

FORECLOSURE PREVENTION CHECKLIST

If you are having trouble making your mortgage payments, be proactive and take charge of the situation. Empower yourself by getting fully acquainted with your mortgage, your finances, and your resources. Start with this checklist so you know what you have done and what you still need to do. By doing so, you have a much better chance of remaining a homeowner.

- Create a budget.
- Find creative ways to save money,
- Contact your servicer if you are having trouble making your mortgage payments. The servicer is the company you make your mortgage payments to. Contact information can be found on your mortgage documents and on the servicer's Web site. A reputable credit counseling agency should also be able to help you find the appropriate contact information.
- Meet with a reputable lender to determine if refinancing is a viable option for you.
- Call the free counseling hotline 888-995-HOPE, or (for Cincinnati residents) Housing Opportunities Made Equal 513-721-4663.
- Open all mail that is sent you by mortgage company. Avoiding the situation will only make matters worse.
- Find copies of your original mortgage documentation, proof income, and the delinquency or foreclosure notices you receive. You will need these documents for discussions with your servicer and/or credit counselors.
- If your lender has gone into bankruptcy or is going out of business, contact the company you make your payments to so that you know who will be purchasing your loan. Obtain contact information for that new servicer so you can start making payments to new lender.
- Seek legal counsel if you think you have been a victim of predatory lending. Call your local university to inquire if there is a legal clinic that can provide you with assistance or contact your state attorney general, the American Association of Residential Mortgage Regulators (www.aarmr.org), fair housing agency or the Federal Trade Commission (www.ftc.gov).
- Ask your creditor whether the relief you request will impact your credit standing and credit score in a negative way. If so, ask for any alternative that will not impact your credit standing.



Housing Opportunities Made Equal
For more information, Contact Bill Hanks
(513) 721-4663



FORECLOSURE TERMS

Deferred Payments

Payments that are authorized to be postponed as part of the workout process.

Equity

The net value of an asset, in the case of real estate, it would be the difference between the present value of the and the mortgage amount on that property.

Escrow

An Item of value, money or documents deposited with a third party to be delivered upon the fulfillment of a condition. For example, the deposit by a borrower with the lender of funds to pay taxes and insurance premiums when they become due, or the deposit of funds or documents with an attorney or escrow agent to be disbursed upon the closing of a sale of real estate. In some parts of the country, escrows of taxes and insurance premiums are called "impounds" or "reserves."

Escrow Account

The segregated trust account in which escrow funds are held.

Escrow Analysis

The periodic examination of escrow accounts to determine if current monthly deposits will provide sufficient funds to pay taxes, insurance, and other bills when due.

Forbearance

The act of refraining from taking legal action despite the fact that the mortgage is in arrears. It is usually granted only when a homeowner makes satisfactory arrangements to pay the amount owed at a future date.

Foreclosure

The legal process in which a mortgaged property is sold to pay the outstanding debt in case of default .

Hazard Insurance

Insurance coverage that provides compensation to the insured in case of property loss or damage.

Investment Property

A property purchased to generate rental income, tax benefits, or profitable resale rather than to serve as the borrower's primary residence.

Investor

Any person or institution that invests in mortgage-backed securities.

Lender Placed Insurance

Insurance placed on a property by a lender to protect the lender's interest on collateral (the house) securing a loan.

Repayment Plan

An arrangement by which a borrower agrees to make additional payments to pay down past due amounts while still making regularly scheduled payments.

Servicing

A mortgage banking function that includes the receipt of payments, customer service, escrow administration, investor accounting, collections and foreclosures. Also called "loan administration."

Workout

An alternative action to foreclosure for the benefit of this lender and the borrower, includes loan modification, short sales, and various forms of forbearance. Also called "restructure."