REAL ESTATE FORECLOSURE PREVENTION

Loss Mitigation Options and Eligibility Requirements

As a homeowner, there may be times when you are unable to make your mortgage payments due to certain unforeseen circumstances, such as loss of employment, disability, health reasons, family matters or as unprecedented times that we live in under the COVID-19 pandemic. It is important to know that under these circumstances, you may lose your home in foreclosure if you are not aware of the options available to you. You must immediately notify your mortgage lender and ask what they can do to help you avoid foreclosure of your home. Below are the options and eligibility requirements.

1. Repayment Plan - A temporary agreement which allows for repayment of the unpaid past-due debt along with continued regular mortgage payments. The unpaid past due debt may include principal, interest, fees, and/or costs incurred by the lender.

Eligibility Requirements for this option require a portion of the unpaid past due debt as a down payment with the remainder of the unpaid debt being spread out over a period of months. You will make the additional payment along with your regular monthly mortgage payment. In order to qualify for this option you must be able to make the required payments as outlined in the repayment plan provided by your mortgage lender.

2. Deferment Plan - A temporary agreement which allows some payments to be suspended until a future date, at which time those payments must be repaid, or arrangements made to repay them over an agreed upon period (usually 3-6 months).

Eligibility Requirements for this option are determined by the ability to pay, the current value of the home and the hardship suffered. This option is only available for mortgage loans where the property is the borrower's primary residence.

3. Loan Reinstatement - If you have the financial ability to bring your loan current, your lender/servicer will accept the funds needed to bring the loan current until the day of your foreclosure sale. In addition to the monthly mortgage payment, late charges and other amounts due on your loan obligation, you may be required to pay all outstanding attorney's fees and costs of collection.

4. Loan Modification - A loan modification allows you the option to repay the loan on newly agreed upon terms, which may include lowering the interest rate, placing amounts past due at the end of the loan, and/or extending the term of the loan.

Eligibility Requirements for a loan modification are determined by the ability to pay (which may require a down payment towards the unpaid past due debt and completion of a trial period plan), the current value of the home and hardship suffered.

<u>If you have explored all of the options above and are still unable to continue making your monthly mortgage payment, here are some additional options to assist you in avoiding foreclosure:</u>

5. Deed-In-Lieu - An option that allows you to voluntarily deed your property to the owner of your mortgage in order to avoid foreclosure. In return, you agree to vacate the property on an agreed upon date leaving the property in “broom swept" condition. You must allow the lender/servicer access to inspect the property (which may include the interior of the home) should such a request be made.

Eligibility Requirements include your inability to pay the debt. Your lender may ask you to complete a financial questionnaire (which may require. a hardship letter). In addition, there can be no other liens or judgments against the property other than your mortgage obligation that is currently in default. In other words, title must be "clear and marketable". In some circumstances, your lender may want you to prove that your taxes, insurance, and utilities are current.

6. Short Sale - This option allows you to avoid foreclosure by selling your property for less than tbe total amount owed on the account (subject to agreement by your servicer/lender). While the Short Sale releases the lien on the property, it does not necessarily absolve the borrower of any remaining debt. For both senior and junior liens, the junior lienholder reserves the right to pursue the deficiency balance on behalf of its client, where state law allows.

In order to be eligible you must no longer be able to maintain the mortgage payments and you must demonstrate that the current property value is below your current indebted ness. The lender may ask you to complete a financial questionnaire (which may require a hardship letter) in order to evaluate your ability to pay the debt. The property must have been listed with a real estate agent. You must also have a buyer willing to purchase the property for the current fair market value. You must provide a Rea Estate Purchase Agreement (with no contingencies), Estimated Settlement Statement and Listing Agreement to the servicer for review. If requested, you must allow the lender/servicer access to appraise/value your property.

7. Settlement - This option allows you to avoid foreclosure by settling the debt for less than the total amount owed on the account (subject to agreement by your servicer/lender), and also resulting in the release of the servicer/lender's lien on your home.

Eligibility Requirements include your inability to pay the debt. You may be required to complete a financial questionnaire (which may require a hardship letter), provide proof of income, a copy of your financials, a payoff letter from any other mortgages on the property, and may need to provide other documents required to establish your eligibility. All settlement agreements are also subject to client approval.

Again, please contact your mortgage servicer/lender immediately you experience financial difficulties and unable to make your mortgage payments to avoid losing your home in foreclosure.