

Don't Lose Your Home to Foreclosure - There is Help Available



It is no secret that a number of our residents and fellow Michiganders are facing some economic challenges that are affecting their ability to maintain their quality of life. More and more individuals and families are finding it increasingly difficult to make their mortgage payments resulting in possible foreclosure. The most unfortunate thing is that many do not realize that they don't have to lose their homes. In many cases, there are programs available designed to assist homeowners in getting back on track.

If you are facing foreclosure, there is help available. The City of Farmington Hills has assembled the following information to assist homeowners in finding the help that they need.

Information on Foreclosures

What is Foreclosure? http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-177816--,00.html

Foreclosure Q & A: <http://www.michigan.gov/mshda/0,1607,7-141-45866-177818--,00.html>

Foreclosure links from Oakland County: http://www.oakgov.com/chi/housing_counsel/index_2.html

Tips to Avoid Foreclosure

1. 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.

2. 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.

3. 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 notices of pending legal action. Failure to open the mail will not be an excuse in foreclosure court.

4. 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 by contacting the Michigan State Housing Development Authority at 517-373-8370.

The contents and any links within this document should in no way be construed as legal advice and does not infer to replace the counsel of an attorney or certified public accountant (CPA).

5. Understand foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found at www.fha.gov/foreclosure/index.cfm.

6. Contact a HUD-approved housing counselor.

The U.S. Department of Housing and Urban Development (HUD) funds free or low-cost 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 if you need this assistance. To find a HUD-approved housing counselor near you, go to www.hud.gov or call (800) 569-4287 or TTY (800) 877-8339.

7. Prioritize your spending.

After healthcare, keeping your house should be your first priority. Review your finances and see where you can cut spending in order to make your mortgage payment. Look for optional expenses that you can eliminate such as cable TV, memberships, or entertainment.

8. Use your assets.

Do you have assets such as a second car, jewelry, or whole life insurance policy 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.

9. Avoid 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 often charge a hefty fee (often two or three month's mortgage payments). Contact your lender or a HUD-approved housing counselor to find out about free help that they can provide.

10. Don't lose your house to foreclosure recovery scams.

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 trusted real estate professional, or a HUD approved housing counselor. (Source: <http://www.hud.gov/foreclosure/>)

How to Keep your Home

The Michigan State Housing Development Authority also provides useful information to homeowners at: http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-177797--,00.html

Looking for Help?

Beware of Scams!

Home lending and foreclosure scams are costing Michigan residents thousands of dollars and often their homes. Those who are particularly vulnerable are senior citizens and those with low incomes or poor credit. Don't allow yourself and your family to fall victim to one of these scams—educate yourself.



Scams come in many forms. State Attorney General Mike Cox has outlined many of these scams designed to strip you of your money and in many cases your home. To find out more go to:

http://www.michigan.gov/ag/0,1607,7-164-17337_17291-134533--,00.html

Be very cautious of any claim that promises to lower your monthly mortgage payment while also promising that in a short time you can own your home free and clear of debt. Further, con artists will seek you out. If you find yourself in foreclosure proceedings and receiving solicitations at your home via telephone, letter, home visits, etc., it is most likely these are attempts by scam artists to take advantage of your situation.

Complaints may be filed with the Attorney General's Office at:

Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909

517-373-1140
Fax: 517-241-3771
Toll Free: 877-765-8388
www.michigan.gov/ag (online complaint form)

Assistance is Available

Oakland County Housing Counseling

Housing Counseling and foreclosure-related links
http://www.oakgov.com/chi/housing_counsel/index.html

Michigan State Housing Development Authority

"Save the Dream"

(http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-177801--,00.html) - Helps connect homeowners with Home Ownership Counselors

MSHDA Home Ownership Counselor Directory

<http://www.mshda.info/counseling/search/index.jsp>
866-946-7432

National Foundation for Credit Counseling

Homeowner Housing and Credit Counseling
<http://www.nfcc.org/>
800-388-2227

U.S. Department of Housing and Urban Development

For further information on foreclosures and to locate a Home Ownership Counselor
<http://www.hud.gov/foreclosure/>

HUD-Approved Housing Counseling Agencies

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=MI>
888-995-HOPE

U.S. Department of Housing and Urban Development

"How to Avoid Foreclosure" Publication

http://www.hudclips.org/sub_nonhud/cgi/pdfforms/pa426h.pdf

Federal Housing Administration

FHASecure - Provides certain sub-prime borrowers refinancing opportunities
1-800-CALL-FHA

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