Q & A

FOR HOMEOWNERS STRUGGLING TO PAY THEIR MORTGAGE

FREQUENTLY ASKED QUESTIONS

Q- "Who can modify my loan?"

A- Only your servicer can modify your loan. They have guidelines they follow based off of their investors. NHSIE does not modify your loan, we coach you in a group setting on the legal process, best practices, and provide helpful tips.

Q- "I'm behind on mortgage or I foresee getting behind on my payment, where do I start?"

A- Contact your lender or loan servicer directly to inquire about foreclosure prevention options that are available.

Q- "What will I need to provide with the loan application so it is reviewed for a loan modification or workout plan?"

A- This will vary depending on your servicer, but the basic docs for the review process include:

• Hardship Letter - explanation of hardship paying mortgage
• Proof of Income - paystubs
• Bank Statements - all pages of most recent statement
• Tax Returns - all pages with signature
• W2s and/or 1099
• Spending Plan
• Utility bill proving residency - all pages
• 4506T

*Be sure to thoroughly review checklist and included all required documents
Q- "How long does the process take for my loan to be reviewed?"

A- Servicers vary in turn-around-times and the timeline is dependent upon the investor and what type of loan mod program is being provided. Often, borrowers who wish to remain current while seeking a modification find the process to take longer simply because it’s difficult to establish a hardship while the loan is current. Review times range anywhere from 2 weeks to 4 months. It is not uncommon for a borrower to work with their bank for up to 6 months.

Q- "What is the criteria I must meet to qualify for a loan modification?"

A- Qualifications varies and depends on the nature of the HARDSHIP such as reduction in income, divorce, illness, death, job loss, mortgage payment increase, etc.

Q- "Is it common for my bank to keep requesting the same information?"

A- Yes, most servicers require financial info. (bank statements, paystubs) to be updated every 30 days. It is also common for banks to “lose” paperwork. This can be frustrating but it is important to still resubmit all the info requested.

Q- "What are the most common reasons borrowers are declined for a loan modification?"

A- There are several reasons that contribute to a decline of a loan modification. The most common include: missing documentation, insufficient income-failure to establish affordability of mortgage amount, income too high-thus creating a mortgage payment that is already below 31% of gross income for a mortgage payment, unemployment or unstable income, no hardship, or investor refusing to participate in programs that would modify loan.
Q- "I need legal advice, can NHSIE help?"

A- NHSIE Homeownership Advisors are NOT attorneys. We refer customers seeking or needing legal services to HERA (Housing and Economics Rights Advocates) a nonprofit legal agency. For inquiries email inquiries@heraca.org or visit their website www.heraca.org

Q- "I paid an attorney/broker/service to modify my loan...why didn’t that work?"

A- It is important to ask the attorney or service why it didn’t work. You can request a detailed copy of the log on your file that outlines what activity was provided as assistance on your loan. Examine what you paid for, how much time & effort was spent on your case and what was your loan servicer’s response to your application/case.

B- Remember, no attorney, real estate agent or loan originator has any POWER over your bank/investor. Despite what you might hear only the bank/investor that holds your loan has the authority to provide you a loan modification.

C- Only an attorney can charge money up front. If any other entities are requesting upfront cost verify with the DRE (Department of Real Estate) 1-877-373-4542 to determine legitimacy of requested fees.

Q- "I got scammed with my loan modification what do I do?"

A- If you feel or know you were scammed you can visit Scam Alert website http://www.loanscamalert.org/en-us/ or call 1-888-995-4673.

Q- "Does NHSIE provide one-on-one Advising for homeowners seeking modification?"

A- Unfortunately, NHSIE does not provide one-on-one advising for modification. Currently NHSIE offers monthly group workshops for struggling homeowners to learn about the process, how to work with their servicer and how to apply for a modification. Call to find out the next Foreclosure Prevention Workshop 909-884-6891 or visit us online www.nhsie.org