that accepts and applies your payment each month, tracks any late fees, monitors and when included in your payment, will pay the taxes and insurance when due. They will contact you when payments are missed.
- The “collections” or “loan servicing” department will start calling you to collect the past due payment.

What happens after I am 60 days late?

Typically on the 61st day the loan payment is 2 months past due, and if the Collections department has not been able to collect or make acceptable payment arrangements with you, your account will be turned over to the **LOSS MITIGATION DEPARTMENT** also known as **HOME PRESERVATION AND WORKOUT DEPARTMENT**.

What is Loss Mitigation?

- This is a division of the mortgage company that will work with you on an acceptable plan to get you back on track with your mortgage payments (*Home Preservation*).
- You will begin to receive letters requesting that you call them. During this period, there will be a variety of alternatives to foreclosure for which you may or may not qualify, depending upon your situation.
- They will make many attempts to contact you during this period.

What happens after I am 90 days late?

On the 91st day, a third party TRUSTEE (typically an attorney) takes over your delinquent account. The Trustee will send a “Notice of Default” stating that the property will be sold 90 days from the date the Notice was filed and recorded. There will be a notice published in the newspaper once a week for the four weeks preceding the sale. You will typically receive a “Notice of Trustee Sale” about four weeks prior to the sale date detailing the actual date your home will be sold.

What is the process?

- Mortgage company will not send you any more letters. It is now totally up to you to contact them directly as soon as possible, or through a U.S. HUD certified housing counselor.
- Unless you act quickly, your house will be sold at auction on the date specified.

NOTE: The total number of days of delinquency (90, 120, 180) depends on your mortgage servicer.

Think About Your Situation Worksheet
To help you write a Hardship Letter (see sample in back under Tools)

What caused your situation? When did you miss your first payment (date)? Why did you miss this and any other payments? Please be as accurate as possible.

How have you tried to fix your financial situation?

Once you complete this exercise, you will be ready to write a Hardship Letter. Please see the Appendix for a sample Hardship Letter. When you begin to work out options with your mortgage lender, you will need a Hardship Letter.

MY NOTES

TOPIC 2

Managing Cash Flow



Managing Cash Flow

What do I have?

Sources of Income	<u>Homeowner A</u>	<u>Homeowner B</u>	<u>TOTAL</u> <u>A & B</u>
Monthly Income Employer	\$	\$	
Social Security /SSI / SSDI			
Child or Spousal Support			
Unemployment Compensation			
Workers Disability Compensation			
Veterans Benefits			
Retirement Benefits			
Monies from Renters or Roommates			
Child care assistance			
Housing assistance			
Other			
Other			
Total for Homeowner A	\$		\$
Total for Homeowner B		\$	\$
Total Household Income (A + B)			\$

Think About Your Current Situation

- Do you need control of your finances?
- Should you practice money management skills?
- What changes should you make to save your home and improve your financial well-being?
- Where is all the money going

What are your **fixed expenses**? They are expenses that require set payments on a weekly, monthly or annual basis.

What are your **variable expenses**? They are expenses that change, fluctuate, vary from month to month. Estimate what these are and keep track for a couple of months.

What are your **periodic expenses**? They are expenses such as holiday shopping, auto insurance and registration. Guess how much you may spend on these items for an entire year and then divide that amount by 12. That equals how much you should plan to save or budget each month.

Your **total expenses** are the sum of fixed, variable and periodic expenses. See the following chart, which will help you.

Monthly Expenses - Where is my money going?			
COLUMN 1 EXPENSE	MONTHLY	COLUMN 2 EXPENSE	MONTHLY
Shelter		Contributions & Gifts	
Rent or Mortgage Payment	\$	Church donations	\$
Homeowner Association Dues		Miscellaneous donations	
Home Maintenance		Gifts/cards/Wrapping Accessories	
Manufactured Home Lot Rent			
Food		Recreation	
Groceries, beverages	\$	Club dues	\$
Cleaning supplies, paper products		Newspapers, magazines, books	
Food away from home		CDs, other music	
Tobacco/Alcohol		Movies	
		Hobbies	
Utilities		Sports	
Gas, light, water	\$	Vacations	
Phone		Entertainment	
Cell/Mobile Phone			
Garbage, sewer			
Insurance		Other Expenses	
Life	\$	Kids' allowances	\$
Auto		Day Care (Children/Seniors)	
Health		Babysitting	
		Postage	
		Cable/Satellite TV	
Transportation	\$	Other services	
Gas & Oil		Pets	
Repairs			
Registration		Monthly Obligations	
Bus, carpool		Alimony/Child Support	\$
Parking		Total Monthly Auto Loan Payments	
		Total Monthly Credit Card Payments	
Education		Total Monthly Installment Loan Payments	
Tuition	\$	Total Other Monthly Obligations	
Books			
Special Lessons			
Sports			
Health Care			
Medical	\$		
Dental			
Prescriptions			
Clothing			
New purchases	\$		
Dry cleaning, Laundry			
Personal Care			
Beauty/Barber Shop	\$		
Nails			
Other Personal expenses			
COLUMN 1 TOTAL:	\$	COLUMN 2 EXPENSE TOTAL:	\$
		COLUMN 1 EXPENSE TOTAL:	\$
COLUMN 1 + COLUMN 2 = TOTAL EXPENSES:			\$

Household Assets Budget Outcomes

What do I own? What Am I willing to sell?

	<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Household Assets			
Description	Value	Amount Owed	Sell?
a) Automobile #1			\$
b) Automobile #2			\$
c) Automobile #3			\$
d) Cash on Hand Over \$100			
e) Checking Account			\$
f) Savings Account			
g) Anticipated Tax Refunds			
h) Money Market Funds			\$
i) Stocks/Bonds/CDs/Annuities, etc			\$
j) IRA / Keogh Accounts			\$
k) Computer/TV/Electronics			\$
l) Furniture			\$
m) Boats / Jet Skis			\$
n) RV/ Recreational Homes			\$
o) Motorcycles / Snowmobile			\$
p) Farm Equipment			\$
q) Trailers			\$
r) Other Property			\$
s) Other:			\$
t) Total			

What is my current lifestyle and what must I change?

Eating out:_____

Gambling:_____

Toys/Luxuries:_____

Cable TV:_____

Cell phone:_____

Other:_____

Affordability Analysis

**Based on what we earn, spend, need and can sell,
Am I able to keep (afford) my home?**

INCOME & EXPENSES

1. Total Expenses \$_____ Page 13 (Total Col. 1 & 2)
2. Total Monthly Income \$_____ Page 12 (Total A+ B)
3. Line 1 – Line 2 (above) \$_____ What's left to cover increased
mortgage payments or other emergencies.

CASH AVAILABLE / NEEDED

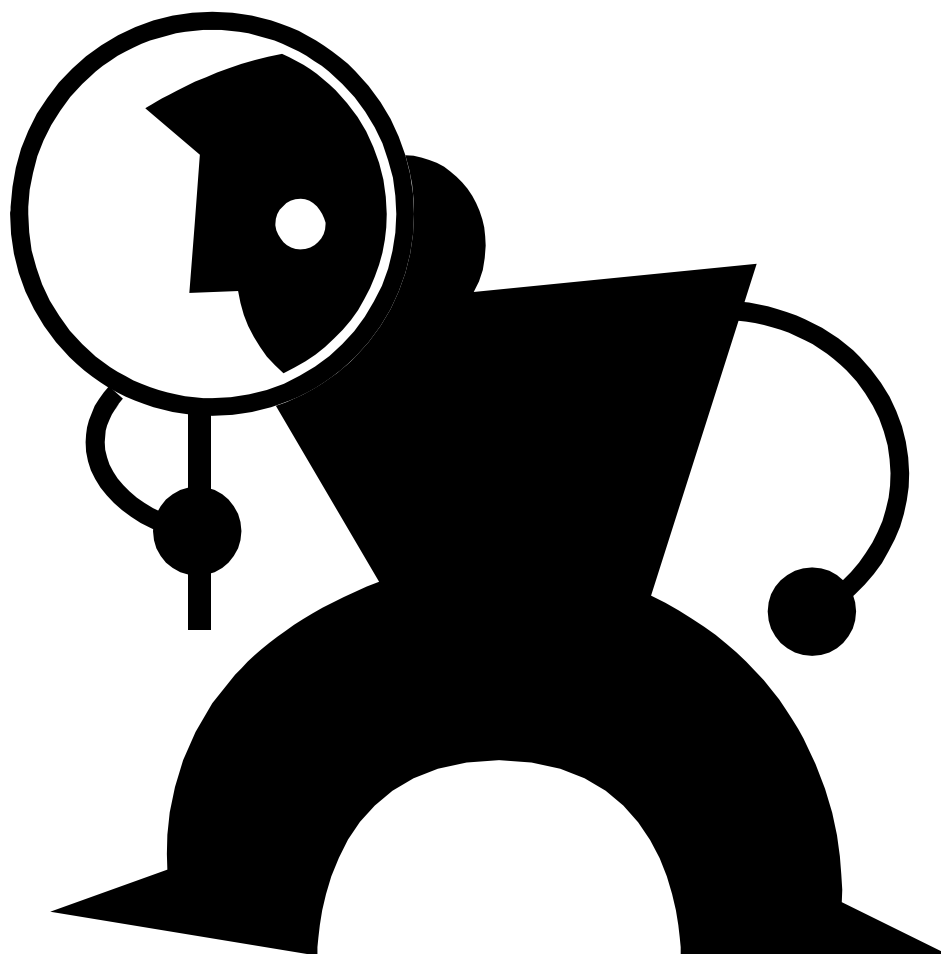
4. Homeowner Cash on Hand \$_____ Household Assets, page 14 (line d, Col. 1)
5. Homeowner Assets – SELL \$_____ Household Assets, page 14 (line t, Col. 3)
6. Total Cash Available \$_____ Total (Line 4 + Line 5, above)

Additional funds may also be available, depending on your eligibility to qualify for assistance from a nonprofit, governmental or mortgage company. Eligibility will be determined upon an evaluation of your income, expenses and assets.

MY NOTES

TOPIC 3

KNOW YOUR MORTGAGE



Mortgages - Know your Loan(s)

The Mortgage/Promissory Note:

The legal evidence of indebtedness and formal promise to repay a debt. It sets out the amount and terms of the loan and recites the penalties and steps the lender can take if you fail to make your payments on time.

Deed of Trust:

The deed of trust helps to verify and protect the legal interest in a property.

The property is deeded by the title holder (trustor) to a trustee (often a title or escrow company) which holds the title in trust for the beneficiary (the lender of the money).

Prepayment Penalty Rider:

A prepayment penalty on a mortgage allows the lender to charge a borrower additional interest, typically six months worth, when a mortgage is repaid during the penalty period, which is usually somewhere in the first three to five years of the mortgage.

If a mortgage does have a prepayment penalty, this should be clearly stated within the mortgage disclosures, mortgage note and/or prepayment penalty rider to the note .

TIL (Truth in Lending) Disclosure Statement:

Required by Federal law

- TIL must be given within 3 business days of initial loan application

Purpose of TIL:

- Show estimated total costs of borrowing
- Expected payment amounts over life of loan
- Other significant features of your loan.

HUD 1 Settlement/Closing Statement

- Prepared initially by Lender and then by Title Company
- Required by Federal law
- Provides details of sale transaction
- Must be signed by both buyer and seller and becomes
- Part of the lender's permanent loan file

ADJUSTABLE RATE MORTGAGE RIDER (ARM RIDER)

- Adjustable-rate mortgages (ARMs) are loans with interest rates that change. ARMs may start with lower monthly payments than fixed-rate mortgages, but there are two important considerations:
 - The Adjustment Period
 - Borrower Notification
- The interest rate on an ARM is made up of two parts: the index and the margin
- There are different types of ARMs
 - Hybrid ARMs
 - Interest-only ARMs
 - Payment-option ARMs

WHAT ABOUT MY MORTGAGE(S)?

	First Mortgage	Second Mortgage (Home Equity Loan)	Where do I find this*?
What about my Loan?			
Original Mortgage Lender			DOT*
Original Loan Amount			TIL*; P. Note*
Monthly Payment			TIL; P. Note
Monthly Due Date			TIL; P. Note
Closing Date of the Loan			DOT; P. Note
Number of Payments			TIL; P. Note
My Loan Type is?			
FHA			HUD 1*
VA			HUD 1
Conventional Loan			HUD 1
MI Company:			
Rural Development			HUD 1
Other:			
What are my Loan Terms?			
Fixed Rate			TIL; P. Note
Adjustable Rate (ARM) Type			ARM Rider*; P. Note
Initial Rate			ARM Rider; P. Note
Index			ARM Rider P. Note
Margin			ARM Rider P. Note
Adjust Date			ARM Rider P. Note
Adjusts How Often; Caps			ARM Rider P. Note
Other:			
Information included on the monthly mortgage statement			
Outstanding Balance			
Mortgage Insurance			
Homeowners Insurance			
Taxes Escrowed			
Insurance Escrowed			

***ABBREVIATIONS:**

DOT: DEED OF TRUST

P. NOTE: PROMISSORY NOTE

TIL: TRUTH IN LENDING

HUD 1: SETTLEMENT CLOSING STATEMENT

ARM - ADJUSTABLE RATE MORTGAGE

MY NOTES

TOPIC 4

KNOW YOUR OPTIONS



WHAT HAPPENS NOW?

KNOW YOUR OPTIONS

Options not involving lender:

Options working with your Lender depend on factors:

Options to Keep the Loan/Home:

- Repayment Plan: where you pay a full month's payment plus a partial payment.

- Forbearance: Similar to a Repayment Plan where lender agrees to a modified monthly payment for several months allowing the borrower to catch up.

- Modification: This plan involves more work and may reduce or fix your interest rate, change your term from 30 to 40 or 50 years, or add the delinquent amount to your current amount and re-amortize (or re-schedule your payments).

- Partial/Advance Claim: This is a second loan with no interest, or very low interest that is repaid after the first loan is paid, but this is available only with insured or FHA mortgage loans.

- Refinance: The lender will offer a new loan which may add an additional borrower. There must be adequate equity in the property. This cannot be done if the value of the home is less than the amount owed to the lender.

Options to Not Keep Loan/Home – How to Exit Gracefully:

- Sell the property: Best option if the borrower cannot afford the mortgage payment and the house is worth more than the amount owed. In the back of this workbook under Tools there is a worksheet “What’s my House Worth?” to help you decide on a competitive sales price. Other considerations include the condition of your home and how much time do you have.

- Assumption: If you find another borrower willing and qualified to take over your mortgage and your home, they may assume your mortgage. The new borrower must meet the lender’s criteria.

- Deed in Lieu: In some cases the lender will take back your property instead of holding you responsible for the mortgage loan. This requires investor approval. This option will be considered, in most cases, only after the property has been on the market for 90 days. There may be taxes consequences.

- Foreclosure: This is sometimes the only option for a borrower to accept. After five years, the borrower may qualify for a new mortgage. There are tax consequences to foreclosure and credit challenges, as well.

- Short Sale (pre-foreclosure sale): When the borrower owes more than the property is worth, it may be best to sell the property. The lender and mortgage insurer must agree to this option. There may be tax consequences and deficiencies.

- Bankruptcy – Chapter 7 or Chapter 13

Please visit the Bankruptcy Court website www.azb.uscourts.gov under Debtor Help or Creditor Help.

Free legal advice is available in most communities. Utah Legal Services is listed among the resources included in this Workbook under the Tools section.

My Notes

TOPIC 5

BEWARE OF SCAMS



BEWARE OF SCAMS

Currently known scams include the following. If you suspect a scam that's not described here, the Utah Division of Real Estate (see www.realestate.utah.gov or call 801-526-4387) or the Utah Attorney General's Office (see <http://attorneygeneral.utah.gov> or call 800- 244-4636).

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 believe they are signing documents for a new loan to make the mortgage current, but sign away their 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 late payments and flips the home for a quick profit.

Foreclosure Scams – schemes to defraud borrowers who are in default on their mortgage loans by offering to the borrower a program that makes false claims or that otherwise takes advantage of the borrower's default.

Phantom Help – the “rescuer” charges high fees for work the homeowner could do themselves or charges for strong representation that never materializes.

New Scams New scams are always developing. If you suspect an offer is too good, too easy, too expensive, please call a reliable source who will verify this offer is legitimate. Contact the Utah Division of Real Estate or the Utah Attorney General's Office.

Protect yourself by:

Never signing over the deed to your home as part of a foreclosure avoidance transaction. A deed should be signed over only if you intend to sell the home for a fair trade;

Consulting an attorney, financial advisor, non-profit mortgage counseling agency, HUD certified counselor or knowledgeable family member before signing any “rescue” documents;

Reading every document carefully. Do not sign contracts or documents that have blank spaces;

Making the monthly mortgage payments directly to your original lender. Do not allow another person to make payments on your behalf;

Contacting your lender first, when you are getting behind in your mortgage payments. Often a payment plan can be worked out that allows you to keep your home while working through financial problems.

TOPIC 6

REBUILDING AFTER FORECLOSURE



Rebuilding after foreclosure is possible especially with the many resources available in the community.

Families who need help with rent, utilities, and other needs should contact the following agencies.

2-1-1 Information and Referral

2-1-1, a program of Utah Food Bank Services, is a free information and referral call center for health, human and community services that provides information and referrals on topics such as emergency food pantries, rental assistance, public health clinics, child care resources, support groups, legal aid, and a variety of non-profit and governmental agencies. **Dial 2-1-1 or 1-888-826-9790, www.211UT.org**

LEGAL ASSISTANCE

Disability Law Center	801-363-1347, 1-800-662-9080
Landlord/Tenant Mediation Program (CAP)	801-359-2444
Legal Aid Society (Domestic law)	801-328-8849
Multi-Cultural Legal Center	801-596-7426
Utah Dispute Resolution (Mediation)	801-532-4841
Utah Legal Services	801-328-8891

HOUSING ASSISTANCE

(For a more complete statewide list Dial 2-1-1)

American Red Cross Utility Assistance	801-323-7000
ASSIST Inc Emergency Home Repairs (SL County)	801-355-7085
Community Development Corporation	801-994-7222
Housing Services of Utah, Low interest loans	801-785-6606
Division of Housing & Community Development	801-538-8666
HEAT Utility Assistance	801-538-8644
Utah Telephone Assistance Program	801-538-8793
Weatherization	801-538-8657
Single Family Housing	801-538-8636

Housing Authorities of Utah

Bear River AOG/HA	435-586-8462
Beaver Housing Authority	435-438-2935
Cedar City Housing Authority	435-586-8462
Davis Community Housing Authority	801-451-2587
Emery County Housing Authority	435-381-2902
Housing Authority of Carbon County	435-637-5170
Housing Authority of City of Ogden	801-627-5851
Housing Authority of Salt Lake City	801-487-2161
Housing Authority of the County of SL	801-284-4420
Housing Authority of SE Utah	435-259-5891

Housing Authorities of Utah...continued

Millard County Housing Authority	435-864-5024
Housing Authority of Uintah Basin	435-781-4156
Roosevelt City Housing Authority	435-722-5858
Provo City Housing Authority	801-852-7080
Tooele County Housing Authority	435-882-7875
Utah County Housing Authority	801-373-8333

Miscellaneous

Office of Recovery Services (ORS) (Child support)	801-536-8500
Utahns Against Hunger	1-800-453-3663
Social Security Administration (SSA) (National)	1-800-772-1213
Salt Lake Office	801-524-4115
Unemployment Insurance Center	1-888-848-0688
Utah Department of Workforce Services (DWS)	
Central Region Eligibility Service Center	801-313-4600
Customer Relations	1-800-331-4341
Worker's Compensation Fund (WCF)	1-800-446-2667

Community Action Programs of Utah

Bear River Assoc of Governments	435-752-7242
<i>Serving Box Elder, Cache and Rich Counties</i>	
Community Action Services and Food Bank	801-373-8200
<i>Serving Summit, Utah & Wasatch Counties</i>	
Southeastern Utah Association of Local Governments	435-637-5444
<i>Serving Carbon, Emery, Grand & San Juan Counties</i>	
Ogden – Weber Community Action Partnership	801-399-9281
<i>Serving Weber County</i>	
Salt Lake Community Action Program	801-359-2444
<i>Serving Salt Lake & Tooele Counties</i>	
Six County Association of Governments	435-896-9222
<i>Serving Beaver, Iron, Washington, Garfield & Kane Counties</i>	
Uintah Basin Association of Governments	435-722-4518
<i>Serving Daggett, Uintah & Duchesne Counties</i>	
Family Connection Center	801-773-0712
<i>Serving Davis & Morgan Counties</i>	
Five County Association of Governments	435-673-3548
<i>Serving Beaver, Iron, Washington, Garfield Counties</i>	

Housing & Financial Counseling

AAA Fair Credit Foundation	800-351-4195
Cedar City Housing Authority	435-586-8462
Community Action Services of Provo	801-373-8200 ext 241
Community Development Corporation of Utah	1-866-994-7222
Cornerstone Financial Education	801-621-5600

Consumer Credit Counseling Service	800-451-4505
NeighborWorks of Salt Lake City	801-539-1590
Neighborhood Housing Services of Provo	801-375-5820
Neighborhood Nonprofit Housing Corp	435-753-1112
Rural Housing Development Corp	801-375-2205 ext 102
Salt Lake Community Action Program	801-359-2444
Utah State University Extension – Salt Lake County	801-468-3177
Utah State University Extension – Washington Co	435-634-5706
Utah State University Family Life Center	435-797-7224

Helpful Organizations & Websites

Housing Education Coalition of Utah (HECU)

The mission is to develop and promote homeownership programs, products and services for individuals throughout the state of Utah and to insure that all Utah residents have access to homebuyer education that adheres to a standardized curriculum and is taught by a nationally certified homebuyer education counselor. More information available at www.utahforeclosureprevention.com.

Utah Housing Coalition

The mission of the Utah Housing Coalition is to be the leader in housing issues and to promote the increase of accessible, affordable housing statewide.

801-364-0077

www.utahhousing.org

AAA Fair Credit Foundation

a non profit organization providing credit counseling services, financial education, housing counseling and debt management services.

800-351-4195

www.faircredit.org

Better Business Bureau of Utah

An ethical marketplace where buyers and sellers trust each other.

800-456-3907

www.bbb.org

Utah NAHRO National Association of Housing Redevelopment Officials

The Mission of NAHRO is to enhance the opportunity for every Utahn to acquire affordable, decent, and safe housing in a viable community.

www.utahnahro.org

Utah Legal Services

To promote legal services to low income clients and those 60 years of age or older regardless of income on civil legal matters.

800-662-4245

www.andjusticeforall.org/uls/

Utah Division of Consumer Protection

State agency on consumer protection

800-721-safe

<http://consumerprotection.utah.gov/>

Utah Division of Occupation and Professional Licensing

The mission of DOPL is to safeguard the public health, safety and welfare and to enhance commerce through licensing and regulation.

866-275-3675

<http://www.dopl.utah.gov/index.html>

Utah Division of Real Estate

The mission of the Utah Division of Real Estate is to protect the public through education, licensure and regulation of real estate, mortgage and appraisal professionals.

801-530-6747

<http://realestate.utah.gov/index.html>

Utah Mortgage Lenders Association

Mortgage consumers should be confident knowing that as a UMLA member you will represent them well. Our association admonishes our members to adhere to a higher level of ethics and business practices. Belonging to this association proves you are dedicated to your profession and that you are striving to excel.

<http://www.uml.org/>

Utah Housing Corporation

The Utah Housing Corporation provides resources for affordable housing. UHC provides mortgage monies to qualifying first time homebuyers as well as resources to developers building or renovating affordable apartment projects.

801-902-8200

www.utahhousingcorp.org

Loan Scam Alert

Loan modification scams are proliferating at a rapid pace. To combat this issue, Congress asked NeighborWorks America® to launch a national public education campaign. The campaign will empower homeowners to protect themselves against loan modification scams, find trusted help and report illegal activity to authorities.

www.loanscamalert.org

Perfect Home Living

Perfect home living Inc is a nonpartisan non profit committed to real estate fraud research and establishing policy that prevents fraud from continuing within the real estate industry.

801-560-2508

www.perfecthomeliving.com

AARP

American Association of Retired Persons

Information on issues affecting individual's age 50 and older. Special section on housing issues including reverse mortgages and predatory lending.

1-866-448-9616

www.aarp.org/states/ut

Department of Housing & Urban Development (HUD)

www.hud.gov

Tips for avoiding Foreclosure

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

HOPE NOW Alliance

HOPE NOW is an alliance between counselors, servicers, investors, and other mortgage market participants. This alliance will maximize outreach efforts to homeowners in distress to help them stay in their homes and will create a unified, coordinated plan to reach and help as many homeowners as possible. The members of this alliance recognize that by working together, they will be more effective than by working independently.

www.hopenow.com

1-888-995-HOPE HOPE Hotline

Credit Bureaus

A credit bureau gathers information about how consumers use credit. In other words, they collect information from as many consumer financial transactions or inquiries as they can. They then sell access to that combined information to anyone who has a legally-recognized reason (permissible purpose). Each year you are eligible for a free credit report from each credit bureau.

Experian

1-888-397-3742

www.experian.com

Equifax

1-800-685-111

www.equifax.com

TransUnion

1-800-888-4213

www.transunion.com

Department of Veterans Affairs – VA

Specific information for individuals who are veterans of military service. Information on housing, VA loans, medical benefits, VA/Government employment information and special programs for veterans

www.va.gov

ID Theft

Identify theft is becoming a huge problem in the United States. Everyone is encouraged to be alert to the use of their social Security Number. The Federal Trade Commission has developed a website to help educate everyone on this growing problem.

www.consumer.gov/idtheft

Federal Trade Commission

Consumer information site highlight and reviews of consumer fraud, waste and abuse.

www.ftc.gov

United States Rural Development

Rural Development provides information about home loans and grants in rural American.

www.rurdev.usda.gov

NeighborWorks America

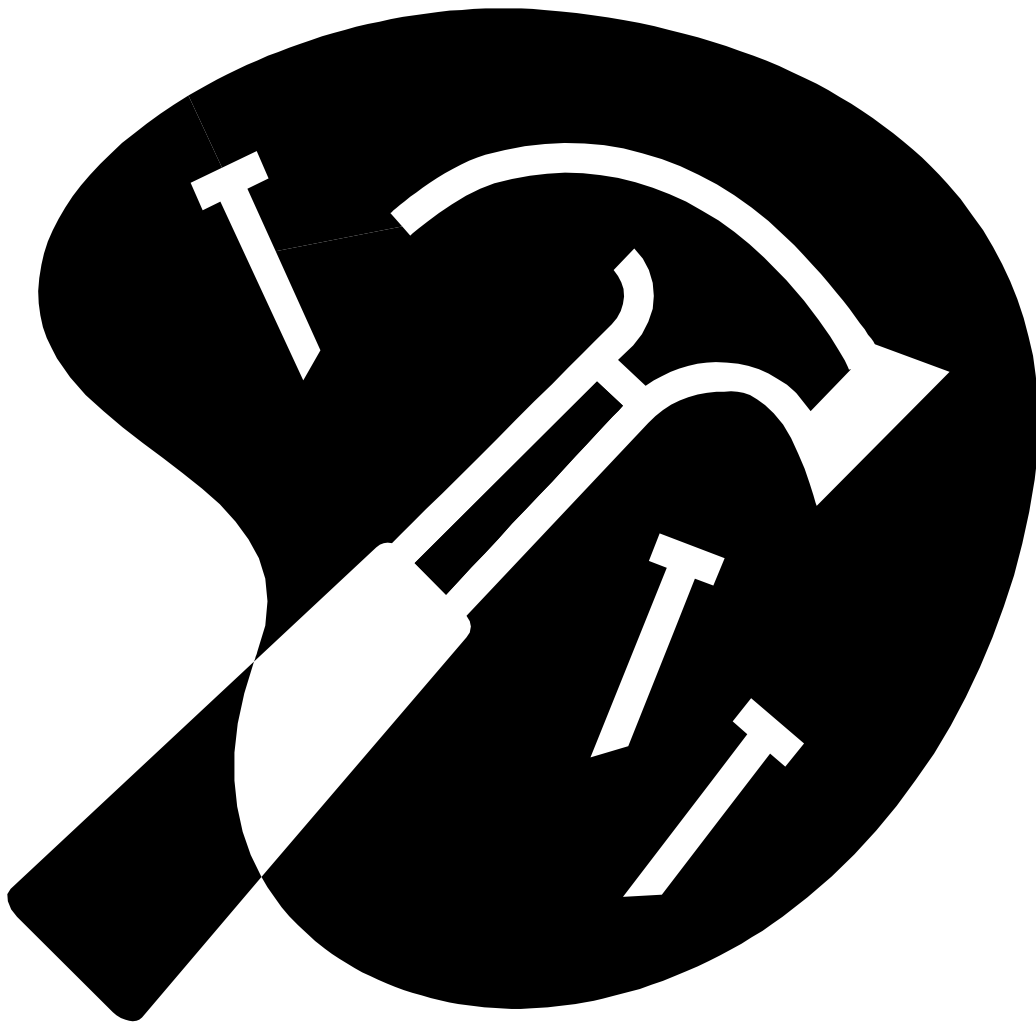
NeighborWorks America is the country's preeminent leader in affordable housing and community development. We work to create opportunities for lower-income people to live in affordable homes in safe, sustainable neighborhoods that are healthy places for families to grow.

www.nw.org

My Notes

APPENDIX

TOOLS FOR THE HOMEOWNER



The following documents are usually necessary before you begin to work with a mortgage lender, servicer or housing counselor.

- ☐ Paystubs for the last 30 days for each member of the household
- ☐ Award letter for Social Security/Unemployment/Pension Income
- ☐ Federal tax returns for at least 2 years
- ☐ Bank Statements (most current 2 months) for all accounts/assets
- ☐ Statements/bills for all household expenses and budget
- ☐ Promissory Note, Deed of Trust/Mortgage
- ☐ Home Equity Loan/Line of Credit/Judgments/Tax Liens
- ☐ Any Trustee Sale information from your mortgage company or its attorney
- ☐ Any documentation from the courts regarding a foreclosure
- ☐ A hardship letter
- ☐ A Release of Authorization letter
- ☐ Truth in Lending (TIL) Form
- ☐ HUD 1 Settlement/Closing Statement
- ☐ ALL correspondence, letters (opened and unopened envelopes) from banks, courts or anyone regarding your home or the foreclosure.

"Keep On Top" Communication Log

It's important to keep your documents in order based on your conversations with the mortgage servicer or housing counselor. It's very important to keep track of all the people working with you including their phone numbers, important dates and action steps. Below is a sample of the kinds of entries to make in your log. Attached to the log should be all of your documents including letters, loans and notices.

- Who did I talk to? When?
- What was discussed?
- What is their phone number?
- Their address?
- When will they call back?
- When am I supposed to call back?
- What notice did I receive and from whom?

SAMPLE "KEEP ON TOP" LOG

Date	Name Ph. Number	Notes about our conversation Call Back (CB), Left Message (LM)
01/10/2010	1-555-555-5551	Spoke with Katie @ Wilshire who requested a Hardship Letter from me. Fax to her @ 1-888-222-0000, then she will CB. If I don't hear from her by 1/15/2010, I will call her.
1/11/2010		Sent Hardship Letter by Fax to Katie.
1/15/2010	1-555-555-5552	LM with Katie to verify she received fax/hardship letter.
1/19/2010		Katie called. Received letter. Now reviewing our file with her manager to decide next step. She will CB next week. Mark calendar to call Katie on 1/26/2010 if she has not called me.
1/27/2010	1-555-555-5553	LM for Katie who has not called as promised. Asked her to call back.
1/28/2010	1-555-555-5554	Marlon from National called to say their company took over our loan and that he will be my new contact. He has our hardship letter and will discuss with his manager next steps and promised to call back on Monday, Feb. 1st.

KEEP ON TOP COMMUNICATION LOG

Date	Name Ph. Number	Notes about our conversation Call Back (CB), Left Message (LM)

Release of Authorization Letter

Sample

Advising Mortgage Lender or Servicer that a
Housing Counseling Agency will be representing you

Date

Lender's Name
Lender's Address
Your Loan Number

Dear Homeownership Preservation/Loss Mitigation Manager,

We the undersigned, hereby authorize _____ (*housing counselling agency*) to act on our behalf in all manners relating to our mortgage loan _____ (loan number, original amount) for the property located at _____ (include the complete street address, city, state and zip code), including signing of all documents relating to this matter.

Any and all acts carried out by _____ (*housing counselling agency*) on our behalf shall have the same affect as acts of our own.

This authorization is valid until further written notice.

Sincerely,

(Borrower's name)

Hardship Letter *Sample*

Date

Lender's Name

Lender's Address

Your Loan Number

Dear Homeownership Preservation/Loss Mitigation Manager,

Our names are/My name is _____ and I've/we've been paying the mortgage on our home at [Address] for ____ years now. I'm/We're writing to you to explain why I/we have unfortunately fallen behind on our monthly payments.

Explain your Hardship (Include dates and specific incidents that caused you to get behind, also explain how it has been resolved).

We/I have sat down with my/our family and taken a very hard look at our financial situation and we all have agreed to make the following sacrifices in order to make certain that this situation never happens again.

Explain what steps you have taken to correct your Financial Position (cut back on spending, canceled some things... cable, eliminated activities, met with Credit Counseling services).

My family and I are truly grateful for the opportunity that you've given us to own our home and have every intention of keeping it for a long while, as well as making timely mortgage payments to you for it. Our children will grow up here and we hope that our grandchildren will also.

Thank you again for your time. We truly hope that you will consider working with us and are anxious to get this settled so we can move on.

Sincerely,

Ask everyone in your family sign the letter.

AUTHORIZATION TO RELEASE INFORMATION

<<<Agency Name>>>

FORECLOSURE COUNSELING PROGRAM

I/We hereby authorize and direct any Federal, State or local agency, organization, business or individual to release to <<<Agency Name>>>, its employees, agents or assigns (hereinafter collectively referred to as "ABC") to release/exchange any information or materials requested in order to facilitate my participation in ABC's Foreclosure Counseling Program. I agree that a photocopy of this may also serve as authorization.

The groups or individuals that may be asked to release the above information includes but is not limited to:

- Mortgage companies
- Past and present employers
- Support and alimony administrators
- Social Security Administration
- Veterans Administration
- State unemployment agencies
- Utility companies
- Banks & financial institutions
- Non-profit organizations

I/We further authorize ABC to order a consumer credit report as part of the Foreclosure Counseling Program.

I/We also authorize ABC to exchange information with all pertinent parties in order to assist me with the best plan to resolve my immediate situation. I authorize the exchange of information with any party authorized in this release to include but not be limited to in person, via phone, via fax and via email.

This authorization will stay in effect until I complete my participation in the Foreclosure Counseling Program or revoke this authorization in writing.

_____ Name (please print)	_____ Signature	_____ Date
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_____ Name (please print)	_____ Signature	_____ Date
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_____ Address	_____ City/State/Zip
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COUNSELOR & HOMEOWNER AGREEMENT

<<<Agency Name>>>

FORECLOSURE COUNSELING PROGRAM

Organization and its counselors (counselor) agree to provide professional foreclosure counseling services to Homeowner(s) (you).

What to expect

The counselor will help you:

- Understand the foreclosure process so that you know what to expect and when;
- Explore options available to you for preventing foreclosure.

Counselors are not able to prevent foreclosure in every situation but are committed to working with you so you can make the best decisions possible.

The counselor will work with you to understand:

- The amount and cause of the mortgage default;
- Your income and expenses by developing a spending plan;
- Solutions to the cause of default and adjustments to your spending plan, as needed;
- Your mortgage product and communicate with your mortgage company;
- Available options for preventing foreclosure including the pros and cons of each.

Together with the counselor you will develop an action plan with steps for both you and the counselor.

Counselor Commitment

The counselor agrees to:

- Provide you with factual information;
- Complete action plan steps in a timely manner;
- Make referrals to needed resources;
- Provide services confidentially, honestly and respectfully.

Homeowner Commitment

You understand that in order for the counselor to provide you with the best service possible, you agree to:

- Provide honest and complete information.
- Provide all necessary documentation and complete action plan steps within the timeframe requested.
- Notify the counselor immediately, preferably 6 hours before a scheduled appointment, if you will be unable to attend an appointment.
- Arrive on time for appointments. You understand that if you are late for an appointment, the appointment will still end at the scheduled time and the counselor may need to reschedule.
- Contact the counselor about any changes in your situation immediately.

COUNSELOR & HOMEOWNER AGREEMENT

<<<Agency Name>>>

FORECLOSURE COUNSELING PROGRAM

Organization and its counselors (counselor) agree to provide professional foreclosure counseling services to Homeowner(s) (you).

Signatures

Homeowner

Date

Homeowner

Date

Counselor

Date

Counselor

Date

Know Your Lingo

Amortization – the gradual repayment of a mortgage loan with equal periodic payments of both principal and interest calculated to retire the obligation at the end of a fixed period of time.

Annual Percentage Rate – the cost of your loan expressed as a yearly rate. Mortgages include interest, points, origination fees, and any mortgage insurance required by the lender.

Collections – the process of contacting the homeowner for and receiving delinquent amounts which are owed.

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 at another negotiated date.

Debt-to-Income Ratio – maximum percent of gross monthly income that can be used for the house payment plus all other debts.

Delinquency – failing to make a timely payment so that it is received on or after the due date.

Escrow Account – an account held by a lender for payments of taxes, insurance, or other periodic debts against real property. Part of the borrower's monthly payment goes into this account so funds will be available to pay the taxes, insurance and other impounded matters when due to avoid the need for the borrower to pay a lump sum payment.

Foreclosure – legal action to force the sale of a home (Repossession).

Grace Period - length of time between the due date and the date when late fees begin.

Good Faith Estimate – A written estimate of costs & fees expected for a mortgage loan.

Housing Ratio – maximum percent of gross monthly income that can be used for a monthly mortgage payment.

Housing Counseling Agency – Nonprofit mortgage lending experts who help you prepare for homeownership or work out a solution to save your home from foreclosure.

Interest Rate – the percentage of a sum of money charged for its use.

Insurer – insures the lender/investor in case the loan becomes delinquent.

Investor – the owner of the loan.

Loan Modification – changing one or more terms of the original mortgage agreement, usually: a) delinquent payments and other costs may be added to the loan balance, b) interest rate changes and/or c) length/term of the mortgage changes, thus resulting in a lower payment amount.

Loan-to-Value Ratio – the comparison of the amount of the loan to the value or selling price of real property expressed as a percentage. For example, if a home with a \$100,000 value has an \$80,000 mortgage on it, the loan to value is 80%.

Loss Mitigation – working with the customer to find a permanent solution to resolve the delinquency (Homeownership Preservation).

Mortgage Insurance - A policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan; mortgage insurance is required primarily for borrowers with a down payment of less than 20% of the home's purchase price.

Mortgage Lender – The company who provided you the funds to buy your home based on a repayment plan including monthly interest and principal.

Partial Claim – applies to FHA loans only; HUD advances insurance funds to pay past-due amounts without charging interest, and is repaid when the mortgage is paid in full – either through refinancing or sale of the property.

Rate Lock-in – holds a rate for a specific period of time. Get it in writing (a loan commitment) – in Utah a mortgage banker will do it. Mortgage brokers will do it too for an added fee. Ask to see a license.

Repayment Plan – regular monthly payments plus additional amounts as agreed; payments are made until the loan is current.

Mortgage Servicer – A mortgage lender may sell your mortgage loan to a company responsible for customer service, processing payments, and working with delinquent payments.

Short Sale – the sale of the property at fair market value; the lender agrees to accept the proceeds of the sale even though it is less than the full payoff amount in order to avoid foreclosure, and may result in additional taxes.

Special Forbearance Plan – a signed agreement that allows the reduction or suspension of a homeowner's monthly payments for a specific period of time. This requires regular monthly payments plus additional amounts as agreed, until the loan is current.

Homeowner Information Sheet

Homeowner (A) _____

Homeowner (B) _____

Homeowner (A) Street Address _____

City _____ State _____ Zip Code _____

Homeowner (B) Street Address _____

City _____ State _____ Zip Code _____

Property Address (if different) _____

City _____ State _____ Zip Code _____

Home Phone (A) _____ Home Phone (B) _____

Work Phone (A) _____ Work Phone (B) _____

Cell Phone (A) _____ Cell Phone (B) _____

Email Address (A) _____

Email Address (B) _____

Homeowner (A) SSN _____ Homeowner (B) SSN _____

Homeowner (A) DOB _____ Homeowner (B) DOB _____

Homeowner (A) Employer 1 _____

Title _____ How Long? _____

Homeowner (A) Employer 2 _____

Title _____ How Long? _____

Homeowner (B) Employer 1 _____

Title _____ How Long? _____

Homeowner (B) Employer 2 _____

Title _____ How Long? _____

What's My House Worth?

Type of Property

- | | | |
|---|--|------------------------------------|
| <input type="checkbox"/> Single Family detached | <input type="checkbox"/> 2-4 Unit (duplex) | <input type="checkbox"/> Townhouse |
| <input type="checkbox"/> Condominium | <input type="checkbox"/> Manufactured Home | <input type="checkbox"/> Other |

Condition of Home

- ☐ Excellent ☐ Good ☐ Fair ☐ Poor

Age of Home: _____ Date Purchased: _____

Describe Improvements you've made: _____

For Sale? ☐ Yes ☐ No

List Price: \$ _____ How long for sale? _____

Real Estate Agent: _____ Telephone: _____

Real Estate Broker: _____ Telephone: _____

Help in determining the current value of your home:

Beaver County Assessor's Office

Website: <http://www.beaver.state.ut.us/assessor.htm>

Telephone: 435-438-6463

Box Elder County Assessors Office

Website: <http://www.boxeldercounty.org/>

Telephone: 435-734-3333

Cache County Assessor's Office

Website: <http://www.cachecounty.org/assessor.php>

Telephone: 435-755-1590

Carbon County Assessor's Office

Website: <http://www.carbon.utah.gov/assessor/index.htm>

Telephone: 435-636-3249

Daggett County Assessor's Office

Website: <http://www.daggettcounty.org/Directory.asp?did=6>

Telephone: 435-784-3222

Davis County Assessor's Office

Website: <http://www.daviscountyutah.gov/assessor/default.cfm>

Telephone: 801-451-3250

Duchesne County Assessor's Office

Website: <http://www.duchesnegov.net/assessor/assesor.html>

Telephone: 435-738-1110

Emery County Assessor's Office

Website: <http://www.emerycounty.com/Assessor/contact.htm>

Telephone: 435-381-2474

Garfield County Assessor's Office

Website:

Telephone: 435-676-1108

Grand County Assessor's Office

Website: <http://www.grandcountyutah.net/assessor.htm>

Telephone: 435-259-1327

Iron County Assessor's Office

Website: <http://www.ironcounty.net/departments/Assessor/>

Telephone: 435-477-8311

Juab County Assessor's Office

Website: <http://www.co.juab.ut.us/County/Assessor/Index.html>

Telephone: 435-623-3425

Kane County Assessor's Office

Website: <http://kane.utah.gov/deptinfo.cfm?deptID=4>

Telephone: 435-644-2647

Millard County Assessor's Office

Website: <http://www.millardcounty.org>

Telephone: 435-743-5719

Morgan County Assessor's Office

Website: <http://www.morgan-county.net/>

Telephone: 801-845-4000

Piute County Assessor's Office

Website: <http://www.piute.org/Government.htm>

Telephone: 435-577-2988

Rich County Assessor's Office

Website: <http://www.richcountyut.org/officers.htm>

Telephone: 435-793-5215

Salt Lake County Assessor's Office

Website: <http://www.assessor.slco.org/cfml/Query/query2.cfm>

Telephone: 801-468-3050

Sanpete County Assessor's Office

Website: <http://sanpetecounty.org/pages/assessor>

Telephone: 435-835-2111

San Juan County Assessor's Office

Website: <http://www.sanjuancounty.org/assessor.htm>

Telephone: 435-587-3221

Sevier County Assessor's Office

Website: <http://www.sevierutah.net/assessor/assessor.html>

Telephone: 435-893-0431

Summit County Assessor's Office

Website: <http://www.summitcounty.org/assessor/>

Telephone: 435-336-3248

Toole County Assessor's Office

Website: <http://www.co.tooele.ut.us/assessor.htm>

Telephone: 435-843-3110

Uintah County Assessor's Office

Website: <http://www.co.uintah.ut.us/assessor/aso.php>

Telephone: 435-781-5323

Utah County Assessor's Office

Website: <http://www.co.utah.ut.us/Dept/Assess/Index.asp>

Telephone: 801-851-8244

Wasatch County Assessor's Office

Website: <http://www.co.wasatch.ut.us/d/assessor.html>

Telephone: 435-657-3181

Washington County Assessor's Office

Website: <http://www.washco.utah.gov/departments.php?whichDept=1>

Telephone: 435-634-5703

Wayne County Assessor's Office

Website: <http://www.waynecnty.com/Assessor.html>

Telephone: 435-836-1305

Weber County Assessor's Office

Website: <http://www.co.weber.ut.us/assessor/contact.php>

Telephone: 801-399-8572

My Notes

For help with referrals and financial education, counseling, and debt management, contact
2-1-1 Information and Referral

My Notes

For help with referrals and financial education, counseling, and debt management, contact
2-1-1 Information and Referral

Free Foreclosure Help: It's Just a Phone Call Away

**Dial 2-1-1 today to receive
a FREE Foreclosure
Prevention Workbook**

www.utahforeclosureprevention.com

Call one of the following nonprofit counseling agencies to receive FREE help with Foreclosure Prevention:

- ⇒ **AAA Fair Credit Foundation**
(800) 351-4195
- ⇒ **Cedar City Housing Authority**
(435) 586-8462
- ⇒ **Community Action Services of Provo**
(801) 691-5200
- ⇒ **Community Development Corp of Utah**
(866) 994-7222
- ⇒ **Community Development Corp of Utah**
(435) 637-5032 x 708 - Eastern Utah (Price)
- ⇒ **Cornerstone Financial Education**
(801) 621-5600
- ⇒ **Neighborhood Nonprofit Housing Corp**
(435) 753-1112
- ⇒ **NeighborWorks of Provo**
(801) 375-5820
- ⇒ **NeighborWorks of Salt Lake City**
(801) 539-1590
- ⇒ **Salt Lake Community Action Program**
(801) 359-2444
- ⇒ **USU Family Life Center**
(435) 797-7224



Presented by the Governor's Utah Foreclosure Prevention Taskforce & Utah Housing Coalition
Think you've been a victim of a scam or fraud? Call the Utah Division of Real Estate: (801)530-6747

Disclaimer

Unless otherwise specifically stated, the information contained herein is made available to the public by the Don't Borrow Trouble® Pima County and the Utah Housing Coalition for use as an example of the kinds of documents and advice one may receive in the process of negotiating with a mortgage company, housing counseling agency or any other party involved in the delinquency or foreclosure of one's home. The intent of the workbook is to assist individuals in resolving their foreclosure crisis.

Neither Don't Borrow Trouble® Pima County, the Utah Housing Coalition nor any other agency or entities involved in the development of this workbook, assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, product or process disclosed in these examples.

Reference herein to any specific commercial product, process, service by trade name, trademark, manufacturer, or otherwise, does not constitute or imply its endorsement, recommendation, or favoring by the Don't Borrow Trouble® Pima County, the Utah Housing Coalition or any entities thereof.

The views and opinions of the originators expressed therein do not necessarily state or reflect those of the Don't Borrow Trouble® Pima County, the Utah Housing Coalition or any agency or entities thereof.

Utah Foreclosure Prevention Taskforce 2008

It became apparent when the Housing Education Coalition of Utah (HECU) was working on their mission of becoming united using the same curriculum statewide that foreclosures in Utah needed to be addressed. A work group was established and it became apparent the need to form a Taskforce to get ahead of the situation. Many states did not get on board early enough to address the issue of foreclosures. Utah seems to be behind the curve on many national trends and we are thankful to learn from other states.

Participating Agencies

AAA Fair Credit Foundation
American Express Center for Community Development
CHASE
Community Development Corporation of Utah
Community Development, FRBSF
Cornerstone Financial Education
Federal Reserve Bank of S.F.
Housing Education Coalition of Utah
Housing Urban Development (HUD)
Morgan Stanley Bank
Neighborhood Nonprofit Corporation
NeighborWorks Salt Lake
Perfect Home Living
Pitney Bowes Bank
Provo Community Action Services
Olene Walker Housing Loan Fund
Rural Community Assistance Corporation
Salt Lake Board of Realtors
Salt Lake City Housing & Neighborhood Development
Salt Lake Community Action Program
UBS Bank
Utah Division of Housing and Community Development
Utah Housing Coalition
Utah Housing Corporation
Utah Mortgage Lenders Association
Utah State University Extension
U of U Bureau of Business and Economic Business Research
Wells Fargo Bank
Western Region Homeownership Preservation, Chase

Special thanks to Pima County, AZ for allowing us to use their workbook as a template.



www.utahforeclosureprevention.com



Call 2-1-1 for more information.