

Options that may be available to borrowers who are unable to afford their mortgage payments and who wish to avoid foreclosure, and instructions to borrowers advising them on steps to take to explore those options...

- If your loan has not matured, you may bring your loan current if you have the ability to do so.
- 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.^{1[1]}
- You may find other alternatives on the HUD website at <http://www.hud.gov/foreclosure/> including articles on “Tips for Avoiding Foreclosure”.
- [Refinance] Depending on your financial situation, you may be able to refinance your loan with your lender or with another lender. At this time, there is no guaranty that you will qualify for a refinance, so you should consider all of your options even if you decide to try to refinance.
- [Pre-foreclosure sale of property] If you cannot refinance your property, you may be able to sell it before it is foreclosed. However, time is important so you may want to investigate this option and other options right away.
- Depending on your financial situation, and subject to the lender’s policies and agreement, you may be able to arrange for the following in order to avoid or delay the foreclosure of your property:

A **forbearance agreement or workout agreement** where the lender and the borrower agree, in writing, that the lender will defer foreclosing so long as the borrower does certain things including, but not limited to, making agreed upon post-default payments;

If you have not been able to sell your property and have no junior liens, your lender may accept a **deed-in-lieu of foreclosure** in satisfaction of the amount of your loan.

Where the current fair market value of your property is less than the amount you owe on your loan, the lender may agree to a short sale allowing your property to be sold for less than the amount of the loan balance.

A **loan modification** – where the lender and borrower agree, in writing, to modify the terms of your loan.

A list of financial documents borrowers should collect and be prepared to present to the mortgagee, beneficiary, or authorized agent when discussing options for avoiding foreclosure...

- Mortgage or Loan Statements from all Senior or Junior Mortgages.
 - Latest payment notification.
 - Letters from the loan servicer.
 - Personal information list including names of qualified borrowers, property and residence addresses, social security numbers, contact phone numbers, employers with addresses and phone numbers.
 - Pay Stubs from all qualified borrowers for two months.
 - Bank Statements from all qualified borrowers for two months.
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