

There may be many reasons why a homeowner is not able to make a mortgage payment. It could be a recent divorce, unemployment, medical debt or maybe you purchased a home using an adjustable rate mortgage and the monthly payment has gone up considerably. But the fact of the matter is, you do not have to fear that dreaded word of foreclosure. There are many alternatives to avoid it. Here are some ways that can help:

This following information can be located on the Federal Housing Authority, US Department of housing and Urban Development's website located at www.hud.gov

HUD RELEASES TIPS FOR AVOIDING FORECLOSURE

Information aimed at helping more homeowners stay in their home

WASHINGTON - Today, the U.S. Department of Housing and Urban Development (HUD) released its top 10 tips for homeowners who are facing foreclosure.

"These guidelines will assist homeowners who are struggling to pay their mortgage and could be threatened with foreclosure," said HUD Secretary Alphonso Jackson. "We want to encourage homeowners to take action and use every resource available so that they can get control of their finances and stay in their home."

If you are unable to make your mortgage payment:

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 notice of pending legal action. Your 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 in your state (as every state is different) by contacting the State Government Housing Office.

5. Understand foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found on the internet at www.fha.gov.

6. Contact a non-profit housing counselor.

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.

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-cable TV, memberships, entertainment-that you can eliminate. Delay payments on credit cards and other "unsecured" debt until you have paid your mortgage.

8. Use your assets.

Do you have assets-a second car, jewelry, a 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.

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 month's mortgage payment) 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.

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 HUD approved housing counselor or trusted real estate professional.

To find out more about HUD-approved housing counseling agencies and their services, please visit www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm or call toll free (800) 569-4287 on weekdays between 9:00 a.m. and 5:00 p.m. Eastern Standard Time (6:00 a.m. to 2:00 p.m. Pacific Time). The same number can give you an automated referral to the three housing counseling agencies located closest to you.

Be cautious. We have all heard the saying if it is too good to be true, it probably is. Keep this in mind if you are having financial problems and someone offers you a quick fix solution. Remember, it may be a scam. You can never be too cautious. Have a professional read over any documents prior to signing them.

There are many legitimate organizations that want and are able to help you. There are also many websites with different information that may pertain to you.

Please note: We do not promote one website over another. The following are listed in alphabetical order.

<https://www.annualcreditreport.com>

www.delaware.gov

www.delawaremoneyschool.com

www.de.us/sos/hr/default.shtml

<http://ftc.gov>

<http://www.hud.gov>

www.state.de.us/attgen

www.state.de.us/bank