

## Information on Avoiding Foreclosure

These options may be available to you depending on your hardship. There are options to help you stay in your home and bring your mortgage current, and options that allow you to leave your home while avoiding foreclosure. We can answer any questions you may have about these options, including the general eligibility requirements.

OPTIONS TO STAY IN YOUR HOME	OVERVIEW	BENEFIT
<b>Reinstatement</b>	<ul style="list-style-type: none"> <li>▪ Pay all past due amounts in a single lump-sum payment.</li> <li>▪ Available if you have the funds to pay now.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you to bring your mortgage current immediately.</li> </ul>
<b>Repayment Plan</b>	<ul style="list-style-type: none"> <li>▪ Pay all past due amounts together with your regular monthly payments over an extended period of time.</li> <li>▪ Available if you have sufficient income to cover more than your regular monthly payment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you time to bring your mortgage current without having to make a single lump-sum payment.</li> </ul>
<b>Payment Deferral</b>	<ul style="list-style-type: none"> <li>▪ Defer repayment of two to six past-due principal and interest payments and certain other amounts into a non-interest bearing balance due and payable at the maturity of the mortgage loan or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you to bring your mortgage current by delaying repayment of past-due principal and interest and certain other amounts without changing other terms of your mortgage.</li> <li>▪ Interest is not charged on those amounts.</li> </ul>
<b>Forbearance Plan</b>	<ul style="list-style-type: none"> <li>▪ Make reduced payments or no payments for a specific period of time (for example, six months). During this time your mortgage will become increasingly delinquent.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you time to improve your financial situation and possibly qualify for another option, such as a modification, upon completion of the forbearance plan.</li> </ul>
<b>Modification</b>	<ul style="list-style-type: none"> <li>▪ Make modified payments based on new terms.</li> <li>▪ Requires your successful completion of a three-month trial period plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you to bring your mortgage current by permanently modifying your mortgage.</li> <li>▪ Intended to make your payments or terms more manageable; typically results in a lower monthly payment.</li> </ul>
OPTIONS TO LEAVE YOUR HOME	OVERVIEW	BENEFIT
<b>Traditional Sale (sale with equity)</b>	<ul style="list-style-type: none"> <li>▪ Sell your property.</li> <li>▪ Proceeds from the sale are used to pay off the mortgage debt and any other debts secured by the property.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Keep the excess proceeds from the sale once all debts and closing costs are paid.</li> <li>▪ Allows you to transition out of your home to avoid foreclosure.</li> </ul>
<b>Short Sale</b>	<ul style="list-style-type: none"> <li>▪ Sell your property.</li> <li>▪ Proceeds from the sale are used to pay off a portion of your mortgage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you to transition out of your home to avoid foreclosure.</li> <li>▪ Relocation funds may be available.</li> </ul>

	<p>balance when you owe more on your mortgage than the home is worth.</p>	<ul style="list-style-type: none"> <li>▪ The remainder of your mortgage debt after the transfer of ownership may be forgiven, but there may be tax consequences – consult a tax advisor.</li> </ul>
<p><b>Mortgage Release (Deed-in-Lieu of Foreclosure)</b></p>	<ul style="list-style-type: none"> <li>▪ Transfer ownership of your property to us in exchange for relief from some or all of the mortgage debt.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows you to transition out of your home if you are unable to sell your home to avoid foreclosure.</li> <li>▪ Relocation funds may be available.</li> <li>▪ The remainder of your mortgage debt after the transfer of ownership may be forgiven, but there may be tax consequences—consult a tax advisor.</li> </ul>

## Frequently Asked Questions

### Q1. Will it cost money to get help?

- No. There should never be a fee to obtain assistance or information about foreclosure prevention options from your mortgage servicer or a qualified housing finance agency.
- Never send a mortgage payment to a company except the one listed on your monthly mortgage statement.
- Beware of scams and anyone offering to help you for a fee (see **Beware of Foreclosure Rescue Scams!** for additional information).

### Q2. What is foreclosure?

- Foreclosure is the loss of your home through a legal process where your mortgage servicer or a third party acquires the property at a foreclosure sale.

### Q3. What are the consequences of foreclosure?

- You must move or you will be evicted from the property.
- It may be as long as seven years before you are eligible for another Fannie Mae or Freddie Mac mortgage.
- You and any additional borrower listed on the mortgage may experience negative credit implications.

### Q4. Will the foreclosure process begin if I do not respond to my mortgage servicer's notices regarding missed payments?

- If you disregard your mortgage servicer's notices, your mortgage servicer may refer your mortgage to foreclosure as authorized by your mortgage documents and applicable law.

### Q5. Should I still contact my mortgage servicer if I have waited too long and my property has been referred to foreclosure?

- Yes, the sooner the better! If you wish to keep your home, contact your mortgage servicer immediately.
- You may also contact a HUD-approved housing counselor (see **Additional Resources** on page 1) and request a three-way call that would include you, the HUD-approved housing counselor, and your mortgage servicer to discuss your hardship.
- A HUD-approved housing counselor can also provide free advice on debt management.

### Q6. Can I still be evaluated for mortgage assistance if my property is scheduled for a foreclosure sale?

- Yes, but it is important that you reach out to your servicer as soon as possible to discuss potential options. If your mortgage servicer receives your complete Mortgage Assistance Application with only 37 or fewer calendar days before the scheduled foreclosure sale, there is no guarantee that your servicer will be able to evaluate you for mortgage assistance in time to stop the foreclosure sale.
- Even if your mortgage servicer approves you for a foreclosure alternative prior to a sale, a court with jurisdiction over the foreclosure proceeding (if any) or public official charged with carrying out the sale may not be able to halt the scheduled sale.

### Q7. Will my property be sold at a foreclosure sale if I accept a foreclosure alternative?

- No. Your property will not be sold at a foreclosure sale if you accept a foreclosure avoidance option and comply with its requirements.

### Q8. What if I acquired an ownership interest in the property, such as through death, divorce, or legal separation?

- You should contact us as soon as possible. We are here to help you adjust to these events and provide you with information on where to send the mortgage payments. Please contact us to obtain a list of documentation that is needed to confirm your identity and ownership interest in the property, and to discuss next steps.

## Beware of Foreclosure Rescue Scams!

Scam artists have stolen millions of dollars from distressed homeowners by promising immediate relief from foreclosure, or demanding cash for counseling services. HUD-approved counseling agencies provide the same services for FREE. If you receive an offer, information, or advice that sounds too good to be true, it probably is. If you have any doubts, contact your mortgage servicer. Don't let scammers take advantage of you, your situation, your house, or your money. Keep in mind, your mortgage servicer is not responsible for paying damages resulting from a scam. **Remember, help is FREE.**

**How to Spot a Scam** – beware of a company or person who:

- Asks for a fee in advance to work with your mortgage servicer to modify, refinance, or reinstate your mortgage.
- Guarantees they can stop a foreclosure or get your mortgage modified.
- Advises you to stop paying your mortgage servicer and pay them instead.
- Pressures you to sign over the deed to your home or sign any paperwork that you haven't had a chance to read, and you don't fully understand.
- Claims to offer "government-approved" or "official government" mortgage modifications.
- Asks you to release personal financial information online or over the phone and you have not been working with this person and/or do not know them.

**How to Report a Scam** – do one of the following:

- Go to <https://www.consumerfinance.gov/complaint/> to submit a complaint and get information on how to fight back.
- Call (888) 995-HOPE (4673) and tell the counselor about your situation and that you believe you were scammed or know of a scam.