

It may not be too late to save your home.

HOME is a trusted HUD-approved housing counseling agency. As a non-profit provider, our foreclosure prevention services are provided statewide and are **free and confidential**.

We can help you conveniently by phone.

Don't be a victim to scammers.

Contact HOME:

804.354.0641

VA Relay: 711

preventforeclosure@HOMEofVA.org

HOME's Mission

Ensuring equal access to housing for all people



Information from HOME is not intended to be legal advice. Please consult an attorney for legal advice.

Alternative formats for those with disabilities available upon request.



HOME
Housing Opportunities Made Equal

Housing Opportunities Made Equal of Virginia (HOME)

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HOW TO AVOID FORECLOSURE OF YOUR HOME

HOUSING OPPORTUNITIES
MADE EQUAL OF VIRGINIA, INC.

WHEN YOU FALL BEHIND

All homeowners are subject to events beyond their control that may make it difficult to maintain their mortgage obligations. If you fall behind on your mortgage it is **very** important that you call or write your lender and clearly explain your situation. This would also be the right time to contact HOME.

At HOME, a counselor will be glad to discuss your situation with you and inform you of your options. We believe that knowledge is power. The more informed you are, the better the decision you can make regarding your situation. Please note that not all alternatives are available to all homeowners. It is important to concentrate only on those alternatives for which you qualify. In order to identify the best alternative available to you, we must communicate both openly and honestly.

Our goal is to help you avoid possible foreclosure action by resolving your delinquency through one of several alternatives to foreclosure that may be provided by your mortgage company.

First you should ask yourself several questions:

- *Is my crisis temporary or long term?*
- *Can I make my mortgage payment along with my other monthly expenses?*
- *Can I increase my income or reduce my expenses?*
- *Do I want to maintain my home or sell it?*

Keep in mind, you can only keep your home if you can afford to maintain payments on your mortgage. If you want to qualify for alternatives that will allow you to keep your home, you must show that your monthly income meets or exceeds your monthly expenses. So sit down and prepare a budget and see where you stand.

WHAT ARE MY OPTIONS?

Your options depend on the length of time past due, the amount you are delinquent and your loan type. You should contact the loss mitigation department at your mortgage company and request a loan workout package. If your goal is to maintain ownership of your home, see below for your possible options through loss mitigation.

- **Repayment Plan**- Involves making up the amount past due over a period of months by paying a full payment plus a partial payment until the past due amount is paid.
 - **Forbearance Plan**- With this option, you and your mortgage company agree to temporarily suspend or reduce your monthly mortgage payments for a specific period of time.
 - **Loan Modification**- The change of the original terms of the mortgage through one or more of the following methods: an adjustment of the interest rate, addition of the delinquent interest amount to the current unpaid principal balance, and/or an extension of the term (life) of the mortgage. A cash contribution toward any loss to the investor may be required.
 - **Partial Claim**- (FHA loans only) This is when money is advanced and loaned to you by FHA. This money is used to bring your mortgage current.
- If you do not qualify for alternatives previously mentioned, it may be necessary to give up ownership of your home. You may still avoid foreclosure through:
- **Pre-Foreclosure Sale** - Entails selling the property prior to a foreclosure sale at Fair Market Value. In some cases, this may be less than the amount owed on the property. Also known as a Short Sale.
 - **Deed in Lieu of Foreclosure** - Involves returning the property to the lender prior to sale. This alternative is generally only granted as a last resort usually if the homeowner is unable to sell the property.

ANYTHING ELSE I SHOULD DO?

Yes, beware of scams! There are people who may try to take advantage of your financial difficulty. These people or companies claim to be counseling agencies that can help you. Often times these companies will ask you to pay large sums of money up front in exchange for services. They may also try to rush you through the process, asking you to stop making payments to your lender, and make promises they cannot keep. Remember, if it sounds too good to be true, it probably is not true. Be smart! If you have doubts contact HOME before you pay anyone or sign anything.



Remember, HOME is here to help you through the process. As a non-profit provider, our foreclosure prevention services are provided statewide and are **free and confidential**.

Start the process early. Call HOME at 804.354.0641