



Tips for Avoiding Foreclosure

Are you having trouble keeping up with your mortgage payments? Have you received a notice from your lender asking you to contact them?

- Don't ignore the letters from your lender
- Contact your lender immediately
- Contact a HUD-approved Housing Counseling Agency
- Toll FREE (800) 569-4287
- TTY (800) 877-8339

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 notice of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.

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 (as every state is different) by contacting the State Government Housing Office.

5. Understand foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found on the internet at portal.hud.gov/portal/page?_pageid=33,717348&_dad=portal&_schema=PORTAL.

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 counselor near you or call (800) 569-4287 or TTY (800) 877-8339.

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.

10. Don't lose your house to foreclosure recovery scams!

If any firm claims they can stop your foreclosure immediately 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.

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Telephone: (202) 708-1112 [Find the address of a HUD office near you](#)



You Can Avoid Foreclosure and Keep Your Home

[General information](#)

[Facing money problems](#)

[Steps to take when you can't pay your mortgage](#)

[Common questions to save your home](#)

[Common questions for servicemembers](#)

Losing a home can be financially and personally devastating. Here's information to help you keep your home. Relief may be available.

- **People facing money problems:**

If you are facing unemployment or have money problems, you may be able to keep your home if you know the right steps to take. Read on for important information and links to local organizations that can help you get through difficult times without losing your home. Government organizations and the mortgage industry worked together to provide this information to help you keep your home.

- **Disaster area victims:**

If you live or work in an area declared a disaster by the President and the hurricane, tornado, flood, wildfire, or other natural or man-made event damaged your home or reduced your income, your lender will provide disaster relief:

- For 90 days on an FHA-insured loan. Go to the Disaster Help from the button on the left of this page.
- In most cases for [other loans](#).

- **Military personnel and spouses:**

If you or your spouse is on active military duty, you may qualify for a reduction in your interest rate resulting in lower payments. Read how the [Servicemembers Civil Relief Act](#) of 2003 (formerly the Soldiers' and Sailors' Civil Relief Act of 1940) affects military homeowners.

Facing Money Problems: - [\(Top\)](#)

Financial problems are most often associated with major life changes like:

- Job loss
- Cuts in work hours or overtime
- Retirement
- Illness, injury, or death of a family member
- Divorce or separation

If your family is facing any of these issues and you can't pay your bills, look closely at what you owe and what you earn. Eliminate unnecessary spending and reach out for help if you still can't make ends meet. Taking action right away can help you protect your family from the loss of your home.

Steps to take when you can't pay your mortgage: - [\(Top\)](#)

[Contact your lender as soon as you have a problem](#)

[Talk to a housing counselor](#)

[Prioritize your debts](#)

[Explore loan workout solutions with your lender](#)

If keeping your home is not an option
Beware of predatory lending schemes

1. Contact your lender as soon as you have a problem - [\(Top\)](#)

Many people avoid calling lenders about money troubles because we:

- Feel embarrassed discussing money problems with others
- Believe that if lenders know we are in trouble, they will automatically rush to a collection agency or foreclosure (seize property for failure to pay a mortgage debt)

But lenders want to help borrowers keep their homes because:

- Foreclosure is expensive for lenders, mortgage insurers and investors
- HUD and private mortgage insurance companies and investors like Freddie Mac and Fannie Mae require lenders to work aggressively to help borrowers facing money problems

Lenders have workout options (choices) to help you and:

- These options work best when your loan is only one or two payments behind
- The farther behind you are on your payments, the fewer options are available

Don't assume that your problems will quickly correct themselves:

- Don't lose valuable time being overly optimistic
- Contact your mortgage lender to discuss your circumstances as soon as you realize that you're unable to make your payments
- Look forward to your lender being willing to explore many possible solutions, without guaranteeing any one particular solution

Finding your lender

Check the following sources to contact your lender:

- Your monthly mortgage billing statement
- Your payment coupon book

Information to have ready when you call

To help you, lenders usually need:

- Your loan account number
- A brief explanation of your circumstances
- Recent income documents:
 - Pay stubs
 - Benefit statements from Social Security, disability, unemployment, retirement, or public assistance
 - Tax returns or a year-to-date profit and loss statement, if self-employed
 - A list of household expenses

Expect to have more than one phone conversation with your lender. Typically, your lender will mail you a "loan workout" package. This package contains information, forms and instructions. If you want to be considered for assistance you must complete the forms fully and truthfully and return them to your lender quickly. Your lender will review the complete package before talking about a solution with you.

CALL YOUR LENDER TODAY! The sooner you call, the sooner help is available.

Don't ignore mail from your lender

If you don't get in touch with your lender, your lender will try to contact you by mail and phone soon after you stop making payments. It is very important that you respond to mail and phone calls offering help. If your lender doesn't hear from you, they will have to start legal action leading to foreclosure. This will greatly increase the cost to bring your loan current.

Information for families with FHA loans

The FHA provides many alternatives and ways for borrowers to get help. These may include mortgage modifications (changes), special forbearances (allowances), and

other actions you can take to avoid foreclosure.

FHA works closely with customers who have FHA-insured loans. Do you feel your lender is not responding to your questions? Do you need help contacting your lender? The FHA is ready to help! Contact us at (800) CALL-FHA.

2. Talk to a housing counselor - [\(Top\)](#)

If you don't feel comfortable talking with your lender, you should immediately contact a housing counseling agency and make an appointment with a counselor. Most FHA counselors are free or cost very little. A counselor can help you:

- Review your financial situation, determine what options are available to you, and negotiate with your lender
- Learn which of the various workout arrangements lenders consider makes the most sense for you and your family, based on your circumstances
- Call the lender with you or on your behalf to discuss a workout plan
- Protect you from future credit problems before you get too far behind on mortgage payments
- Give you information on services and programs in your area that provide financial, legal, medical or other assistance

A good counselor will help you create a monthly budget plan to ensure you meet all your monthly expenses, including your mortgage payment. Your personal financial plan will clearly show how much money you have available to make the mortgage payment. This analysis will help you and your lender determine whether a reduced or delayed payment schedule could help you.

To find out more about [HUD-approved housing counseling agencies](#) and their services, please call toll free (800) 569-4287 on weekdays between 9:00 a.m. and 5:00 p.m. Eastern Standard Time (6:00 a.m. to 2:00 p.m. Pacific Time). The same number can give you an automated referral to the three housing counseling agencies located closest to you.

Many of these local housing counseling agencies are connected with national and regional housing counseling intermediaries (mediators). The website for HUD-approved [National and Regional Housing Counseling Intermediaries](#) describes the full range of assistance offered and provides maps showing their member's locations.

3. Prioritize your debts (rank them by importance) - [\(Top\)](#)

You will need a new, tightened budget if you lose a job. Prioritize your bills and pay those most necessary for your family: food, utilities and shelter.

Failing to pay any of your debts can seriously affect your credit rating, but if you stop making your mortgage payments you could lose your house. Try these suggestions to keep your home:

- Whenever possible, use any income available after paying for food and utilities to pay your monthly mortgage payments.
- If your employment income has stopped or been reduced, first consider getting rid of or cutting back on other expenses (such as dining out, entertainment, cable, or even telephone services).
- If you still do not have enough income, consider cashing out other financial resources like stocks, savings accounts, or personal property that may have value like a boat or a second car.
- Take any responsible action that will save cash.

Besides speaking with your lender, you may want to contact a nonprofit consumer credit counseling agency that specializes in helping restructure credit payments. Credit counselors can often reduce your monthly bills by negotiating lower payments or long-term payment plans with your creditors. Trustworthy credit counseling agencies provide their services free of charge or for a small monthly fee tied to a repayment plan. Beware of credit counseling agencies that offer counseling for a large upfront fee or donation.

For consumer debt advice, contact www.debtadvice.org/

When you call a credit counseling agency, they will ask you to provide current information about your income and expenses. Make sure you ask if the agency has a charge before you sign any documents!

Preserve your good credit

Do not underestimate (misjudge) how important it is to keep your good credit. Your future ability to purchase items, rent or buy a home, and do other things often requires a credit check. Consumer credit agencies and your lender can help you explore solutions to keep your credit rating from getting blemished.

Maintaining good credit is even important for job hunters. When you apply for a job, the employer probably will check your credit report to determine whether:

- You have been sued
- You have filed for bankruptcy
- You have trouble paying your bills

4. Explore loan workout solutions with your lender - [\(Top\)](#)

First and foremost, if you can keep your mortgage current, do so. But if you find you are unable to make your mortgage payments, you might qualify for a loan workout option. Check with your lender to see which option may be available. Some options may not apply to your loan if it is not insured by FHA.

If your problem is temporary - call your lender to discuss these possibilities:

- **Reinstatement:** Your lender is always willing to discuss accepting the total amount owed in a lump sum by a specific date. Forbearance may accompany this option.
- **Forbearance:** Your lender may allow you to reduce or suspend payments for a short period of time and then agree to another option to bring your loan current. A forbearance option is often combined with a reinstatement when you know you will have enough money to bring the account current at a specific time. The money might come from a hiring bonus, investment, insurance settlement, or tax refund.
- **Repayment plan:** You may be able to get an agreement to resume making your regular monthly payments, plus a portion of the past due payments each month until you are caught up.

If it appears that your situation is long-term or will permanently affect your ability to bring your account current - call your lender to discuss options:

- **Mortgage modification:** If you can make payments on your loan, but don't have enough money to bring your account current or you can't afford your current payment, your lender may be able to change the terms of your original loan to make the payments more affordable. Your loan could be permanently changed in one or more of the following ways:
 - Adding the missed payments to the existing loan balance.
 - Changing the interest rate, including making an adjustable rate into a fixed rate.
 - Extending the number of years you have to repay.
- **Partial Claim:** If your mortgage is insured, your lender might help you get a one-time interest-free loan from your mortgage guarantor to bring your account current. You may be allowed to wait several years before repaying this loan. You qualify for an FHA partial claim if:
 - Your loan is between 4 and 12 months delinquent
 - You are able to begin making full mortgage payments again

When your lender files a partial claim, HUD will pay your lender the amount necessary to bring your mortgage current. You must sign a promissory note, and a lien will be placed on your property until the promissory note is paid in full.

The promissory note is interest-free and is due when you pay off the first mortgage or when you sell the property.

If keeping your home is not an option - call your lender to discuss these possibilities: - [\(Top\)](#)

- **Sale:** If you can no longer afford your home, your lender will usually give you a specific amount of time to find a purchaser and pay off the total amount owed. You will be expected to use the services of a real estate professional who can aggressively market the property.
- **Pre-foreclosure sale or short payoff:** If you can't sell the property for the full amount of the loan, your lender may accept less than the amount owed. Financial help may also be available to pay other lien holders and/or help towards some moving costs. You may qualify if:
 - The loan is at least 2 months delinquent
 - You (or your real estate professional) can sell the house within 3 to 5 months
 - A new appraisal (obtained by your lender) shows that the value of your home meets HUD program guidelines
- **Assumption:** A qualified buyer may be allowed to take over your mortgage, even if your original loan documents state that it is non-assumable.
- **Deed-in-lieu of foreclosure:** As a last resort, you "give back" your property and the debt is forgiven. This will not save your house, but it is less damaging to your credit rating. This option might sound like the easiest way out, but it has limitations:
 - You usually have to try to sell the home for its fair market value for at least 90 days before the lender will consider this option
 - This option may not be available if you have other liens, such as other creditor judgments, second mortgages, and IRS or state tax liens

Resources for finding a real estate agent and selling your home

If you need to sell your home, you'll have to answer many questions. You'll need to find how much your house is actually worth, and you'll have to find a real estate agent you are comfortable with. The following resources may help:

- [National Association of Realtors](#)
- [National Association of Real Estate Brokers](#)
- [International Real Estate Digest](#)
- [National Association of Hispanic Real Estate Professionals](#)
- [The Home Store](#)

If you have an FHA-insured loan and your lender is not responsive

Your lender has to follow FHA servicing guidelines and regulations for FHA-insured loans. If your lender is not cooperative, contact FHA's National Servicing Center at toll free (888) 297-8685 or via email hsg-lossmit@hud.gov. HUD does not oversee VA or conventional loans.

Beware of predatory lending schemes - [\(Top\)](#)

Most mortgage lenders are trustworthy and provide a valuable service by allowing families to own a home without saving enough money to buy it outright. But dishonest or "predatory" lenders do exist and engage in lending practices that increase the chances that a borrower will lose a home to foreclosure. Beware especially of those who make high risk second mortgages. Other abusive practices include:

- Making a mortgage loan to an individual who does not have the income to repay it
- Charging excessive interest, points and fees
- Repeatedly refinancing a loan without providing any real value to the borrower

Borrowers facing unemployment and/or foreclosure are often targets of predatory lenders because they are desperate to find any "solution".

Homeowners receive many refinance offers in the mail saying they are "pre-approved" for

credit based on the equity in their homes. Borrowing against your house may seem attractive when you are struggling to pay your mortgage and other bills. But stop and think about this: if you can't make your current payments, increasing your debt will make it harder to keep your home, even if you get some temporary cash.

Beware of scams

- Equity skimming: In this type of scam a "buyer" approaches you offering to repay the mortgage or sell the property if you sign over the deed and move out - usually leaving you with the debt and no house. Signing over your deed does not necessarily relieve you of the responsibility of paying the loan.
- Phony counseling agencies: charging for counseling that is often free of charge. If you have any doubt about paying for such services, call a HUD-approved foreclosure [housing counseling agency](#) toll free at **(800) 569-4287** or **TDD (800) 877-8339** before you pay anyone or sign anything.
- Do not sign anything you do not understand. It is your right and duty to ask questions
- Information is your best defense against becoming a victim of predatory lending, especially for a desperate homeowner

Where to report suspected predatory lending

Homeowners can either visit the [Stop Mortgage Fraud](#) website or call toll free (800) 348-3931 to get information on what steps to take to file a complaint. Homeowners who call will also receive a booklet containing information found on the website.

For more information about predatory lending go to:

- [Freddie MAC's Predatory Lending](#)
- [Freddie MAC's "Don't Borrow Trouble"](#)

Common Questions - [\(Top\)](#)

[What happens when I miss my mortgage payments?](#)

[What should I do?](#)

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[I don't remember what type of mortgage I have.](#)

[Do I need to keep living in my house to qualify for assistance?](#)

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What happens when I miss my mortgage payments? - [\(Top\)](#)

Foreclosure may occur. This means your lender can legally repossess (take over) your home. When this happens, you must move out of your house. If your property is worth less than the total amount you owe on your mortgage loan, a deficiency judgment could be pursued, meaning you would not only lose your home, you also would owe HUD money.

Both foreclosures and deficiency judgments could seriously affect your ability to qualify for credit in the future. So you should avoid foreclosure if at all possible.

What should I do? - [\(Top\)](#)

- Do not ignore letters from your lender. If you are having problems making your payments, call or write to your lender's loss mitigation department immediately. Explain your situation. Be prepared to provide financial information, such as your monthly income and expenses. Without this information, they may not be able to help.
- Stay in your home for now. You may not qualify for assistance if you abandon your property.
- Contact a HUD-approved foreclosure [housing counseling agency](#). Call toll free 1-**800-569-4287** or **TDD (800) 877-8339** for the housing counseling agency nearest you. These agencies are valuable resources. They have information on services and programs offered by government agencies and private and community organizations that might be able to help you. The housing counseling agency may also offer credit

counseling. These services are usually free of charge.

Who is my lender? How do I make contact?- [\(Top\)](#)

Look at your monthly mortgage coupons or billing statements for the lender's name and contact information.

I don't remember what type of mortgage I have. How can I find this information? - [\(Top\)](#)

Look on the original mortgage documents or call your mortgage lender.

Do I need to keep living in my house to qualify for assistance? - [\(Top\)](#)

Usually yes, but call your lender to discuss your specific circumstances and get advice on options that may be available.

My employer has already announced layoffs in the coming month. What can I do now? - [\(Top\)](#)

You have started learning about available options here. Now, figure out if a layoff will make it hard for your family to make your mortgage payments. If so, consider other resources you have to pay your mortgage. Review your spending habits and see where you can reduce spending. If you have a lot of other debt, consider contacting a nonprofit, consumer credit counseling agency. Take advantage of any help your employer offers. If you still believe you will have trouble making your mortgage payments, contact your lender right away.

What are the key points to remember? - [\(Top\)](#)

1. Don't lose your home and damage your credit history
2. Call or write your mortgage lender immediately and be honest about your financial situation
3. Stay in your home to make sure you qualify for assistance
4. Arrange an appointment with a [HUD-approved housing counselor](#) to explore your options toll free at **(800) 569-4287** or **TDD (800) 877-8339**
5. Cooperate with the counselor or lender trying to help you
6. Explore every alternative to keep your home
7. Beware of scams
8. Never sign anything you don't understand. And remember that signing over the deed to someone else does not necessarily relieve you of your loan obligation
9. Act now. Delaying can't help. If you do nothing, you will lose your home and your good credit rating!

What precautions can I take? - [\(Top\)](#)

These precautions can help you avoid being "taken" by a scam artist:

- Don't sign any papers you don't fully understand.
- Make sure you get all "promises" in writing.
- Beware of any sales contract that assumes the loan where you are not formally released from liability (responsibility) for your mortgage debt.
- Check with a lawyer or your mortgage company before entering into any deal involving your home.

If you're selling the house yourself to avoid foreclosure, check to see if there are any complaints against the prospective buyer. You can contact your state's Attorney General, the State Real Estate Commission, or the local District Attorney's Consumer Fraud Unit for this type of information.

Will I be responsible for any out-of-pocket expenses if I am approved for a workout option? - [\(Top\)](#)

You may have to pay expenses such as recording fees for a loan modification. Because every situation is different, contact your lender for more information. But, if a lender has no contact

with you and has to start foreclosure, you may have to pay very high legal fees. To avoid this, call your lender as soon as you realize you might have trouble.

Mortgage lenders

The mortgage lenders listed below have voluntarily joined the federal government to assist homeowners who are concerned about the future or have suffered due to recent changes in the economy. If your lender is listed here, you can help protect your home by contacting them immediately!

Company	Contact Number	Alternate Contact Number
ABN AMRO Mortgage Group	800-783-8900	
Accredited Home Lenders	877-211-4599	
Ameriquest Mortgage	800-221-6926	
Aurora Loan	866-519-1456	800-550-0509
Avelo Mortgage	877-882-8356	866-992-8356
Bank of America	800-846-2222	716-635-7050
BB&T Mortgage	800-827-3722	
Central Pacific Bank	800-342-8422	
Charter One Bank	800-234-6002	
Carrington Mortgage Services	800-790-9502	
Citi Mortgage (Prime Loans)	800-695-0384	866-929-8615
Citi Financial Mortgage (Sub Prime Loans)	800-422-1498	866-450-3172
Countrywide Home Loans	800-669-6087	800-669-6650
Downey Financial Group	800-824-6902	
EMC Mortgage / Bear Stearns	877-362-6631	888-577-4011
Equity One	866-361-3460	
EverBank	800-669-9721	
First Horizon Home Loans	800-364-7662	800-816-7796
Flagstar Bank	800-968-7700	
Fremont Investment & Loan	866-484-0291	
GMAC	800-799-9250	
Homecomings	800-850-4622	
Home Loan Services / First Franklin Loan Services / NationPoint Loan	800-622-5035	

Services /National City Loan Services (all dba HLS)		
Home Eq Servicing	866-82-1471	800-414-0969
HSBC (Mortgage Services)	800-365-6730	888-648-3124
Indymac Bank	877-736-5556	877-908-4357
JPMorgan Chase	800-446-8939	866-582-5208
Litton Loan Servicing	866-801-8794	800-999-8501
National City Mortgage Company	800-367-9305	800-523-8654
Nationstar Mortgage	888-850-9398	
Nationwide Advantage Mortgage Company	800-356-3442	
New Century Financial	888-477-0193	
NovaStar Financial	888-743-0774	888-289-1231
Ocwen Loan Servicing, LLC	877-596-8580	866-513-2947
Ohio Savings Bank	888-987-5626	
Option One Mortgage	800-648-9605	
PHH Mortgage	800-330-0423	800-750-2518
Saxon Mortgage / Morgan Stanley	888-325-3502	
Select Portfolio Servicing	888-818-6032	
SunTrust Mortgage	800-443-1032	
U.S. Bank Home Mortgage	877-334-0453	
Wachovia Corporation	866-642-9405	
Washington Mutual	877-533-8960	866-500-8507
Wells Fargo Home Mortgage	877-216-8448	888-231-0757
Wells Fargo Financial	800-275-9254	
Wilshire Credit	888-952-7339	888-917-1050

This information is available through the joint efforts of HUD/FHA, Department of Veterans Affairs, Department of Labor, Fannie Mae, Freddie Mac, members of the Mortgage Industry-at-large, and other industry participants.

Servicemembers Civil Relief Act (SCRA) Common Questions - (Top)

Who is eligible?

Am I entitled to debt payment relief?

Is the interest rate limitation automatic?

Am I eligible even if I can afford to pay my mortgage at a higher interest rate?

What if I can't afford to pay my mortgage even at the lower rate?

Am I protected against foreclosure?

What information do I need to provide to my lender?

Will my payments change later?

Will I need to pay back the interest rate "subsidy" at a later date?

How long does the benefit last? Does the period begin and end with my tour of duty?

How can I learn more about relief available to active duty military personnel?

Reservists, guardsmen and other military personnel can find answers to questions about mortgage payment relief and protection from foreclosure provided by the [Servicemembers Civil Relief Act](#) of 2003 (formerly The Soldiers' and Sailors' Civil Relief Act of 1940).

Who is eligible? - [\(Top\)](#)

The Act applies to active duty military personnel who had a mortgage obligation before enlistment or before being ordered to active duty. This includes:

- Members of the Army, Navy, Marine Corps, Air Force, Coast Guard.
- Commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration engaged in active service.
- Reservists ordered to report for military service.
- People ordered to report for induction under the Military Selective Service Act.
- Guardsmen called to active service for more than 30 consecutive days.

In limited situations, dependents of servicemembers are also entitled to protections.

Am I entitled to debt payment relief? - [\(Top\)](#)

The Act limits interest that may be charged on mortgages taken out by a servicemember (including debts incurred jointly with a spouse) before he or she entered into active military service. At your request, lenders must reduce the interest rate to no more than 6% per year during the period of active military service and recalculate your payments to reflect the lower rate. This provision applies to both conventional and government-insured mortgages.

Is the interest rate limitation automatic? - [\(Top\)](#)

No. To ask for this temporary interest rate reduction, you must submit a written request to your mortgage lender and include a copy of your military orders. The request may be submitted as soon as the orders are issued, but no later than 180 days after the date of your release from active duty military service.

Am I eligible even if I can afford to pay my mortgage at a higher interest rate? - [\(Top\)](#)

If a mortgage lender believes that military service has not affected your ability to repay your mortgage, they have the right to ask a court to grant relief from the interest rate reduction. This does not happen very often.

What if I can't afford to pay my mortgage even at the lower rate?- [\(Top\)](#)

Your mortgage lender may let you stop paying the principal amount due on your loan during active duty service. Lenders are not required to do this but they generally try to work with servicemembers to keep them in their homes. You will still owe this amount after you complete active duty service.

Most lenders have other programs to assist borrowers who can't make their mortgage payments. If you or your spouse finds yourself in this position at any time before or after active duty service, contact your lender immediately and ask about loss mitigation options. If you have an FHA-insured loan and are having difficulty making mortgage payments, you may also be eligible for special forbearance and other loss mitigation options.

Am I protected against foreclosure? - [\(Top\)](#)

Mortgage lenders may not foreclose while you are on active duty or within 90 days after military service without court approval. A lender would be required to show in court that your ability to repay the debt was not affected by your military service.

What information do I need to provide to my lender? - [\(Top\)](#)

When you or your representative contacts your mortgage lender, you should provide the following information:

- Notice that you have been called to active duty.
- A copy of the orders from the military notifying you of your activation.
- Your FHA case number.
- Evidence that the debt precedes your activation date.

HUD has reminded FHA lenders of their obligation to follow the SCRA. When notified that a borrower is on active military duty, an FHA lender must inform the borrower or representative of the adjusted payment amount due, provide adjusted coupons or billings, and ensure adjusted payments are not considered insufficient payments.

Will my payments change later? Will I need to pay back the interest rate "subsidy" at a later date? - [\(Top\)](#)

The change in interest rate is not a subsidy. Interest in excess of 6% per year that would otherwise have been charged is forgiven. However, the reduction in the interest rate and monthly payment amount only applies during the period of active duty. Once the period of active military service ends, the interest rate will revert back to the original interest rate, and payments will be recalculated accordingly.

How long does the benefit last? Does the period begin and end with my tour of duty? - [\(Top\)](#)

Interest rate reductions are only for the period of active military service. Other benefits, such as postponement (delaying) of monthly principal payments and restrictions on foreclosure on the loan may begin immediately upon assignment to active military service and end on the third month following the term of active duty assignment.

How can I learn more about relief available to active duty military personnel? - [\(Top\)](#)

Servicemembers who have questions about the SCRA or the protections to which they may be entitled, can contact their unit judge advocate or installation legal assistance officer. Dependents of servicemembers can also contact or visit local military legal assistance offices where they live. A military legal assistance office locator for each branch of the armed forces is available at www.legalassistance.law.af.mil/content/locator.php



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
451 7th Street S.W., Washington, DC 20410
Telephone: (202) 708-1112 TTY: (202) 708-1455



FIND THE ADDRESS OF A HUD OFFICE NEAR YOU

This listing is current as of **05/15/2008**.

Agencies located in SOUTH CAROLINA

Agency Name: COMMUNITY DEVELOPMENT & IMPROVEMENT CORP.

Phone: 803-649-6673

Toll Free: 888-490-4458

Fax: 803-643-0069

Email: rbarner@alkenhousing.org

Address: 100 Rogers Terrace
Alken, South Carolina 29801

Counseling Services: - Fair Housing Assistance
- Homebuyer Education Programs
- Loss Mitigation
- Money Debt Management
- Mortgage Delinquency and Default Resolution Counseling
- Postpurchase Counseling
- Prepurchase Counseling
- Renters Assistance

Languages: - Spanish

Affiliation:

Website: <http://www.alkenhousing.org>

Agency Name: CHARLESTON TRIDENT URBAN LEAGUE, INC.

Phone: 843-965-4037

Toll Free:

Fax: 843-965-4039

Email: gbresnlhan_tul@bellsouth.net

Address: 476-E meeting Street
P O Box 20249
Charleston, South Carolina 29413-0249

Counseling Services: - Fair Housing Assistance
- Homebuyer Education Programs
- Money Debt Management
- Postpurchase Counseling
- Predatory Lending
- Prepurchase Counseling
- Renters Assistance

Languages: - Spanish

Affiliation:

Website: n/a

Agency Name: COMMUNITY ASSISTANCE PROVIDER, INC.

Phone: 803-699-4697

Toll Free:

Fax: 803-699-4667

Email: communityassist@bellsouth.net

Address: 9400 Two Notch Road
P. O. Box 291921
Columbia, South Carolina 29229

Counseling Services: - Homebuyer Education Programs

Languages: - Spanish

Affiliation: HOMEFREE - U S A

Website: n/a

Agency Name: SOUTH CAROLINA LEGAL SERVICES

Phone: 803-799-9668

Toll Free: 888-346-5592

Fax: 803-799-1781

Email: dlanescruggs@sccej.org

Address: 2109 Bull Street
P. O. Box 1445
Columbia, South Carolina 29202

Counseling Services: - Homebuyer Education Programs
- Mortgage Delinquency and Default Resolution Counseling
- Postpurchase Counseling
- Prepurchase Counseling
- Renters Assistance
- Services for Homeless

Languages: - Spanish

Affiliation: WEST TENNESSEE LEGAL SERVICES, INCORPORATED

Website: <http://www.sclegal.org>

Agency Name: GREENVILLE COUNTY HUMAN RELATIONS COMMISSION

Phone: 864-467-7095

Toll Free:

Fax: 864-467-5965

Email: ssmathers@greenvillecounty.org

Address: 301 University Ridge, Suite 1600
Greenville, South Carolina 29601-3660

Counseling Services: - Fair Housing Assistance
- Home Equity Conversion Mortgage Counseling
- Homebuyer Education Programs
- Loss Mitigation
- Mortgage Delinquency and Default Resolution Counseling
- Postpurchase Counseling
- Predatory Lending
- Prepurchase Counseling
- Renters Assistance

Languages: - Cantonese
- Spanish

Affiliation:
Website: http://www.greenvillecounty.org/Human_Relations

Agency Name: SUNBELT HUMAN ADVANCEMENT RESOURCES, INC.
Phone: 864-269-0700-230
Toll Free:
Fax: 864-295-6151
Email: wcrosby@sharesc.org
Address: 1200 Pendleton St
PO Box 10204
Greenville, South Carolina 29611-4832

Counseling Services: - Loss Mitigation
- Mortgage Delinquency and Default Resolution Counseling
- Prepurchase Counseling
- Renters Assistance

Languages: - Spanish

Affiliation:
Website: <http://www.sharesc.org>

Agency Name: UPSTATE HOMELESS COALITION OF SOUTH CAROLINA
Phone: 864-241-0462
Toll Free:
Fax: 864-241-0464
Email: tking@upstatehomeless.com
Address: 150 Executive Center Drive, # B 211
Greenville, South Carolina 29615

Counseling Services: - Fair Housing Assistance
- Home Equity Conversion Mortgage Counseling
- Homebuyer Education Programs
- Loss Mitigation
- Mobility and Relocation Counseling
- Money Debt Management
- Mortgage Delinquency and Default Resolution Counseling
- Postpurchase Counseling
- Prepurchase Counseling
- Renters Assistance
- Services for Homeless

Languages: - Spanish

Affiliation:
Website: <http://www.upstatehomeless.com>

Agency Name: FAMILY SERVICES, INC.
Phone: 843-744-1348-35
Toll Free: 800-232-6489
Fax: 843-744-2886
Email: dkidd@familyserviceschassc.com
Address: 4925 Lacross St. Ste. 215
North Charleston, South Carolina 29406

Counseling Services: - Home Equity Conversion Mortgage Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Postpurchase Counseling
- Predatory Lending
- Prepurchase Counseling

Languages: - English
- Spanish

Affiliation:
Website: <http://www.familyserviceschassc.com>

Agency Name: TRIDENT UNITED WAY
Phone: 843-740-9000-233
Toll Free:
Fax: 843-566-7193
Email: hudcounselor@tuw.org
Address: 6296 Rivers Avenue
PO Box 63305
North Charleston, South Carolina 29419

Counseling Services: - Fair Housing Assistance
- Home Equity Conversion Mortgage Counseling
- Homebuyer Education Programs
- Loss Mitigation
- Mortgage Delinquency and Default Resolution Counseling

- Prepurchase Counseling
- Renters Assistance
- Services for Homeless

Languages: - Spanish

Affiliation:

Website: www.tuw.org

Agency Name: TRIDENT UNITED WAY- SUMMERVILLE BRANCH

Phone: 843-821-5000

Toll Free: 800-882-0676

Fax: 843-851-4152

Email: btallent@charleston.net

Address: Dorchester Service Center

117 South Main Street

Summerville, South Carolina 29483

- Counseling Services:**
- Fair Housing Assistance
 - Home Equity Conversion Mortgage Counseling
 - Homebuyer Education Programs
 - Loss Mitigation
 - Mortgage Delinquency and Default Resolution Counseling
 - Prepurchase Counseling
 - Renters Assistance
 - Services for Homeless

Languages: - Spanish

Affiliation: TRIDENT UNITED WAY

Website: n/a

Agency Name: SANTEE-LYNCHES AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Phone: 803-436-0020

Toll Free:

Fax: 803-436-0003

Email: slcdc@ftc-l.net

Address: 255 Broad Street

Sumter, South Carolina 29150

- Counseling Services:**
- Home Equity Conversion Mortgage Counseling
 - Homebuyer Education Programs
 - Loss Mitigation
 - Mortgage Delinquency and Default Resolution Counseling
 - Postpurchase Counseling
 - Prepurchase Counseling

Languages: - Spanish

Affiliation:

Website: <http://www.slcdc.net>

NEWS

Department of Housing and Urban Development - Roy A. Bernardi, Deputy Secretary
Office of Public Affairs, Washington, DC 20410

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<http://www.hud.gov/news/>

FOR RELEASE

Thursday

May 8, 2008

BUSH ADMINISTRATION TO IMPLEMENT *FHASECURE* EXPANSION USING FAIR, FLEXIBLE PREMIUM PRICING

FHA prepares to assist more struggling homeowners while protecting taxpayers from risk

WASHINGTON – The Bush Administration today issued final guidance that will permit its flagship mortgage insurance program to assist more homeowners who are struggling to keep up with their high-cost subprime adjustable rate mortgages. To ensure taxpayers do not assume the cost of this expansion, HUD's Federal Housing Administration (FHA) will implement a fair and flexible premium pricing structure beginning July 14, 2008.

Modifications to *FHASecure* will help homeowners who can no longer afford their mortgages and missed up to three monthly mortgage payments over the past 12 months. As an alternative to foreclosure, eligible borrowers can refinance with FHA and lenders can voluntarily write down the outstanding subprime mortgage principal balances. Implementation of FHA's new premium pricing plan on July 14 will coincide with the start date to expand *FHASecure*.

"With a flexible premium structure, FHA can fulfill its mission of assisting families who do not have access to prime-rate financing. Fair pricing will allow FHA to reach more troubled homeowners without placing excessive risk on its insurance fund," said HUD Deputy Secretary Roy A. Bernardi.

Currently, FHA has a 'one size fits all' premium structure that charges borrowers 1.50 percent of the loan balance upfront and .50 percent annually regardless of their credit standing. FHA feels this approach does not treat borrowers equitably and may put the FHA insurance fund at risk. Under the new rule, FHA's upfront mortgage insurance premium will range from 1.25 percent to 2.25 percent. Borrowers must continue to adhere to FHA's strict underwriting criteria. By charging different premiums, FHA will operate like most other insurance companies. This premium structure will preserve lower premium costs for FHA's traditional borrowers, including low-income and minority families who have a strong credit history and save for a downpayment.

By charging slightly higher premiums based on risk, FHA will be able to extend the benefits of its *FHASecure* program to more homeowners affected by the volatility in the mortgage market. Borrowers refinancing into FHA from the subprime market are better off, even with slightly higher mortgage insurance premiums, because FHA insurance gives them access to substantially lower interest rates, and lowers their overall mortgage costs.

The difference between the existing 1.50 percent upfront premium and a 2.25 percent premium for a \$150,000 mortgage is only about \$7 per month. With families turning to FHA in record numbers, the agency is on pace through its expansions to help approximately 500,000 families refinance into its affordable mortgage product by the end of this year.

"Charging borrowers a fair premium based on their credit risk means that they pay their own way, allows FHA to reach more borrowers, and helps create a more financially sound FHA. That's good news since FHA, like any other insurance company, supports its flagship program through its premiums – not taxpayer dollars," said Assistant Secretary for Housing – Federal Housing Commissioner Brian D. Montgomery.

FHA has the statutory authority to charge as much as 2.25 percent for the upfront

premium and .55 percent for the annual premium. This premium structure will give borrowers an incentive to improve their credit and thereby pay lower premiums. Today's announcement will allow FHA to offer a range of premiums, depending on the level of risk borrowers represent based on their credit profile and the amount of their downpayment.

In other words, to determine a fair premium, FHA will look at the borrower's financial responsibility and how much they are willing to invest in their home.

To make this information available as soon as possible, HUD is posting guidance on risk-based pricing electronically on its website in advance of the Federal Register publication on May 13, 2008.

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HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development, and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov. For more information about FHA products, please visit www.fha.gov.