

Foreclosure Prevention Workshop



Prepared by
**Fair Housing Council
of Orange County**
A HUD Certified Counseling Agency

About the Fair Housing Council of Orange County

- Founded in 1965, we are a private nonprofit organization dedicated to ensuring equal access to housing opportunities, fostering diversity, preserving dignity and human rights.

We offer:

- Fair Housing Enforcement
- Landlord Tenant Counseling
- Alternative Dispute Resolution Services
- HUD-Certified Housing Counseling



Fair Housing Council
of Orange County
Fostering Diversity in Housing

201 S. Broadway • Santa Ana, CA 92701
Phone: 714/569-0823 • Fax: 714/835-0281 • Web Site: www.fairhousingoc.org

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Orange County Home Ownership Preservation Collaborative

- Fair Housing is a member of the OC HOPC, which is a partnership of non-profit, government, & business leaders committed to promoting and preserving the dream of home ownership through outreach, education, counseling, & financing.
- OCHOPC meets regularly to share resources, coordinate educational forums, discuss solutions, and advocate for collective response to home ownership preservation challenges in OC.
- Website: www.ochopc.org



OCHOPC Intake Form

FORECLOSURE INTAKE FORM

OC HOPC
Orange County Home Ownership Preservation Collaborative

Counseling Level: _____ Months Past Due: _____ Referred By: _____
Nivel de asesoría Meses de atraso Referido por

PRIMARY APPLICANT

NAME: _____
Nombre First (Primer) MI (Medio) Last (Apellido)

Street (Direccion - Calle) _____
Calle (Direccion - Calle)

City (Ciudad) _____ State (Estado) _____ Zip Code _____
Ciudad Estado Codigo Postal

SOCIAL SECURITY NUMBER _____ BIRTH DATE _____
Numero Seguro Fecha de Nacimiento

Home (_____) Work (_____) Email _____
Casa Trabajo Correo Electronico

RACE: Does not wish to furnish this information **RAZA** Si no quiere dar esta informacion
 White Native Hawaiian/Other Pacific Islander
 American Indian/Alaskan Native Black/African American
 Asian American Indian/Alaskan Native and White
 Asian and White American Indian/Alaskan Native and Black African American
 Black/African American and White Other

ETHNICITY: Non-Hispanic Hispanic, if Hispanic please select one: Mexican/Chicano Puerto Rican Other Hispanic
Etnicidad No Hispanico Hispanico, si es Hispanico selecciona uno Mexicano/Chicano Puertorriqueno Otro Hispanico

FOREIGN BORN: _____ MARITAL STATUS: _____ GENDER: _____
Nacido en el Extranjero Estado Civil Sexo

EMPLOYMENT INFORMATION: Are you currently Employed? _____ If so, Please complete the following:
Informacion del empleo: ¿Está Ud. actualmente empleado? Sí, completar lo siguiente:

EMPLOYER: _____ DATE OF HIRE: _____
Empresario Fecha de inicio

Are you currently on Disability? _____ If so, briefly explain: _____
¿Está Ud. actualmente incapacitado? De ser así, explique

CO-APPLICANT

NAME: _____
Nombre First (Primer) MI (Medio) Last (Apellido)

Street (Direccion - Calle) _____
Calle (Direccion - Calle)

City (Ciudad) _____ State (Estado) _____ Zip Code _____
Ciudad Estado Codigo Postal

Home (_____) Work (_____) Email _____
Casa Trabajo Correo Electronico

RELATION TO PRIMARY CUSTOMER: _____
Relacion con el Cliente Principal

RACE: Does not wish to furnish this information **RAZA** Si no quiere dar esta informacion
 White Native Hawaiian/Other Pacific Islander
 American Indian/Alaskan Native Black/African American
 Asian American Indian/Alaskan Native and White
 Asian and White American Indian/Alaskan Native and Black African American
 Black/African American and White Other

ETHNICITY: Non-Hispanic Hispanic, if Hispanic please select one: Mexican/Chicano Puerto Rican Other Hispanic
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FOREIGN BORN: _____ MARITAL STATUS: _____ GENDER: _____
Nacido en el Extranjero Estado Civil Sexo

Fair Housing Council of OC Foreclosure Mitigation Counseling Agreement

Fair Housing Council of OC Foreclosure Mitigation Counseling Agreement

1. I understand that the Fair Housing Council of OC provides foreclosure mitigation counseling after which I will receive a written action plan consisting of recommendations for handling my finances, possibly including referrals to other housing agencies as appropriate.
2. I understand that Fair Housing Council of OC receives Congressional funds through the National Foreclosure Mitigation Counseling (NFMC) program and, as such, is required to share some of my personal information with NFMC program administrators or their agents for purposes of program monitoring, compliance and evaluation.
3. I give permission for NFMC program administrators and/or their agents to follow-up with me between now and June 30, 2010 for the purposes of program evaluation.

You may decline provision 3 by signing here:

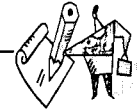
Client's signature _____ Date _____

4. I acknowledge that I have received a copy of Fair Housing Council of OC's Client Agreement and Privacy Policy.

IN ADDITION:

1. I may be referred to other housing services of the organization or another agency or agencies as appropriate that may be able to assist with particular concerns that have been identified. I understand that I am not obligated to use any of the services offered to me.
2. A counselor may answer questions and provide information, but not give legal advice. If I want legal advice, I will be referred for appropriate assistance.
3. I understand that the Fair Housing Council of OC provides information and education on numerous loan products and housing programs and I further understand that the housing counseling I receive from the Fair Housing Council of OC in no way obligates me to choose any of these particular loan products or housing programs.

Client's signature _____ Date _____



Privacy Policy

Fair Housing Council of OC Privacy Policy

Fair Housing Council of OC is committed to assuring the privacy of individuals and/or families who have contacted us for assistance. We realize that the concerns you bring to us are highly personal in nature. We assure you that all information shared both orally and in writing will be managed within legal and ethical considerations. Your "nonpublic personal information," such as your total debt information, income, living expenses and personal information concerning your financial circumstances, will be provided to creditors, program monitors, and others only with your authorization and signature on the Foreclosure Mitigation Counseling Agreement. We may also use anonymous aggregated case file information for the purpose of evaluating our services, gathering valuable research information and designing future programs.

Types of information that we gather about you

- Information we receive from you orally, on applications or other forms, such as your name, address, social security number, assets, and income;
- Information about your transactions with us, your creditors, or others, such as your account balance, payment history, parties to transactions and credit card usage; and
- Information we receive from a credit reporting agency, such as your credit history.

You may opt-out of certain disclosures

1. You have the opportunity to "opt-out" of disclosures of your nonpublic personal information to third parties (such as your creditors), that is, direct us not to make those disclosures.
2. If you choose to "opt-out", we will not be able to answer questions from your creditors. If at any time, you wish to change your decision with regard to your "opt-out", you may call us at 714/569-0823 and do so.

Release of your information to third parties

1. So long as you have not opted-out, we may disclose some or all of the information that we collect, as described above, to your creditors or third parties where we have determined that it would be helpful to you, would aid us in counseling you, or is a requirement of grant awards which make our services possible.
2. We may also disclose any nonpublic personal information about you or former customers to anyone as permitted by law (e.g., if we are compelled by legal process).
3. Within the organization, we restrict access to nonpublic personal information about you to those employees who need to know that information to provide services to you. We maintain

Hardship Letter

Hardship Letter/Authorization

Date: _____

Attn: Loss Mitigation, _____
Fax # _____
Loan# _____
Last 4 of SS# _____

Dear Loss Mitigation Dept.,
I am currently receiving default mortgage counseling from the Fair Housing Council of Orange County, a HUD-Certified Counseling Agency, who is assisting me in writing this hardship letter. In addition, I authorize Richard Gomez and Brenda Magaña, from the Fair Housing Council, to speak to you regarding my loan and financial situation.

I am writing to explain my financial situation and explain my financial hardship which is making it difficult for me to make my mortgage payments. The reasons are as follows:

- _____
- _____
- _____

Due to the above listed reasons, I have decided to _____

If you have any questions, please contact me at _____.

Sincerely,

Signature

Printed Name

Address

Phone Number

Cc: Brenda Magana, Richard Gomez, FHCO

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FORECLOSURE PREVENTION OPTIONS

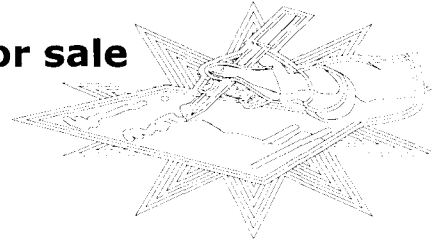


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■ **Strategies for Avoiding Foreclosure**



- **Early communication** is the key to successful foreclosure prevention.
- **Notify Lender Immediately**
- **Include loan# & documentation** in all correspondence
- **List your house for sale**



Loss Mitigation Options

- Loss mitigation programs were established to help homeowners avoid foreclosure. These are options to help homeowners who have defaulted on their loans find alternatives to foreclosure.
- Every homeowner's situation is unique and each lender has their own policies regarding the use of these programs to avoid and prevent foreclosure.

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■ Foreclosure Prevention

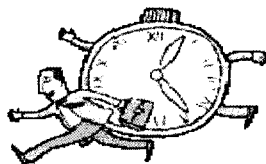


- Negotiate with your lender early
- Ask for a suspension of payment
- Seek assistance from HUD Approved Housing Counseling Agency

- Reinstatement
- Restructure the Loan
- Deferment

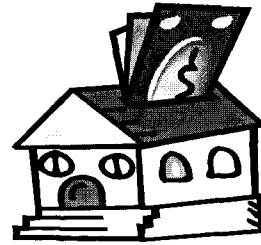


Foreclosure Timeline



Options to Keep Your Home

- Repayment Plan
- Forbearance
- Loan Modification



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Options When You Can Save Your Home

- **Repayment Plan:** Lender agrees to let homeowner pay more than the monthly payment to get loan current
- **Forbearance:** Lender agrees to suspend or reduce payments over a specific period of time due to hardship.
- **Loan Modification:** Terms of the Loan are modified to make it affordable
- **Streamline Refinance:** Lender rewrites the terms of the loan, may spread the amount in arrears over term of loan
- **Recast:** Placing the amount in arrears back into the principal balance.
- *Consider these strategies if you think things are going to get better, you can pay a reasonable amount and you can demonstrate it.*



Making Home Affordable Refi Plan

- Refinancing for Responsible Homeowners Suffering From Falling Home Prices
- Comprehensive \$75 Billion Homeowner Stability Initiative
- Announced in March by the Obama Administration
- 50+ Lenders Participating, Some Lenders Still Working on Implementing their Plans
- Visit www.makinghomeaffordable.gov or www.hud.gov

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Making Home Affordable Refi Program

- Refi Program to help 4-5 Million Homeowners
- Loans Must be Secured by Freddie or Fannie (*call lender or go to website*)
- 1st mortgage is less than 125% of the value of the property
- No Mortgage Lates Allowed
- No Principal Reductions
- Refi into 15 or 30 Year Fixed Rate Loan

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Making Home Affordable Loan Modification Plan

- Provide Loan Mods for 3-4 million At-Risk Homeowners
- Clear and Consistent Guidelines for Loan Modification
- Allow Judicial Modifications of Mortgages During Bankruptcy
- Shared Effort with Lenders to Reduce Interest Payments
- Incentives for Servicers and Borrowers
- Strengthen FHA and Hope For Homeowners Programs
- Support Local Communities and Help Displaced Renters

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Making Home Affordable Loan Modification Plan

- Mortgage must be at or below \$729,750
- Don't Need to Be Delinquent, but is at risk of imminent default, lates allowed
- Only Owner Occupied Homes
- Special Provisions for Families with High Total Debt Levels, <55% – counseling required
- Mortgage Payments are more than 31% of gross income
- Loan Originated before 1/1/2009

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MHA Participating Lenders

Name	Web Site	Phone
Aurora Loan Services LLC	https://myauroraloan.com/	1-800-550-0508
Bank of America, N.A.	www.bankofamerica.com/mha/	1-800-846-2222
Carrington Mortgage Services, LLC	www.carringtonms.com	1-888-267-2417
Chase Financial LLC	www.chase.com	1-866-550-5705
CitiMortgage, Inc.	www.mortgagehelp.citi.com	1-866-915-9417
Countrywide Home Loans Servicing	http://my.countrywide.com/media/h.asp.html	1-800-669-6607
GMAC Mortgage LLC	www.gmacmortgage.com	1-800-766-4622
Green Tree Servicing LLC	www.gtservicing.com	1-800-643-0202
Home Loan Services, Inc.	www.viewmyloan.com	1-800-622-5035
Ocwen Financial Corporation, Inc.	www.ocwen.com	1-800-746-2936
Saxon Mortgage Services	www.saxononline.com	1-800-594-8422
Select Portfolio Servicing	www.spservicing.com	1-888-818-6032
Wells Fargo Bank, NA	www.wellsfargo.com/homeassist	1-800-678-7986
Wilshire Credit Corporation	https://www.wcc.ml.com	1-888-502-0100

Options When Homeowners Can't Keep Their Home

- **Preforeclosure Sale or Short Sale:** A Short Sale is the sale of a property in which the servicer agrees to accept the proceeds of the sale, even though it may be less than the amount owed on the mortgage. To avoid foreclosure, the servicer agrees to accept the proceeds of the sale in satisfaction for the mortgage loan.
- **Deed-in-Lieu of Foreclosure:** A deed in lieu of foreclosure takes place when you voluntarily give the deed to the property to the servicer. Generally, a deed in lieu is considered only after all other alternatives to foreclosure have been explored.
- *Both must be approved by the lender*



Items Needed for Loan Modification or Short Sale

- If you have the ability to pay a reasonable amount of money for mortgage payments, you can apply for a loan modification. If you have no income, you can apply for a forbearance plan (short term) or short sale.
- You'll need to submit the following to your lender:
 - 2 Recent Paycheck Stubs (6 months bank statements and P&L Form for self employed)
 - W-2 & Recent Tax Returns
 - 2 Months Bank Statements
 - Hardship Letter stating why you can't make your full payments
 - Also a Borrower's Letter of Authorization



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Submit Information to the Bank

- Put your loan # on all documents
- Submit all information to lender
- Continue to follow up each week until you have an answer/decision
- **Be Persistent and Most Especially Don't Give Up!**



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Avoid Foreclosure Rescue Scams

- Avoid Foreclosure Rescue Scammers who charge a fee for services a HUD- Approved Counseling Agency can do for Free
- Types of Scams
 - Phony Counseling or Phantom Help- Borrowers pay a fee up front and let them negotiate a loan mod and then takes off with their money
 - Bait and Switch – Borrower thinks they are signing docs for a new loan to make existing loan current but you really are surrendering the title to your house
 - Rent-to Buy Scheme – Borrower surrenders title as part of the deal that lets them stay in home as renter and buy it back after a few years but that never happens
 - Bankruptcy Foreclosure- The scam artist promises to negotiate with your lender for a fee and then claims bankruptcy in your name

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Avoid Foreclosure Rescue Scams

Red Flags.....Clients Should Avoid Businesses that:

- Guarantee to help stop foreclosure no matter what the circumstances
- Instructs client not to contact lender or housing counselor
- Charges an Upfront Fee & Accepts only cashier's check or wire transfer
- Encourages client to lease home so they can buy it back
- Has clients make payments to them rather than lender
- Tells client to transfer deed or title to them
- Encourage Clients to Report Fraud to:
 - Federal Trade Commission–www.ftc.gov (877-382-4357)
 - Department of Real Estate/ Department of Corporations
 - Orange County District Attorney's Office/Police Dept.

Clients should only deal with a HUD-Certified Counseling Agency, like the Fair Housing Council

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Thank You!

Any questions, Call the
Fair Housing Council of Orange County
at 800-698-FAIR or 714/569-0823
Connie x217, Brenda x224, Jackie x223
Email: cdertorossian@fairhousingoc.org



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Resources



- > **Fair Housing Council of Orange County**
800-698-FAIR or 714-569-0823x224, x223, x217
www.fairhousingoc.org
- > **US Department of HUD**
800-669-9777
<http://www.hud.gov/foreclosure/>
- > **Freddie Mac**
703-903-2000
www.freddie.com
- > **Fannie Mae**
800-7 FANNIE
www.fanniemae.com
- > **Neighborworks Foreclosure Help and Hope**
www.foreclosurehelpandhope.org
- > **211 – Local referral system to community health and human services**
Phone: 211
www.211oc.org
- > **My FICO Website**
Includes credit info, ID theft, mortgage calculators, FICO scores, reporting errors, etc.
www.myfico.com