

HOMEOWNER RESOURCE GUIDE

We're facing challenging times in our communities. To help support individuals and families impacted by COVID-19, Next Step has put together a resource guide with helpful links and information if you are having difficulty making your home loan or other monthly payments to your lender. The resources and information collected here are meant to serve as guidance, and are not a replacement for financial assistance or legal advice.

IMPORTANT THINGS TO KNOW:

1. Find out who services your loan (to whom you make your payment)
2. Determine if your loan is federally backed. To be eligible for the CARES Act, your loan must be backed by one of the federally agencies or entities (CTRL+click the links for more information from each agency):
 - [U.S. Department of Housing and Urban Development \(HUD\)](#)
 - [U.S. Department of Agriculture](#)
 - » [USDA Direct](#)
 - » [USDA Guaranteed](#)
 - [Federal Housing Administration \(FHA\) \(includes reverse mortgages\)](#)
 - [U.S. Department of Veterans Affairs \(VA\)](#)
 - [Fannie Mae](#)
 - » [Fannie Mae approach to COVID-19](#)
 - [Freddie Mac](#)
3. Contact your servicer (to whom you make your payment).
4. Reach out to a certified housing counselor who can help guide you through the process.

HOW TO TALK WITH YOUR LENDER/SERVICER:

1. Be prepared to ASK QUESTIONS:
 - a. What options are available to help or temporarily to suspend or reduce payments?
 - b. Is there forbearance, loan modification or another option?
2. Be prepared to EXPLAIN:
 - a. Why you are unable to make your payment.
 - b. Is the problem temporary or permanent?
 - c. Details about your income, expenses, and assets.

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LOAN TERMS TO UNDERSTAND:

Mortgage Forbearance: Allows you to temporarily suspend or reduce your mortgage payments for limited time. Forbearance does not forgive what you owe. You will have to repay any missed or reduced payments in the future. There are different options available based on your loan. Contact your servicer as soon as you can resume making regular payments. For more information about forbearance, visit the Consumer Financial Protection Bureau (<https://www.consumerfinance.gov/ask-cfpb/what-is-forbearance-en-289/>). The Consumer Financial Protection Bureau is a U.S. government agency that empowers you to take more control over your economic life and enforces federal consumer financial law.

Mortgage Loan Modification: A loan modification is a change in your loan terms and is a type of loss mitigation. A modification can reduce your payments to an amount that you can afford by extending the term or number of years you must pay the loan. A modification may also include a change in the interest rate. To learn more about modifications visit the Consumer Financial Protection Bureau at (<https://www.consumerfinance.gov/ask-cfpb/what-is-a-mortgage-loan-modification-en-269/>).

Foreclosure: The legal process by which a lender takes control of a property, evicts the homeowner and sells the home after a homeowner is unable to make full principal and interest payments on his or her mortgage, as stipulated in the mortgage contract. The CFPB provides a checklist on how to avoid foreclosure at (https://files.consumerfinance.gov/f/documents/cfpb_adult-fin-ed_how-to-avoid-foreclosure.pdf) and HUD provides information on avoiding foreclosure at (https://www.hud.gov/topics/avoiding_foreclosure). If your lender won't work with you, submit a complaint at (<https://www.consumerfinance.gov/complaint/>).

Servicer: Your loan servicer is the company that sends you your monthly statements. Your servicer also handles the day-to-day tasks of managing your loan. Your loan servicer typically processes your loan payments, responds to borrower inquiries, keeps track of principal and interest paid, and manages your escrow account (if you have one). The loan servicer may initiate foreclosure under certain circumstances. Your servicer may or may not be the same company that originally gave you your loan.

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Escrow: An escrow account is set up by your lender to pay certain property-related expenses, such as property taxes and homeowner's insurance. A portion of your monthly payment goes into an account. If your loan doesn't have an escrow account, you pay the property-related expense directly.

WHAT HAPPENS IF I DEFAULT ON MY MANUFACTURED HOME LOAN?

Course of action will depend upon how the home is classified. Classifications are defined below:

Real Property: Real property is a broader term and includes the land itself and any buildings and other improvements attached to the land. It also encompasses the rights of use and enjoyment of certain land, as well as any of its improvements.

Personal Property: Personal property is a class of property that can include any asset other than real estate. The distinguishing factor between personal property and real estate, or real property, is that personal property is movable; that is, it is not fixed permanently to one particular location. Generally, if the home is considered personal property, the creditor can repossess it.

Replevin: A judicial process similar to foreclosure in that a creditor files a lawsuit in court and asks the court to grant an order for repossession.

Repossession: The action of retaking possession of something when a buyer defaults on payments.

Self-Help Repossession: A creditor takes repossession without the use of judicial process, much like a repo agent comes and takes a car away. This process is available in most states, but not practical for manufactured homes.

Foreclosure of Manufactured Homes: If a manufactured home is part of real property, the home is treated as real estate and the lender must use state-specific foreclosure procedures.

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HUD TIPS FOR AVOIDING FORECLOSURE:

Are you having trouble keeping up with your mortgage payments? Have you received a notice from your lender asking you to contact them?

- Do not ignore letters or correspondence from your lender.
- Contact your lender immediately.
- [Contact a HUD-certified housing counselor.](#)
 - » Toll-Free (800) 569-4287
 - » TTY (800) 877-8339

If you are unable to make your mortgage payment:

- 1. Do not 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. 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 cannot 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 online](#).
- 6. Contact a HUD-approved housing counselor.** The U.S. Department of Housing and Urban Development (HUD) 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. [Find a HUD-approved housing counselor near you](#) 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--cable or satellite TV, memberships, entertainment--that you

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can eliminate. Delay payments or pay only the minimum 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 do not 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 do not 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 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 free if you contact them.

10. Do not lose your house to foreclosure recovery scams! If any firm claims they can stop your foreclosure immediately and 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](#).

EMERGENCY FINANCIAL ASSISTANCE:

Dial 211: 211 is a universal number (similar to 911 and 311) for community information and referral services. It is intended to connect individuals and families in need and the appropriate community-based organizations and government agencies. Active 211 systems are in all or part of every state.

LEGAL ASSISTANCE:

List of Legal Aid Providers by State –

<https://www.lsc.gov/grants-grantee-resources/our-grantees>

COVID-19 Relief Options –

<https://www.knowyouroptions.com/covid19assistance>

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LINKS TO SPECIFIC LENDER FORECLOSURE PREVENTION SITES:

- Vanderbilt Mortgage Finance: https://www.vmf.com/home/foreclosure_prevention
- 21st Mortgage Corporation:
<https://www.21stmortgage.com/web/21stSite.nsf/borrower-services.html>
 - » Suggestions for selling your home from 21st Mortgage Corporation:
https://www.21stmortgage.com/web/21stSite.nsf/files/Sales_Kit.pdf
- Cascade Loans: <https://www.cascadeloans.com/corona-virus-update/> and <https://www.cascadeloans.com/borrower-assistance-loss-mitigation/>
- Country Place Mortgage: If you have been directly affected by COVID-19, please call us at 1-800-228-1828, then select option 2, and one of their Homeowner Assistants will be able to help you.
- Triad Financial Services: <https://www.triadfs.com/loan-servicing-notice>
- [Fannie Mae: Relief for Borrowers Impacted by COVID-19](#)
- Freddie Mac: Homeowners with Freddie Mac-owned mortgages who are directly or indirectly impacted by COVID-19 are able to stay in their homes during this challenging time. This includes offering the following mortgage relief options for those who are unable to make their mortgage payments due to a decline in income:
 - Providing mortgage forbearance for up to 12 months
 - Waiving assessments of penalties and late fees
 - Halting all foreclosure actions and evictions of borrowers living in Freddie Mac-owned homes until at least May 17, 2020
 - Offering loan modification options that lower payments or keep payments the same after the forbearance period
 - Visit their consumer page on [My Home by Freddie Mac](#)[®] to learn more about mortgage relief options to help homeowners

As a follow up, we wanted to call your attention to numerous COVID-19 resources that may be helpful:

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RESOURCES FOR HOMEOWNERS AND RENTERS:

- [#HelpStartsHere Interactive Digital Guide for Homeowners](#)
- [My Home by Freddie Mac](#)[®] – information and resources for renters, homebuyers and existing homeowners; inclusive of what to do if mortgage payments can't be made.
 - » [Help for Homeowners](#)
 - » [Help for Renters](#)
- [Loan Look Up Tool](#)
- [Multifamily Renter Property Search](#)
- [Lump Sum Repayment Not Required in Forbearance Announcement](#)
- [Freddie Mac Borrower Help Centers](#) – HUD approved counseling agencies with local and national footprint to enable consumers in all stages of homeownership.
- [How to Avoid "Spoofing" Fraud](#)
- [How to Avoid "Foreclosure Rescue" Fraud](#)
- [CreditSmart](#)[®] – a free, multilingual financial education curriculum designed to help consumers build and maintain better credit and make sound financial decisions; inclusive of preserving homeownership and alternatives to foreclosure.

CFPB, FHFA, & HUD Launch Joint Mortgage and Housing Assistance Website for Americans Impacted by COVID-19

To ensure homeowners and renters have the most up to date and accurate housing assistance information during the COVID-19 national emergency, the Consumer Financial Protection Bureau (CFPB), Federal Housing Finance Agency (FHFA), and the Department of Housing and Urban Development (HUD) launched the new mortgage and housing assistance website, cfpb.gov/housing.

FHFA and HUD are offering extensive CARES Act assistance and protection for Americans having trouble paying their mortgage or rent during the COVID-19 national health emergency. This joint website consolidates the CARES Act mortgage relief, protections for renters, resources for additional help, and information on how to avoid COVID-19 related scams. It also provides lookup tools for homeowners to determine if their mortgage is federally backed, and for renters to find out if their rental unit is financed by FHA, Fannie Mae, or Freddie Mac.

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MORE HELP FROM TRUSTED RESOURCES

U.S. Department of Housing and Urban Development (HUD)

- [Avoiding foreclosure](#)
- [HUD-approved housing counseling agencies](#)

Fannie Mae

- [Know your options](#)

Federal Deposit Insurance Corporation (FDIC)

- [Consumer resources for foreclosure prevention](#)

Federal Trade Commission (FTC)

- [Mortgage payments sending you reeling? Here's what to do.](#)

NeighborWorks America

- [How to Avoid Foreclosure and Protect Home Equity](#)
- [10 Tips to Avoid Foreclosure](#)

Consumer Financial Protection Bureau

- [Consumer Relief Guide – Your Rights to Mortgage Payment Forbearance and Foreclosure Protection Under the Federal CARES Act](#)