

Mortgage Trouble? Don't Delay, Call Today.

State Housing Department Offers Free Assistance Hotline; Links to Counseling Agencies

It seems that everyone is talking about the foreclosure issue in Arizona. Many of our homeowners are struggling to make ends meet; in fact, it is estimated that one in four homeowners will be affected by foreclosure.

The Arizona Department of Housing has established the *Arizona Foreclosure Help Line* at **1-877-448-1211** (toll-free). This free service is available to anyone seeking guidance regarding foreclosure. Trained personnel will refer you to an Arizona-based counseling agency that can provide help.

As of the middle of November, nearly 8,000 people from across Arizona have called the hotline seeking assistance.

If you do find yourself 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 and the more likely that you will lose your house.

Here are some additional tips to consider if you are facing foreclosure and fear losing your home.

As soon as you realize that you have a problem, contact your lender and discuss your options. Lenders want to help borrowers keep their homes and they have provisions established to help borrowers through difficult financial times.

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 a justifiable excuse in foreclosure court.

It is important to know your mortgage rights. Find your loan documents and read them so you are aware of what your lender may do if you can't make your payments. You should also be sure you understand foreclosure prevention options. Additional information about foreclosure prevention (also called loss mitigation) options can be found on the internet at www.fha.gov.

Prioritize your spending. 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.

Use your assets. Do you have assets, perhaps a second car, 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.

Avoid foreclosure prevention companies. Many for-profit companies will contact you promising to negotiate a loan work-out with your lender. While these may be legitimate businesses, they will charge you a hefty fee (often two or three months' mortgage payments) for information and services your lender or a HUD-approved housing counselor will provide for free if you contact them. You don't need to pay fees for foreclosure prevention help—use that money to pay the mortgage instead.

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 HUD-approved housing counselor, or trusted real estate professional.

The *Arizona Foreclosure Help Line* at **1-877-448-1211** (toll-free) will refer you to housing counselors who will provide you with information for free. These housing counselors can help you understand the law and your options, help you organize your finances and represent you in negotiations with your lender if you need this assistance.

For additional information, please visit the Arizona Department of Housing website, www.housingaz.com.