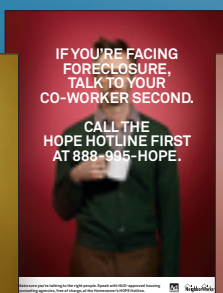
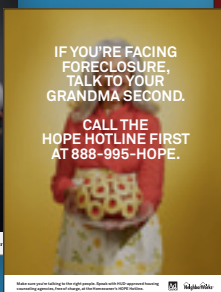


# 10

## Important Tips to Avoid Foreclosure

- 1. 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. When you call your lender or housing counselor; be prepared with your account information and a summary of the financial problems you are experiencing. You should also have recent income statements and your household budget.
- 2. 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.
- 3. Contact a HUD-approved housing counseling agency for free guidance** by calling the Homeowner's HOPE™ Hotline – 888-995-HOPE (4673) – or go to [www.foreclosurehelpandhope.org](http://www.foreclosurehelpandhope.org). The U.S. Department of Housing and Urban Development (HUD) funds free 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.
- 4. Get help immediately.** If you are having difficulty paying your mortgage or know you will have difficulty in the near future, call your lender! Your lender will be able to provide you with options that may allow you to save your home. Connect with a local HUD-approved counseling agency for free by calling 1-888-995-HOPE (4673) or [www.findaforeclosurecounselor.org](http://www.findaforeclosurecounselor.org)
- 5. 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. Your failure to open the mail will not delay or stop the foreclosure process.
- 6. 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 a HUD-approved housing counseling agency or your State Government Housing Office.
- 7. Understand foreclosure prevention options.** Valuable information about foreclosure prevention (also called loss mitigation) options can be found online at [www.knowyouroptions.com](http://www.knowyouroptions.com)
- 8. Avoid so-called 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 housing counselor will provide free if you contact them.
- 9. Never sign a legal document without reading and understanding all the terms and getting professional advice from a certified housing counselor.** If you sign a document appointing someone else to act on your behalf, you may be signing over the title to your property and becoming a renter in your own home!
- 10. Maintain a household budget.** A budget helps you recognize problems before they arise, and you can then change your commitments and behavior to prevent them. Every month, take a look at your expenses, especially if your circumstances—and your income—have changed. Set goals for yourself and work toward them.



[www.foreclosurehelpandhope.org](http://www.foreclosurehelpandhope.org)  
1-888-995-HOPE