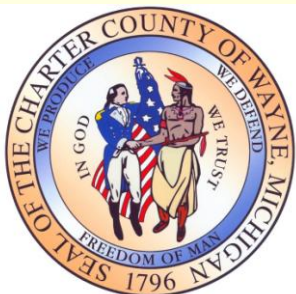


# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM

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### Fight Mortgage Foreclosure



# SURVIVING FORECLOSURE

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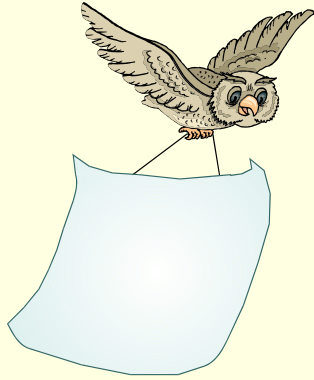
# Some Definitions

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- **Delinquency:** When you are 15 days or more late
- **Foreclosure:** when the lender has filed formal papers to take the house back at a sheriff sale
- **Servicer:** The company to whom you make your monthly payments



# FORECLOSURE TIMELINE



- **1<sup>ST</sup> AND 2<sup>ND</sup> MONTH** – CALLS AND LETTERS FROM LENDER
- **3<sup>RD</sup> MONTH** - DEMAND LETTER OR NOTICE TO ACCELERATE
  - Foreclosure activities usually commence after you're 90 days late
- **4<sup>TH</sup> MONTH** – NOTICE OF INTENT TO FORECLOSE, FORECLOSURE ATTORNEY ENGAGED, SHERIFF SALE SCHEDULED
  - This will add \$1,100 to \$2,000 to the cost of keeping your home.



# FORECLOSURE TIMELINE

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- **6<sup>TH</sup> MONTH – SHERIFF SALE**
- **REDEMPTION PERIOD – THE 6 MONTH PERIOD FOLLOWING THE SHERIFF SALE**
- **END OF 6 MONTH REDEMPTION PERIOD - EVICTION**



# Preventing Foreclosure

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## **Step 1: Admit there is a Financial Emergency**

The first step toward overcoming a financial emergency is admitting that there is one. The problem will not go away if you ignore it. It will only get worse.

Nationally, only 50% of people who are delinquent on their mortgage contact their servicer. This reveals that many are in denial or think there is no hope.



# Preventing Foreclosure

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## Step 2: Establish an Emergency Plan

Develop a plan to increase your income that makes sense for you.

- Look for a new job.
- Consider taking several part-time jobs.
- Sell things you no longer need.
- Bring in a renter to help you pay for the cost of housing.

# Preventing Foreclosure

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**If you are at risk of Foreclosure, an Emergency Budget must be created**

- Can you afford to keep the house in the long run?
- Be realistic: Have you been able to stabilize financially from that “event” that caused you to fall behind?



# Preventing Foreclosure

## Emergency Budget:



- It differs from the regular budget you created when you purchased your home.
- This one is critical in the sense that it needs to closely examine the REAL expenses you are incurring today. More important, you will be challenged to identify expenses you can trim or eliminate for a while.

# Preventing Foreclosure

You need to greatly **reduce or eliminate your spending on luxury items or unnecessary items** until you have totally recovered from your financial emergency.

- ❑ You need to stop dining out.
- ❑ You need to shut off your cable.
- ❑ You need to reduce spending on clothing and personal effects.
- ❑ You need to stop spending on entertainment.



# Preventing Foreclosure

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## Step 3: Make Contact

Contact your **mortgage servicer**, ask for **the loss mitigation department** as soon as you have developed your emergency budget. Please realize that they are **not the enemy**. They have a job to do. You need to learn to work with them. They will assist you put together a workout plan.

# Mortgage Foreclosure Prevention Program

**(877) 693-6199 or (313) 833-2948**

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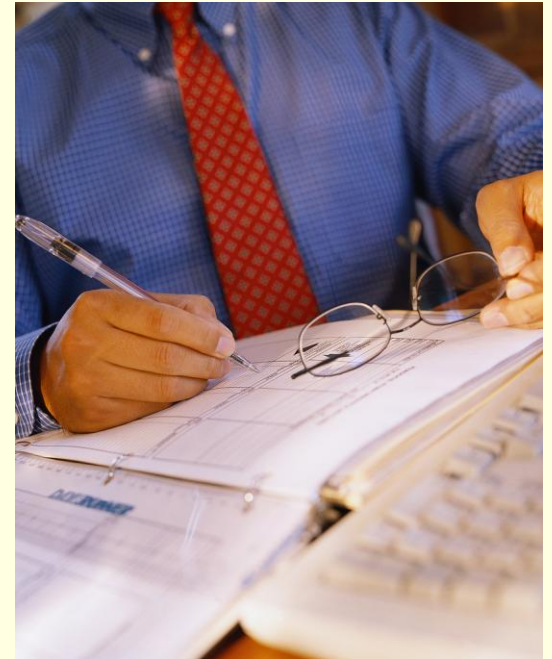
- Use the **emergency budget** you just developed to identify how much you can afford to pay on your mortgage each month.
- Explain to the representative your situation and **negotiate a plan to repay** them. But **don't make promises you can't keep.**



# Preventing Foreclosure

## ■ THE WORKOUT PLAN

- Emergency budget
- Hardship letter
- Proof of earnings
- Tax documents for 2 years
- Bank statements for 3 months
- Proof of your hardship



# Preventing Foreclosure

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## Home Retention Solutions:

- Reinstatement
- Repayment Plan
- Forbearance Agreement
- Loan Modification
- Partial/Advance Claim
- Reverse Mortgage
- Refinance
- Chapter 7 or 13 Bankruptcy



# Preventing Foreclosure

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## Non-Retention Solutions:

- Traditional Sale
- Short Sale
- Deed-in-Lieu of Foreclosure



# Preventing Foreclosure

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## TIPS FOR WORKING WITH THE MORTGAGE SERVICER

- ❑ Ask to speak to someone in the **loss mitigation department**.
- ❑ Unless the mortgage servicer, does not have a loss mitigation department, you **should not** try to make repayment arrangements with the collection department.



# Preventing Foreclosure

## Step 4: Get Professional Help

- An **objective third party opinion** will help you when you are dealing with a financial emergency.

**Contact 1-877-693-6199 or 313-833-2948** for the Wayne County counseling office.

- HUD Housing Counselor **1-800-569-4287** agency nearest you.
- **[www.FightMortgageForeclosure.com](http://www.FightMortgageForeclosure.com)**



# Preventing Foreclosure

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## Don't Get Scammed!!

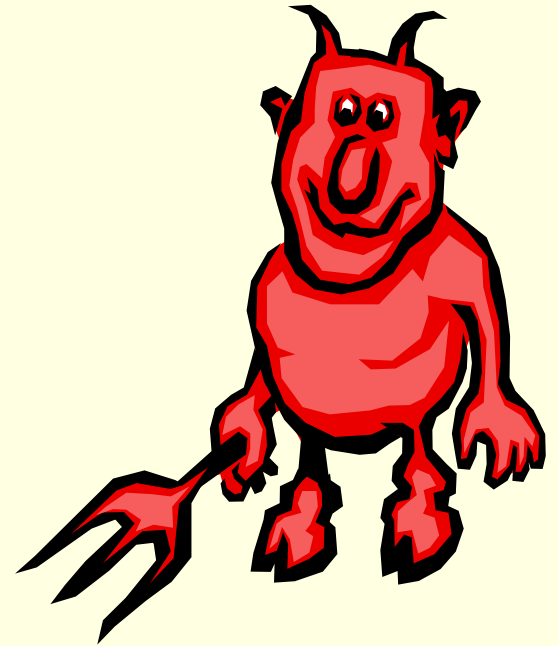
A qualified housing counselor can help you complete an emergency budget and establish a plan to work with creditors. This service should be at **no charge**.



# Preventing Foreclosure

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Be careful of foreclosure rescue scams that take advantage of people while they are desperate and confused. Avoid any service that charges an up-front fee. If you are facing a foreclosure, all your money should be saved to make payments directly to your mortgage servicer.



# IF YOU NEED ASSISTANCE

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- **Mortgage Foreclosure Prevention Program (MFPP)**

1-877-693-6199 or 313-833-2948

- **HUD housing counseling agency**

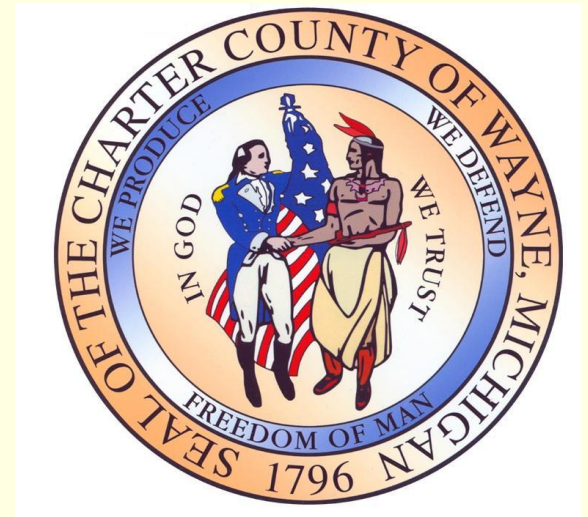
1-800-569-4287

- **[www.FightMortgageForeclosure.com](http://www.FightMortgageForeclosure.com)**

Mortgage Foreclosure Prevention Program

# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM (MFPP)



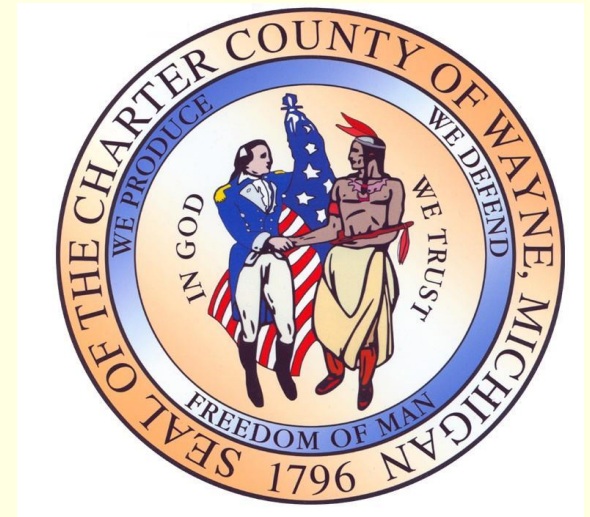
[www.FightMortgageForeclosure.com](http://www.FightMortgageForeclosure.com)

# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM (MFPP)

### RESOURCES TO HELP YOU:

- United Way – **211** or **1.800.552.1183** (Referral hotline for a variety of social services and assistance programs)
- Department of Human Services (Food Stamps, Medicaid, State Emergency Relief) **313.456.1000**
- Legal Aid and Defender **1.877.964.4700**
- Wayne County Treasurer – **www.treasurer.waynecounty.com(313) 224-6105**



# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM (MFPP)

### Federal & State Programs:

- Making Home Affordable (President Obama Plan)

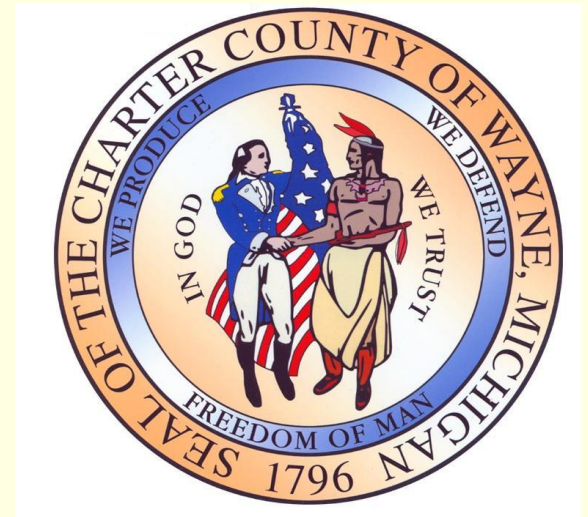
• <http://www.makinghomeaffordable.gov>

• <http://www.financialstability.gov>

- The Home Affordable Refinance program

- The Home Affordable Modification program

- Michigan State Housing Development Authority – Save the Dream 866-946-7432



# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM (MFPP)

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- Next Steps If You Are Interested in Receiving Professional Foreclosure Prevention Counseling from MFPP partner agencies:
  1. Register online at [www.FightMortgageForeclosure.com](http://www.FightMortgageForeclosure.com)
  2. Begin to gather needed documents such as your most current mortgage statement, income documentation, 3 months bank statements, federal tax returns, closing documents
  3. Wait to hear from one of our professionally trained foreclosure counselors who will be able to assist you.



# WAYNE COUNTY

## MORTGAGE FORECLOSURE PREVENTION PROGRAM

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(MFPP)

Contact Us:

[www.FightMortgageForeclosure.com](http://www.FightMortgageForeclosure.com)

**877.693.6199 or 313.833.2948**

# MFPP

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