

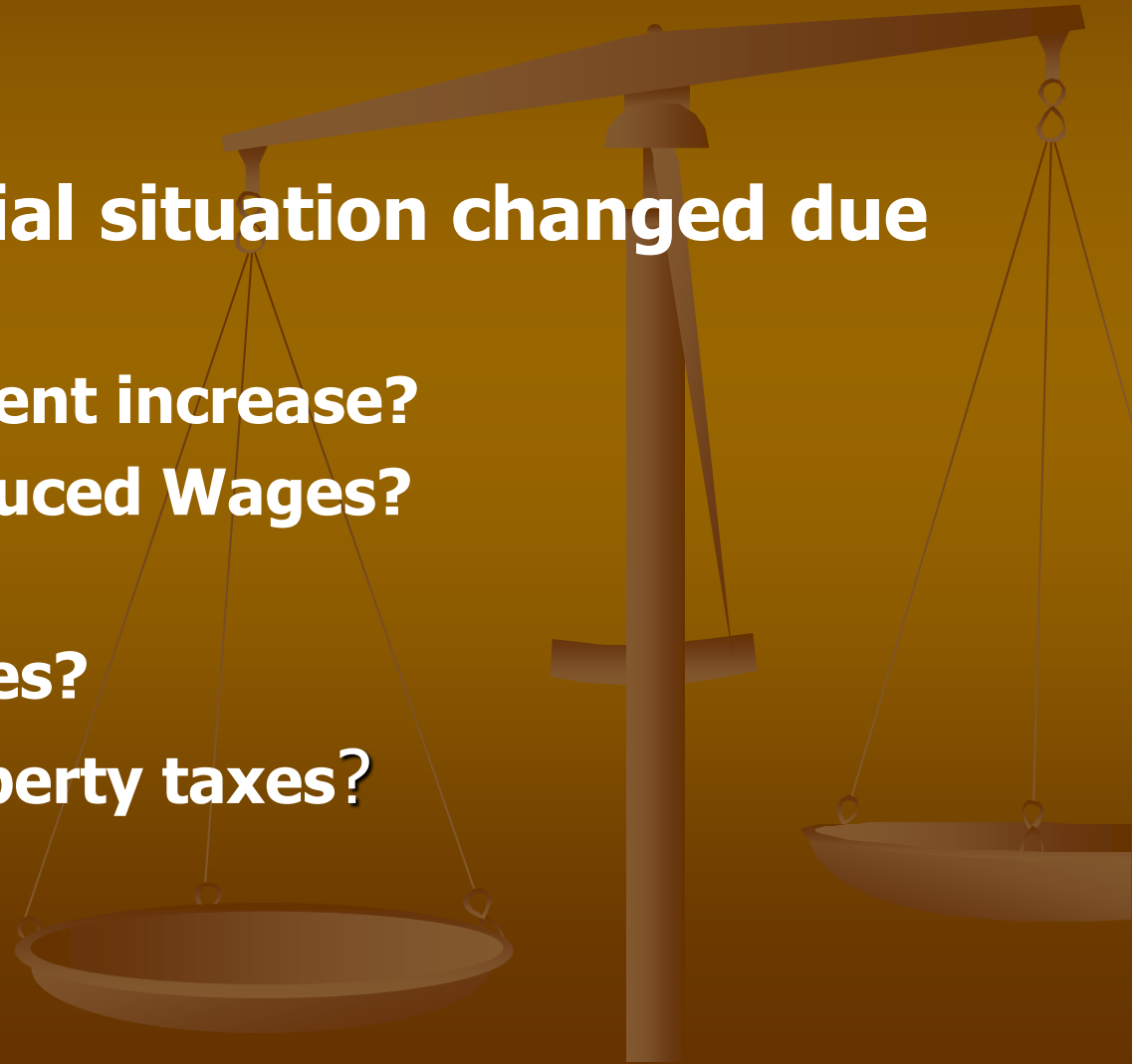
# Foreclosure Counseling



A presentation prepared by  
**Neighborhood Housing Services**  
**of South Florida**

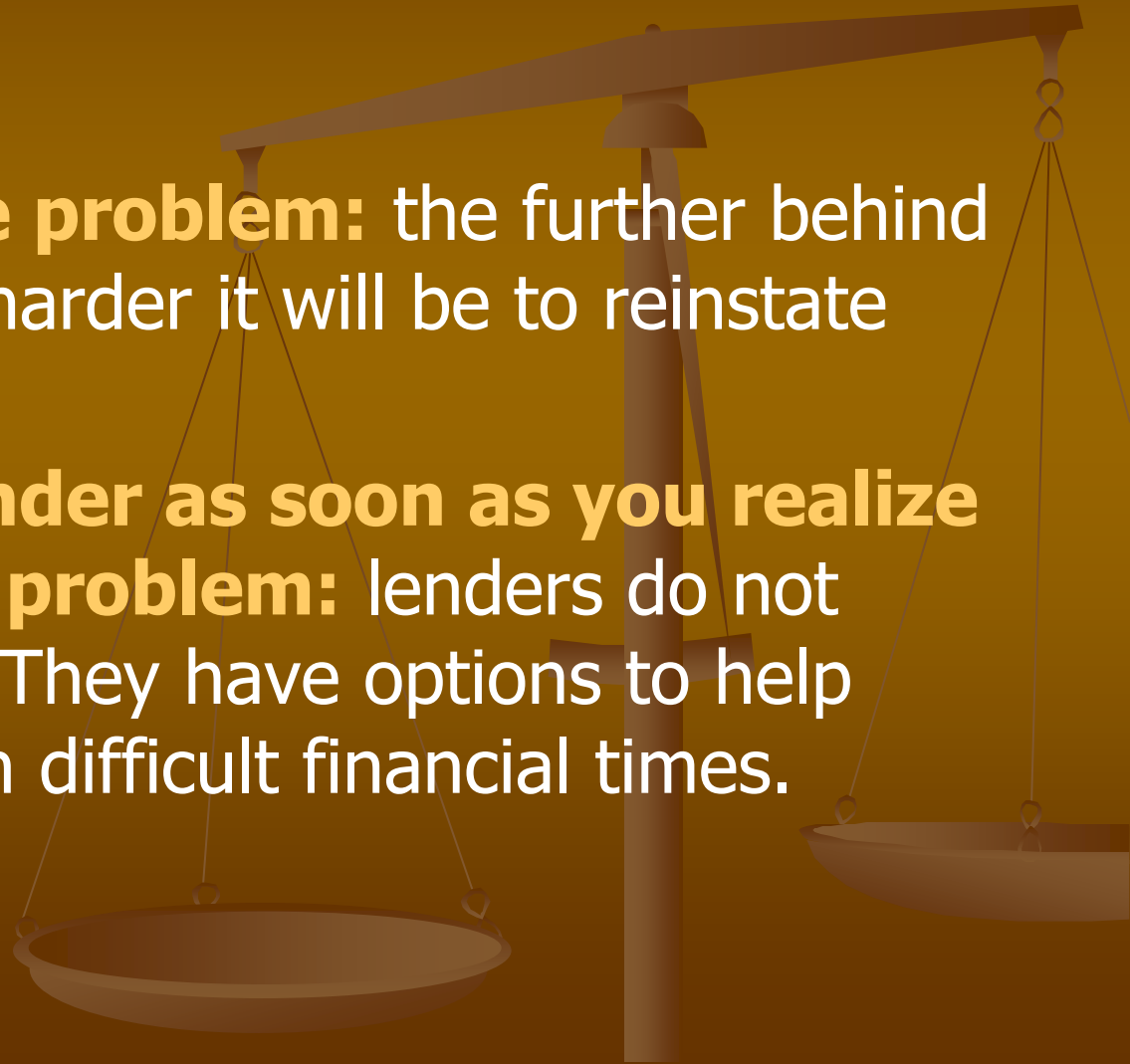
# Are you at risk of foreclosure?

- **Has your financial situation changed due to:**
  - **Mortgage payment increase?**
  - **Job Loss or Reduced Wages?**
  - **Divorce?**
  - **Medical expenses?**
  - **Increase in property taxes?**



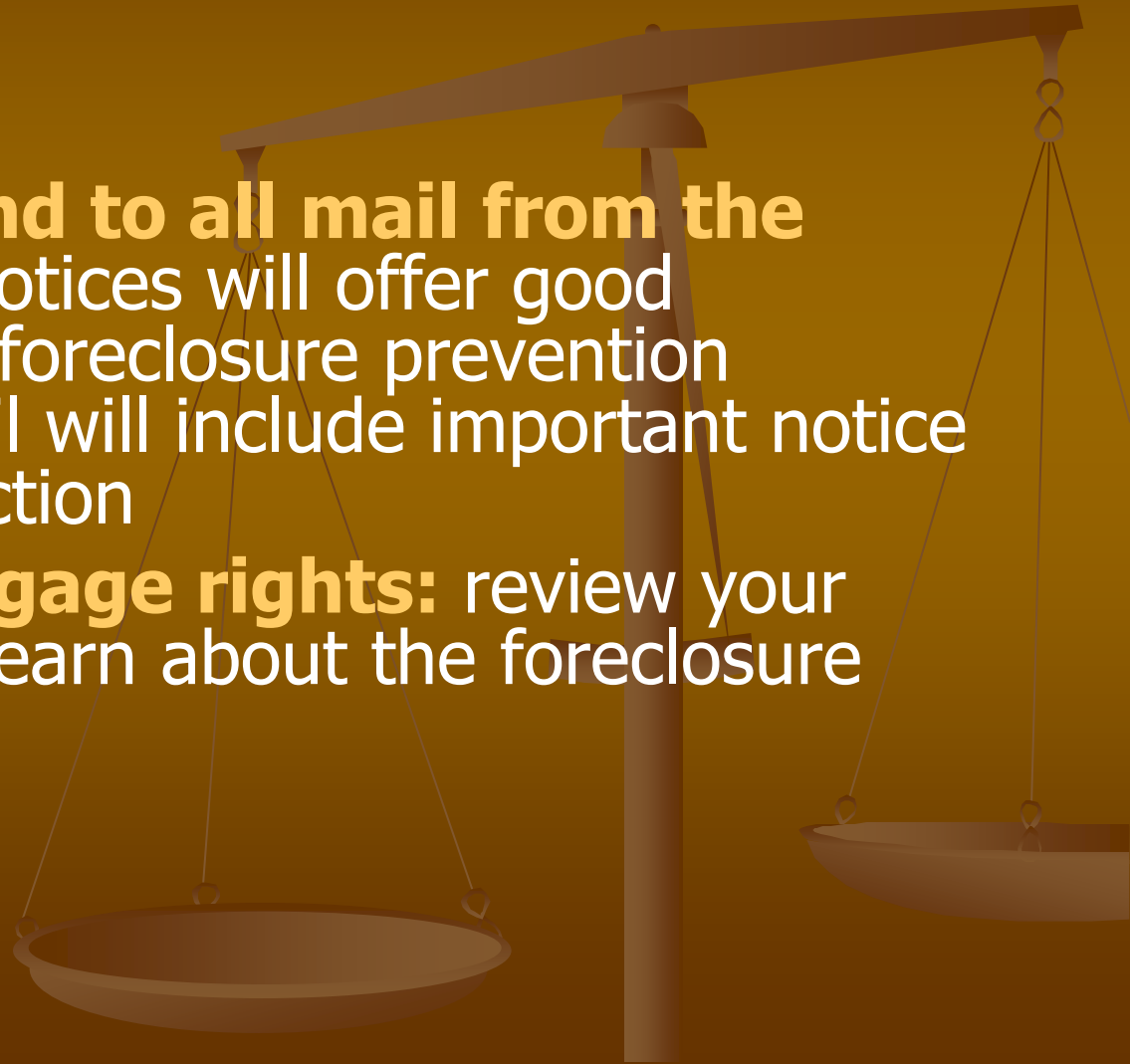
# If you are unable to make your mortgage payment:

- **Don't ignore the problem:** the further behind you become, the harder it will be to reinstate your loan.
- **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.



# If you are unable to make your mortgage payment (2):

- **Open and respond to all mail from the lender:** the first notices will offer good information about foreclosure prevention options. Later mail will include important notice of pending legal action
- **Know your mortgage rights:** review your loan documents. Learn about the foreclosure laws



# If you are unable to make your mortgage payment (3):

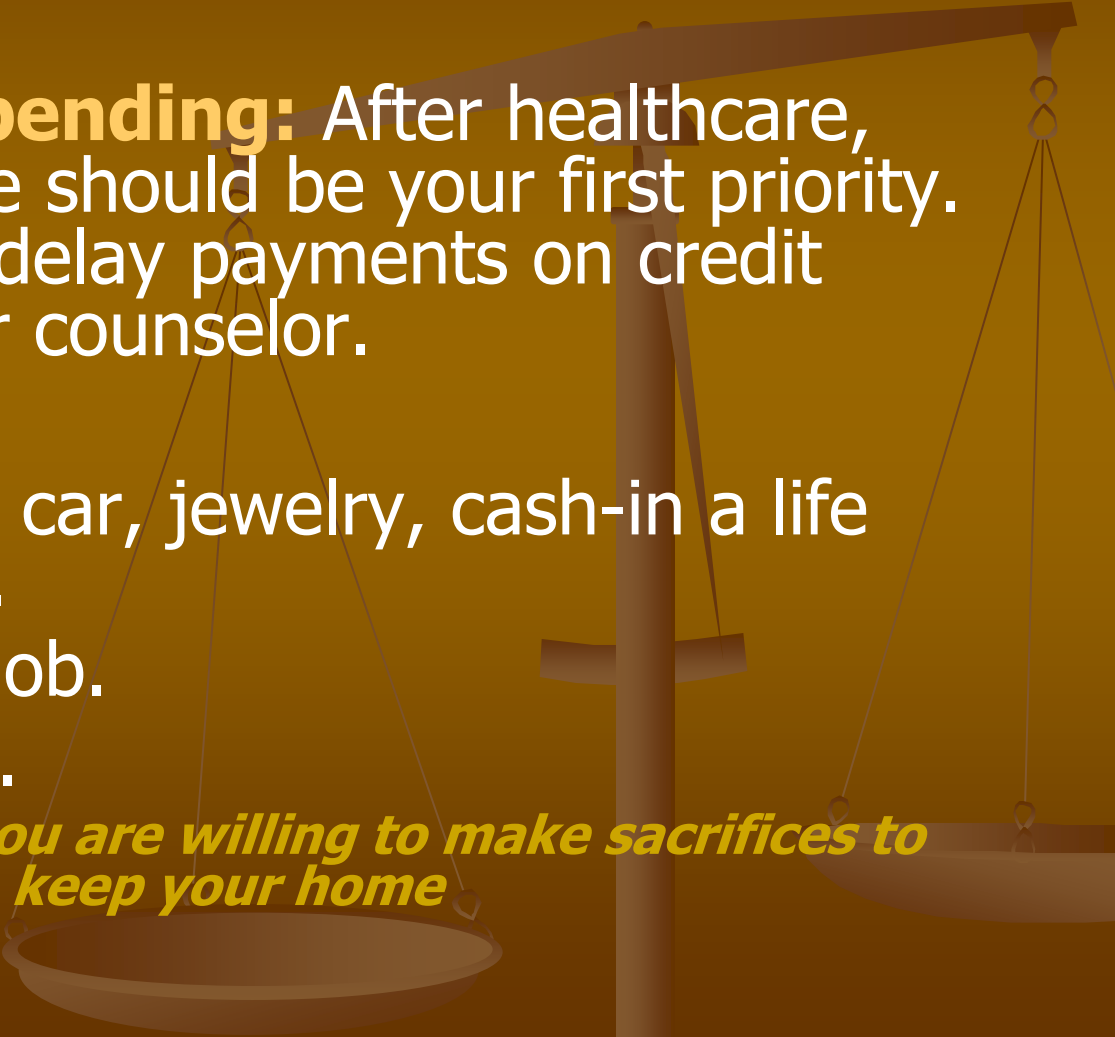
- If this is your primary residence, then
- Contact a HUD-approved counseling agency:
  - [www.hud.gov](http://www.hud.gov) 800-569-4287
  - NHSSF: 305-751-5511 / 954-564-4037 /  
1-800-401-7601 [www.nhssf.org](http://www.nhssf.org)



# If you are unable to make your mortgage payment (4):

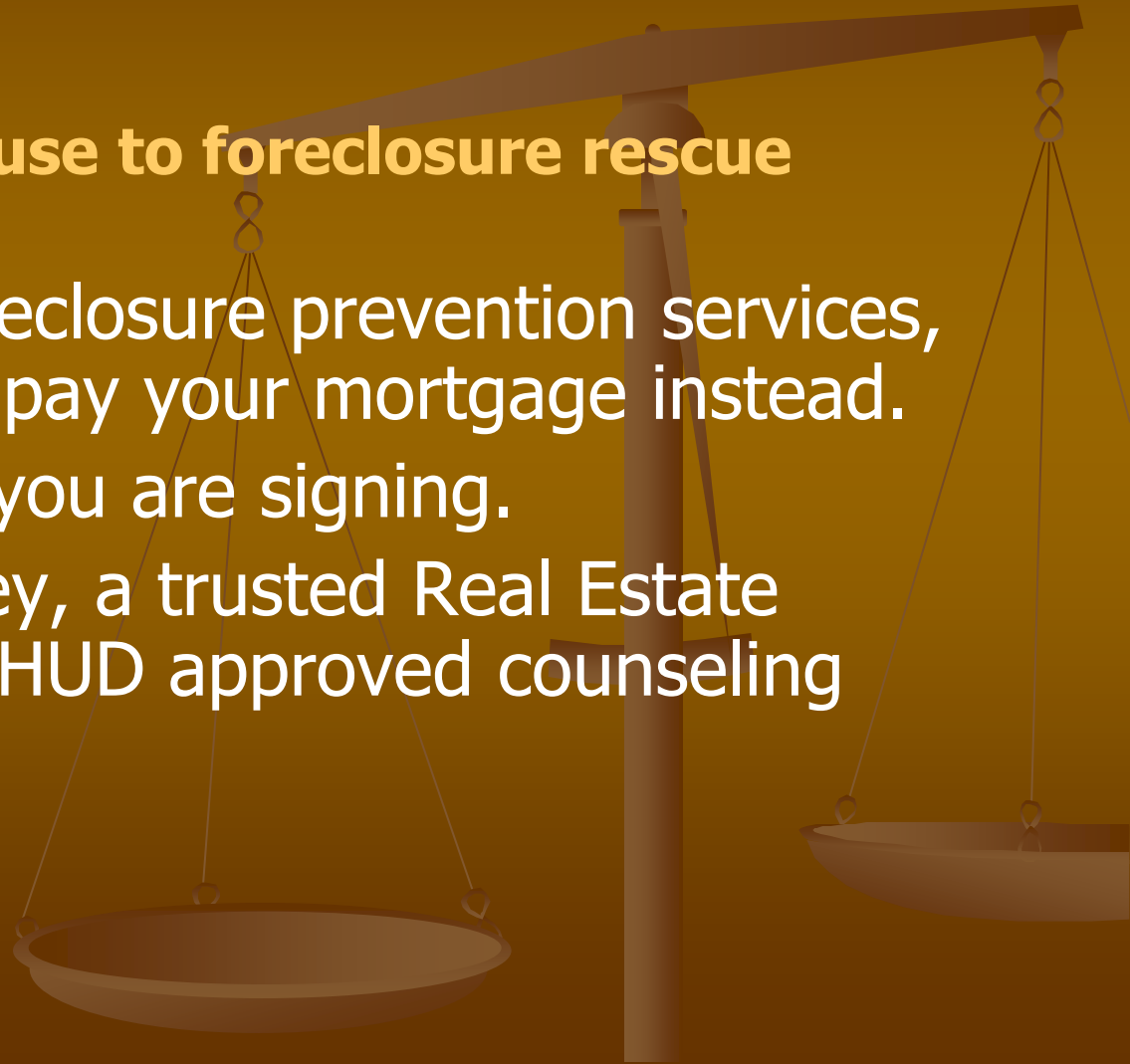
- **Prioritize your spending:** After healthcare, keeping your house should be your first priority. Reduce expenses, delay payments on credit cards. Consult your counselor.
- **Use your assets:**
  - Sell your second car, jewelry, cash-in a life insurance policy.
  - Get a part time job.
  - Get a roommate.

*Demonstrate that you are willing to make sacrifices to keep your home*



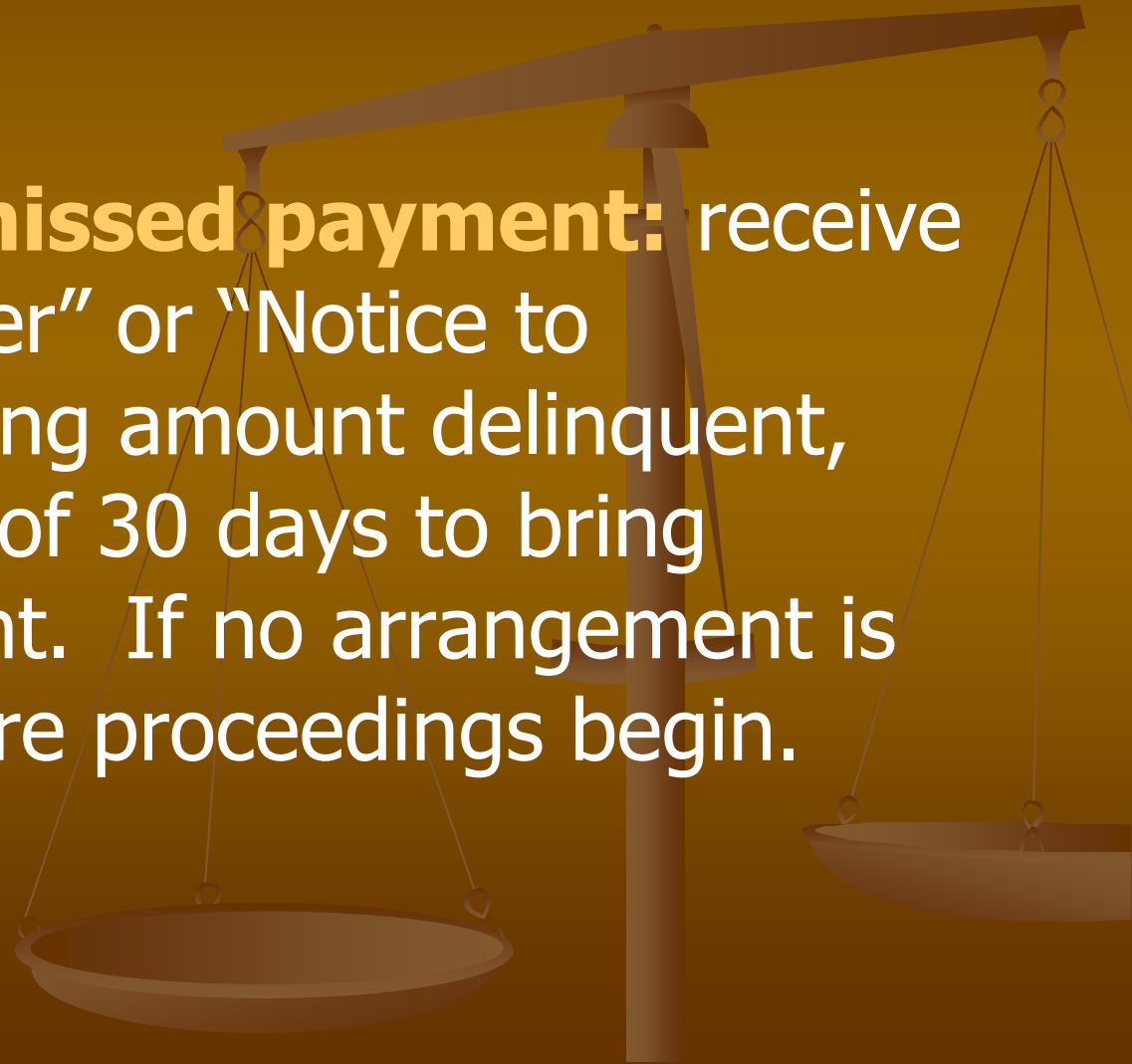
# If you are unable to make your mortgage payment(s):

- **Don't lose your house to foreclosure rescue scams!:**
- Do not pay for foreclosure prevention services, use the money to pay your mortgage instead.
- Understand what you are signing.
- Consult an attorney, a trusted Real Estate professional, or a HUD approved counseling agency.



# Mortgage default process (1)

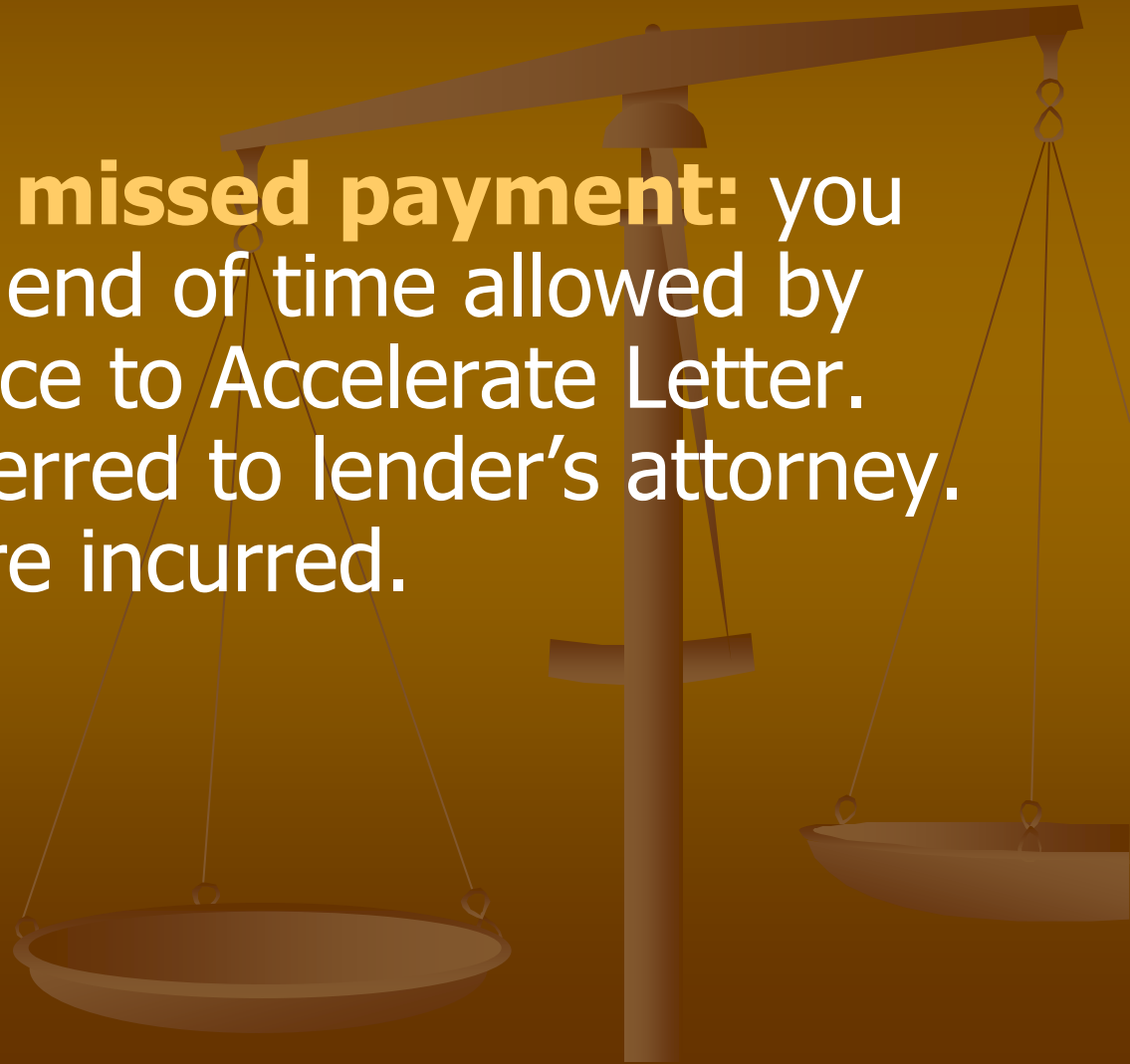
- **Third month missed payment:** receive a “Demand Letter” or “Notice to Accelerate” stating amount delinquent, and notification of 30 days to bring mortgage current. If no arrangement is made, foreclosure proceedings begin.





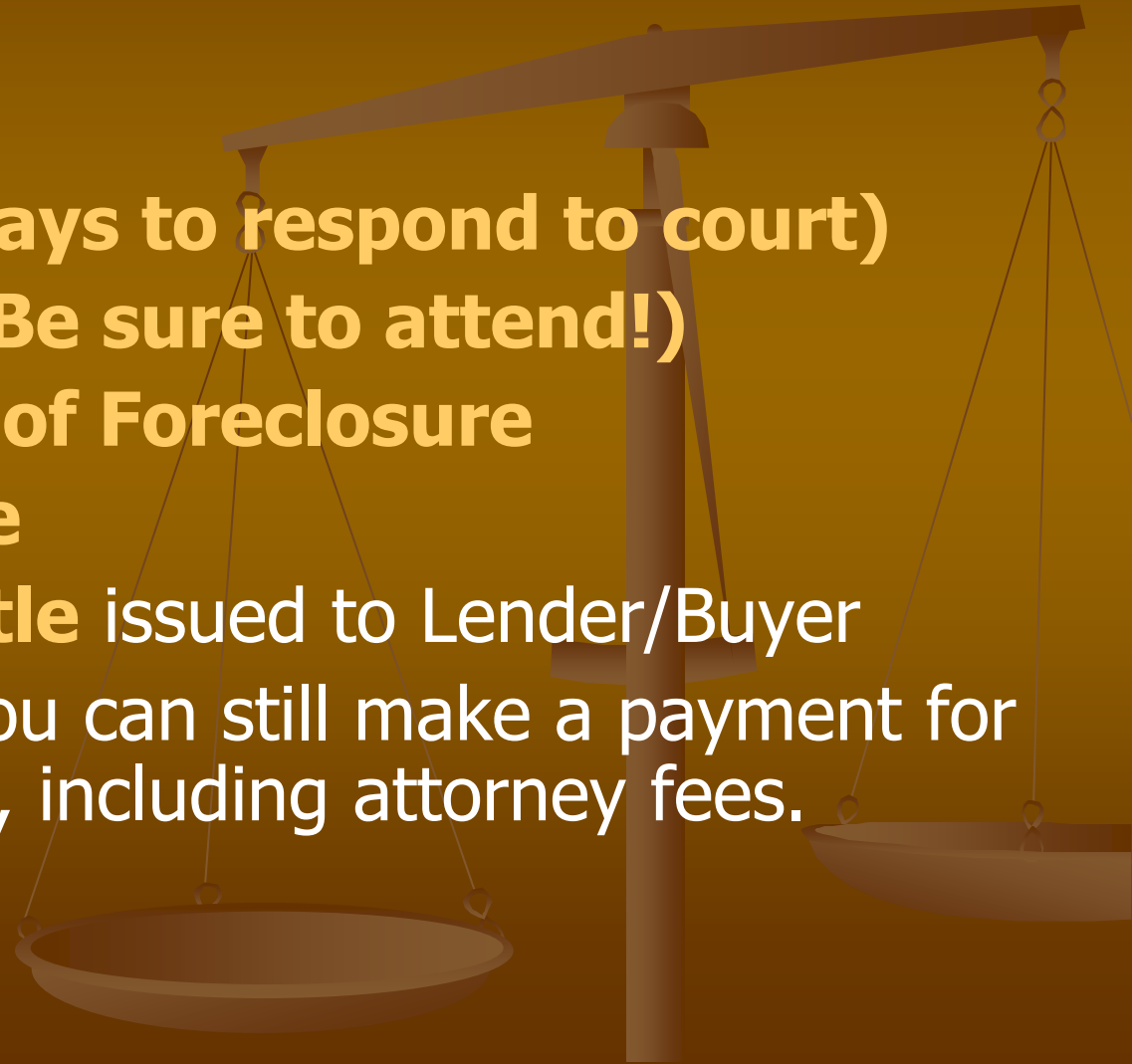
# Mortgage default process (2)

- **Fourth month missed payment:** you are nearing the end of time allowed by Demand or Notice to Accelerate Letter. Your case is referred to lender's attorney. Attorney fees are incurred.



# Mortgage default process (3)

- **Lis pendens**
- **Summons (20 days to respond to court)**
- **Court Hearing (Be sure to attend!)**
- **Final Judgment of Foreclosure**
- **Foreclosure Sale**
- **Certificate of Title** issued to Lender/Buyer  
Until CT issued, you can still make a payment for judgment amount, including attorney fees.



# Foreclosure Options



- **Loan Modification:** the lender may decide to:
  - Reduce interest rate
  - Reduce monthly payment
  - Extend the term of the loan
  - Waive late fees

To qualify you must:

- Have steady income
- Have a valid hardship, provide proof

# Foreclosure Options (2)



- **Special Forbearance:** your lender *may* arrange a temporary partial payment or no payment plan based on your “special” financial situation

To qualify you must:

- Have steady income
- Have a valid hardship, provide proof

# Foreclosure Options (3)



- **Repayment plan:** Spreading the defaulted payments out over a series of months, usually not more than six (6)

To qualify you must:

- Have steady income
- Have a valid hardship, provide proof
- Have the ability to pay current mortgage payment plus a portion of defaulted payment

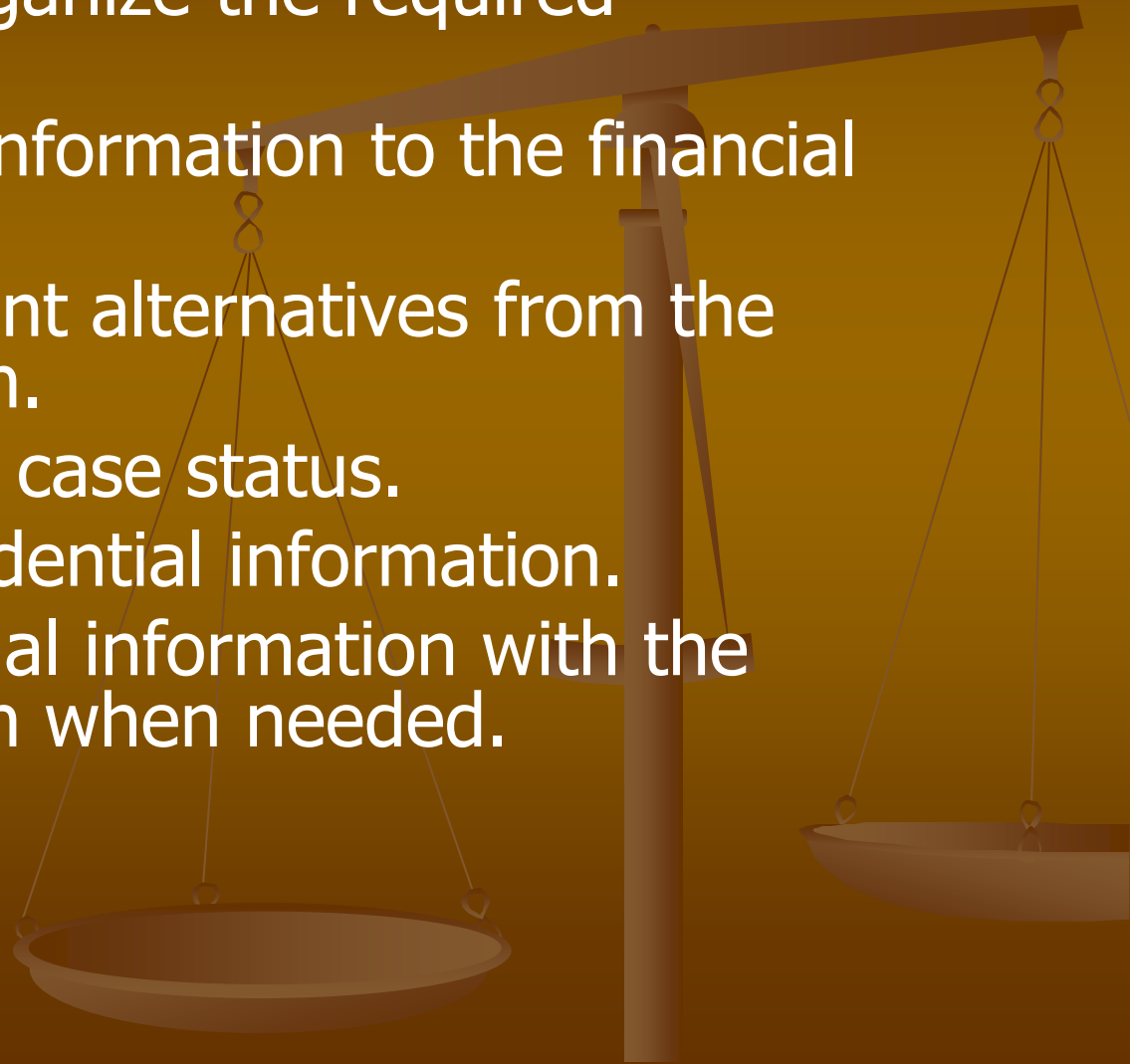
# Foreclosure Options (4)



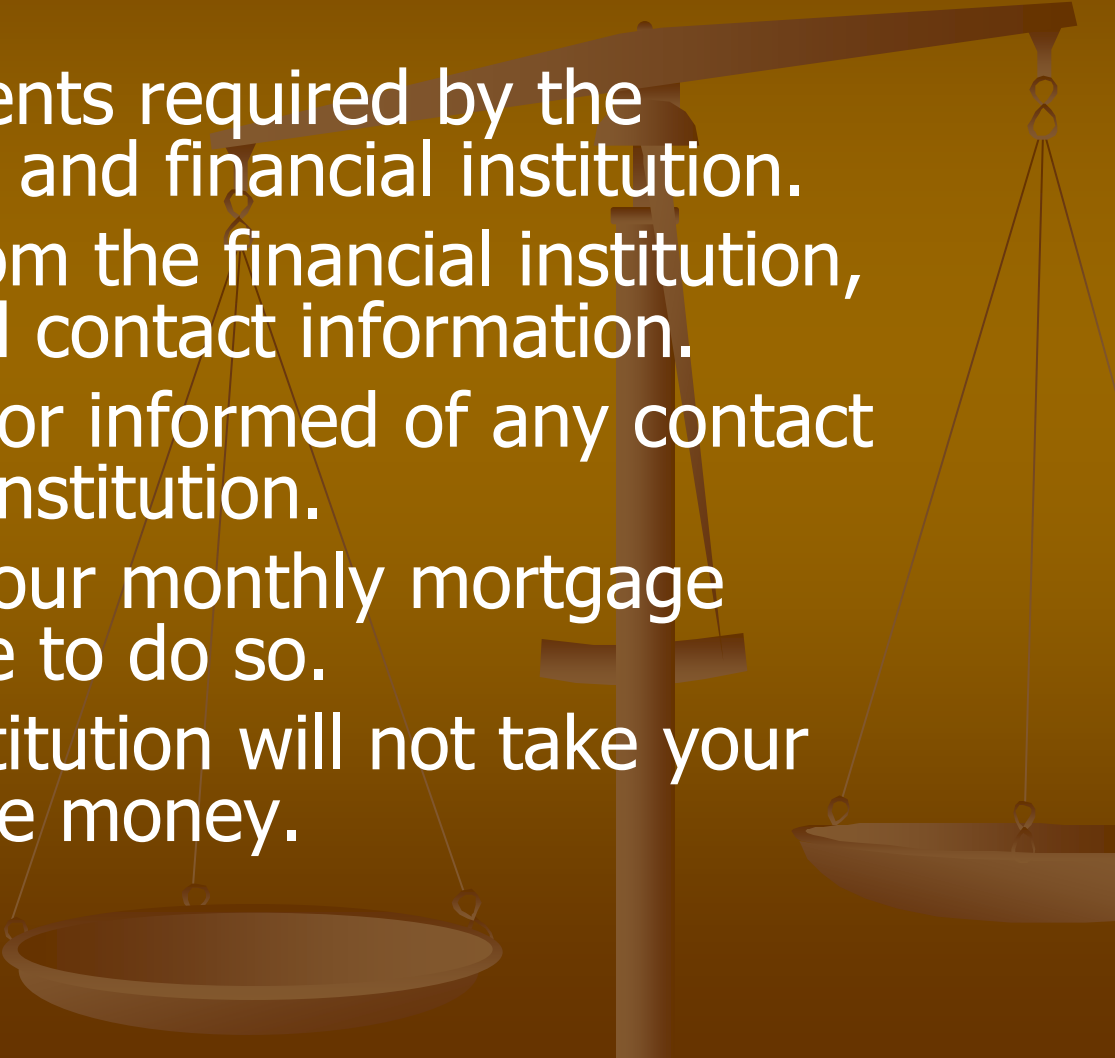
- **Pre-Foreclosure Sale or Short-sale:** allows you to sell your property for less than is owed to the lender. Lender must approve.
- **Deed-in-Lieu:** voluntarily “give back” your home to the lender.  
To qualify you must:
  - Be willing to move out of the property

# NHSSF's **responsibilities**

- Determine and organize the required documents.
- Provide accurate information to the financial institution.
- Explain the different alternatives from the financial institution.
- Follow up on your case status.
- Protect your confidential information.
- Update the financial information with the financial institution when needed.



# Homeowner's responsibilities

- Provide all documents required by the counseling agency and financial institution.
  - Answer all calls from the financial institution, identify and record contact information.
  - Keep your counselor informed of any contact with the financial institution.
  - If you can make your monthly mortgage payments continue to do so.
  - If the financial institution will not take your payments, save the money.
- 



# Neighborhood Housing Services of South Florida

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