

# PROTECT YOUR INVESTMENT

A Guide For At Risk Homeowners



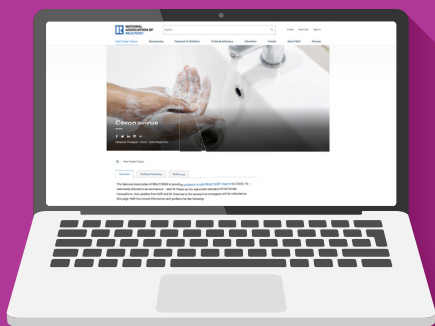
## PROTECT YOUR INVESTMENT

The impact of COVID-19 was swift and unexpected, leaving many people in a financial emergency. If you are a homeowner who is struggling or unable to meet your loan obligations, work with housing experts and your lender to find a solution, now.

**Don't wait until you fall behind to seek help. Acting quickly may help you keep your home and the money you have already invested into it.**

### RESOURCES FOR PROPERTY OWNERS

The National Association of REALTORS® has up-to-date information for property owners about the federal government's response to COVID-19. Visit the Coronavirus Resources for Property Owners section of [www.nar.realtor/coronavirus](http://www.nar.realtor/coronavirus) for details about how federal agencies, lenders, and bank regulators are working to help to homeowners protect their investment.



### TALK TO YOUR LENDER

Talking to the lender or “loan servicer” that collects the payments should be one of your first steps. Here are some options to discuss:

**Forbearance.** Lenders may let you make a partial payment or skip payments. You'll have to repay any missed or reduced payments in the future. Forbearance does not erase what you owe.

**Reinstatement.** Reinstatement refers to making a payment that covers all your late payments, usually at the end of a forbearance period.

**Repayment Plan.** If you can't afford reinstatement, but can start making payments to catch up, the lender may let you pay an additional amount each month until you are caught up.

**Loan Modification.** Your lender may agree to amend your mortgage.

The options include:

- » Adding all the missed payments to the loan amount & increasing the monthly payment to cover the larger loan.
- » Giving you more years to pay off the loan, lowering the interest rate, and/or forgiving part of the loan, to lower your monthly payment.
- » Switching from an adjustable rate mortgage to a fixed rate mortgage, so you aren't exposed to increases in your monthly payment.
- » Requiring amounts for taxes and insurance to be included with your monthly mortgage payment so you avoid big bills in addition to your mortgage.



## WATCH OUT FOR SCAMS AND UNFAVORABLE LOAN TERMS

*Here are some warning signs:*

**Sounds too easy.** “Guaranteed approval” or “no income verification” regardless of borrower’s current employment, credit history, and assets.

**Large future costs.** High-risk adjustable rate mortgages where the payment rises a lot after the “teaser rate” period is seldom appropriate for families who already have had problems repaying other loans.

**Barriers to refinancing.** Prepayment penalties that make it hard for a borrower to refinance in order to pay off a high-cost loan by taking advantage of a low-cost loan.

**No down payment loans.** These loans may be split into two mortgages, with one having a much higher cost. Home buyers should be sure they can afford the payments.

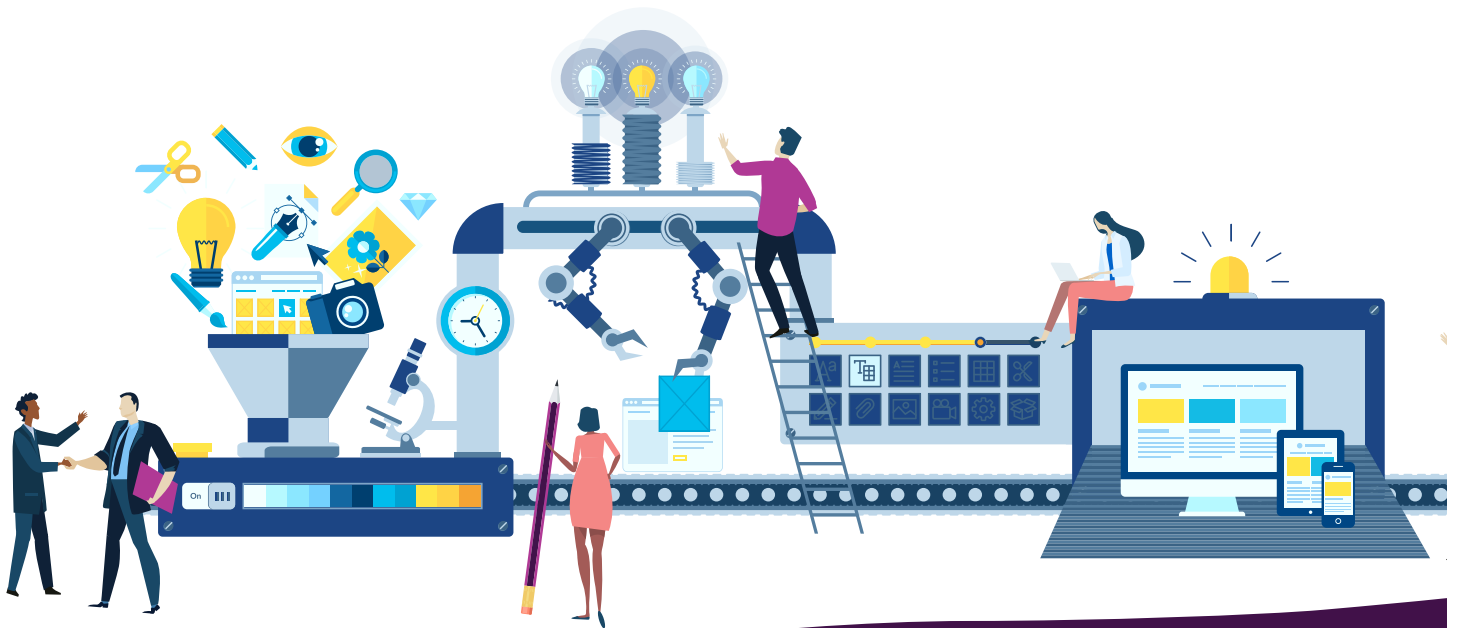
**Unethical document management.** Ethical lenders and brokers never ask you to sign a blank document or a document dated before the date you sign.

### REALTORS® CAN HELP

REALTORS® are in the business of helping people become homeowners and want to do everything they can to make sure you can afford to stay in your home.

- » If your current lender isn’t willing or able to help, you may be able to refinance your current mortgage with another lender. REALTORS® may be able to help you find responsible lenders that make fair and affordable loans.
- » Be wary of advertisements like “Cash for Houses/Any Situation” or “We Buy Houses for Cash.” These may be scams that bait homeowners with the promise of rescuing them from imminent foreclosure. Talk with a REALTOR® if you determine that selling your home is your best option.





## COUNSELING RESOURCES

Counseling agencies are in the business of helping borrowers like you. They are non-profit organizations dedicated to helping consumers avoid foreclosure and can be invaluable.

- » The U.S. Department of Housing and Urban Development (HUD) website has a list of HUD-approved counseling organizations, by state ([www.hud.gov/counseling](http://www.hud.gov/counseling)). Use the list as a starting point to find a counselor or call HUD at (800) 569-4287.
- » Watch out for questionable companies who advertise that, for a minimal fee, they will assist homeowners by hiring a lawyer to defend the foreclosure in court or negotiate lender assistance on the borrowers' behalf. You should contact a HUD-approved counseling organization before you pay or sign anything.

Source: Are You Having Problems Paying Your Mortgage? National Association of REALTORS®, NeighborWorks® America, Center for Responsible Lending