For more information, call, write, or visit us:

U.S. Department of Housing and Urban Development
Atlanta Office - Region IV
Five Points Plaza Building
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Atlanta, GA 30303
www.hud.gov/georgia

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8:00 a.m. - 4:30 p.m.
Closed for all federal holidays

Dated: February 2011

U.S. Department of Housing and Urban Development
Atlanta Office - Region IV

Are You At Risk of Foreclosure?

Foreclosure Does Not Happen Overnight

HUD-Approved Housing Counseling Agencies	FHA-Home Affordable Mortgage Program (FHA-HAMP)	Making Home Affordable Program	HomeSafe Georgia

Five Points Plaza Building, 40 Marietta Street, Atlanta, GA 30303
www.hud.gov/georgia

Are you at risk of foreclosure and losing your home?

Foreclosure does not happen overnight

Have you missed a house payment?

Not missed a house payment yet, but afraid you might?

Has your financial situation changed due to a mortgage payment increase, loss of job, divorce, medical expenses, increase in taxes or other reasons?

Is your credit card debt becoming unmanageable?

Are you using your credit cards to buy groceries?

Is it becoming difficult to pay all your monthly bills on time?

If it is becoming harder to make your house payment each month:

- *Call 800-569-4287 or visit www.hud.gov/counseling to find a HUD-approved housing counselor near you.*
- *Call the HOPE NOW Alliance at 888-995-HOPE or visit www.hopenow.com.*
- *Visit www.MakingHomeAffordable.gov.*
- *Call the Georgia Department of Community Affairs at 877-519-4443 and ask about HomeSafe Georgia, or visit www.dca.ga.gov/housing/Homeownership/programs/HardestHitFund.asp.*

Other Useful Resources

FHA Resource Center 800-CALL FHA (225-5342) or email answers@hud.gov
www.hud.gov/offices/hsg/sfh/fharesourcectr.cfm

Avoiding Foreclosure: Georgia
www.hud.gov/local/ga/homeownership/foreclosure.cfm

Home Equity Conversion Mortgage (HECM) Counseling Agencies
https://entp.hud.gov/idapp/html/hecm_agency_look.cfm

Know Your Options
www.knowyouroptions.com

Fannie Mae Mortgage Help Center 866-442-8573
www.fanniemae.com/kb/index?page=home&c=homeowners_mortgagehelpcenters_atlanta

Chase Homeownership Centers – Atlanta 770-690-2800, Stockbridge 770-474-4186
https://www.chase.com/chf/mortgage/keeping-your-home

Georgia Department of Community Affairs (DCA)
www.dca.ga.gov/housing/Homeownership/programs/GeorgiaDream.asp

Georgia Governor's Office on Consumer Protection
www.consumered.com/your_home/foreclosure/foreclosure.aspx

Protect Yourself From Fraud
www.stopfraud.gov/protect-mortgage.html

Predatory Lending
www.hud.gov/predatorylending

Fair Housing contact in Georgia
404-331-5140 or toll-free 800-440-8091; TTY (404) 730-2654
www.hud.gov/fairhousing

Atlanta Legal Aid Society www.atlantalegalaid.org 404-524-5811

Georgia Legal Services www.glsp.org 800-498-9469

IRS – Free Income Tax Preparation Assistance 800-829-1040
www.irs.gov/taxtopics/tc101.html

IRS – Home Foreclosure and Debt Cancellation
www.irs.gov/newsroom/article/0,,id=174034,00.html

Home Loan Learning Center
www.homeloanlearningcenter.com – powered by Mortgage Bankers Association

When a Lender Won't Work with You

You've done all your homework, talked to a housing counselor, and tried to talk to your lender. But, the lender won't work with you. What do you do now?

For an FHA-insured loan:

Your lender has to follow FHA servicing guidelines and regulations for FHA-insured loans. If your lender is not cooperative, contact the **FHA National Servicing Center** toll free at 877-622-8525 or email **hsg-lossmit@hud.gov**.

For a VA-guaranteed loan:

First, visit the **VA Foreclosure Alternatives** page at **www.vba.va.gov/ro/cleveland/foreclosure_alternatives.htm**. If you need assistance or have additional questions, talk to a VA Loan Service Representative by calling the **Atlanta Regional Loan Center** at 888-768-2132.

For a USDA loan:

If you have USDA-direct loan, call the **USDA/Rural Development Home Loan Servicing Center** at 800-793-8861 or visit **http://rdhomeloans.usda.gov**. If you have a USDA-guaranteed loan, contact your servicing lender. You may benefit by receiving free foreclosure counseling from a HUD-approved housing counseling agency.

For a conventional loan:

If you have a conventional loan, first talk to a local **HUD-approved housing counseling agency**—call 800-569-4287 or go to **www.hud.gov/counseling**. They may be able to help you with your lender. You can also contact **HOPE NOW** at 888-995-HOPE(4673) or **www.hopenow.com** to receive counseling online or by phone.

Free foreclosure counseling and tips are also provided by:

NeighborWorks®America **www.foreclosurehelpandhope.org**.

Few people think that they will lose their home – they think they have more time.

This is how it happens…

1. **First month missed payment** – your lender will contact you by letter or phone. A housing counselor can help.

2. **Second month missed payment** – your lender is likely to begin calling you to discuss why you have not made your payments. **It is important that you take their phone calls**. Talk to your lender and explain your situation and what you are trying to do to resolve it. At this time, you **still may be able to make one payment** to prevent yourself from falling three months behind. A housing counselor can help.

3. **Third month missed payment** – after the third payment is missed, you will receive a letter from your lender stating the amount you are delinquent, and that you have 30 days to bring your mortgage current. This is called a Demand Letter or Notice to Accelerate. If you do not pay the specified amount or make some type of arrangements by the given date, the lender may begin foreclosure proceedings. They are unlikely to accept less than the total due without arrangements being made if you receive this letter. **You still have time** to work something out with your lender. A housing counselor can still help.

4. **Fourth month missed payment** – now you are nearing the end of time allowed in your Demand or Notice to Accelerate Letter. When the 30 days end, if you have not paid the full amount or worked out arrangements you will be referred to your lender's attorneys. **You will incur all attorney fees** as part of your delinquency. A housing counselor can still help you.

5. **Sheriff's or Public Trustee's Sale** – the attorney will schedule a Sale. **This is the actual day of foreclosure**. The foreclosure process in Georgia is non-judicial. This means that the lender does not need to take you to court in order to begin foreclosure proceedings. However, there are steps that the lender must take to initiate the foreclosure. You must be at least 90 days behind on your mortgage. The lender or the lender's attorney must advertise the intended date of foreclosure for 30 days in a legal publication in your county of residence. You may be notified of the date by mail, a notice is taped to your door, and the sale may be advertised in a local paper. The time between the Demand or Notice to Accelerate Letter and the actual Sale varies by state. In some states it can be as quick as 2-3 months. This is not the move-out date, but the end is near. You have until the date of sale to make arrangements with your lender, or pay the total amount owed, including attorney fees.

6. **Redemption Period** – after the sale date, you may enter a redemption period. You will be notified of your time frame on the same notice that your state uses for your Sheriff's or Public Trustee's Sale.

Important: **Stay in contact with your lender and get assistance as early as possible. All dates are estimated, and vary according to your state and your mortgage company.**

If you are unable to make your mortgage payment:

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.

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 notices of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.
TIP: Homeowners should keep a duplicate set of all submitted documents for records.

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. Go to **www.consumer.georgia.gov**, select Consumer A-Z, then Mortgage Foreclosures.

5. Understand foreclosure prevention options.
Valuable information about foreclosure prevention (also called loss mitigation) options can be found online at **www.hud.gov/foreclosure** and **www.makinghomeaffordable.gov**.

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. Find a HUD-approved housing counseling agency near you by calling 800-569-4287 or TTY 800-877-8339 or visiting **www.hud.gov/counseling**.

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.

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.

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. For more information, call the HOPE NOW Alliance at 888-995-4673 or visit **www.loanscamalert.org**.

10. Don't lose your house to foreclosure recovery scams!
If any firm claims they can stop your foreclosure immediately and 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.

Tips for Avoiding Foreclosure
www.hud.gov/foreclosure

Don't ignore the letters from your lender.

Contact your lender immediately.

If you have an FHA-insured mortgage:

The **FHA-Home Affordable Mortgage Program (FHA-HAMP)** is HUD's newest tool to help homeowners avoid foreclosure. It is a combination of a Loan Modification and a Partial Claim.

- It is an option for FHA-insured homeowners who are current but facing imminent default or already behind in payments, but no more than 12 months delinquent.
- The payment will be lowered to 31 percent of the gross monthly income.
- If the borrower is facing imminent default, he must have successfully participated in a four-month trial modification. If the borrower is in default, he must have successfully participated in a three-month trial payment plan. Only after successfully paying the trial modification will a permanent modification be granted.

For more information, visit **www.hud.gov/offices/hsg/sfh/nsc/lossmit.cfm** or call 877-622-8525.

If you do not have an FHA-insured mortgage:

The **Making Home Affordable Program** is a new program created to help millions of homeowners to refinance or modify their mortgage payments so that they are affordable.

- The Home Affordable Refinance Program is for Fannie Mae and Freddie Mac homeowners who pay their mortgage on time, but are unable to refinance to take advantage of lower interest rates, perhaps due to a decrease in the value of their home.
- The Home Affordable Modification Program is for the homeowners (do not have to be Fannie Mae or Freddie Mac borrowers) who are struggling to make their monthly mortgage payments and may be facing imminent default or behind on their mortgage. This program will help homeowners get a new mortgage they can afford.

For more information, visit **www.MakingHomeAffordable.gov**