

# MORTGAGE LENDING UPDATE

By David Griffin

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## HomeFirst Housing Resource Services

HomeFirst Housing Resource Services, 682 Cherry Street, Macon, 478-803-2373, provides the public with the following help at little or no cost: Pre-purchase credit and budgeting counseling, guidance in affordable mortgage products, mortgage delinquency consultation services, pre-qualification analysis, home maintenance education, reverse mortgage counseling for seniors, and homebuyer education workshops. An important focus of HomeFirst, especially in the current economic environment, is to assist current homeowners in continuing to be homeowners.

Here are some foreclosure prevention tips from their website, [homefirstga.org](http://homefirstga.org): "Can't keep up with your mortgage payments? Has your mortgage company called you requesting payment? Are you behind in paying your mortgage? These are some tips to help you keep your home.

1. Don't ignore the problem. Ignoring the problem only makes things worse. The further behind you are, the more difficult it becomes to work with the loan company and the more likely that you could lose your home.
2. As soon as you realize that you have a problem with payments you should contact your lender. Lenders have options available to help borrowers who are in trouble financially. They do not want your home. They want a response from you.
3. Open, read and respond to all mail, especially from your lender! Your initial late payment notices regarding your mortgage will contain good information about foreclosure prevention options. These will be followed by letters which may include data concerning pending legal action. Your failure to open and respond to these letters will not play well in court.
4. Know your mortgage rights and responsibilities. Locate your loan papers. READ THEM! Know what your lender can do if you are not able to make your payments. Read up on the timeframe concerning foreclosure laws in Georgia. If you need assistance contact HomeFirst at (478) 803-2373.
5. Contact a non-profit housing counselor, such as HomeFirst at (478) 803-2373. The U.S. Department of Housing and Urban Development funds FREE or very 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.
6. Prioritize your spending. Your house note should be your first priority. Look over your finances and where you are able to cut expenses in order to make your monthly mortgage payment. Cut unnecessary expenses such as cable TV, club memberships and entertainment. Hold off on credit card and other "unsecured" debt until you have paid your mortgage.
7. Use your assets! Consider selling jewelry, a whole life insurance policy or second car-which you can sell for cash in order to reinstate your loan. Perhaps a member of your household could obtain a second job to provide additional income. These efforts may not significantly increase your income but they will illustrate the sacrifices you are willing to make in order to keep your home.
8. Call friends and family - they may want to help.
9. Avoid foreclosure prevention companies. Be careful! (Why would you call a number off a 'bandit sign' illegally nailed to a telephone pole, anyway?) Many companies will promise to help you with your mortgage problems. As a HUD approved Housing Counseling Agency, our HomeFirst Foreclosure Counseling Services usually adds only a \$15 - \$20 fee for your credit report. While these for-profit companies may be legitimate businesses, they may charge you a hefty fee (often two or three month's mortgage payments) for information and services your lender will provide for free if you contact them. You should not pay hefty fees for foreclosure prevention help. We encourage you to use that money to pay the mortgage instead. HomeFirst Foreclosure Prevention Counseling Services are FREE!
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 deed 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."

*David Griffin has been financing homes in Macon, Warner Robins and all of Middle Georgia since 1983 and is a member of the Mortgage Bankers Association of Georgia, [mbag.org](http://mbag.org). For an archive of past articles visit the Consumer Information section of [mbag.org](http://mbag.org). (8/31/10)*