



# Keeping Your Home:

A Guide to Foreclosure Prevention and Assistance in Prince George's County, MD



# The Prince George's COMMUNITY FOUNDATION

*where giving and opportunity meet*

Dear Friends,

The Prince George's Community Foundation and its partners are pleased to share this copy of *Keeping Your Home: A Guide to Foreclosure Prevention and Assistance in Prince George's County, MD*, a comprehensive, easy-to-read publication that consolidates public and private foreclosure resources.

The Center for Responsible Lending, a national, nonprofit research organization, estimates that the State of Maryland will experience more than 49,000 new foreclosures in 2009 alone, and that approximately 164,000 homes will be subject to foreclosure over the next four years. This crisis has been fed by the recent upswing in years of "exotic" mortgage products – especially the ARM (Adjustable Rate Mortgage) – as well as predatory lending practices, mortgage fraud, and subprime lending.

Prince George's County has been a "hot spot" of foreclosure activity in Maryland. Accounting for more than one-third of all Maryland foreclosures, it has the largest foreclosure activity in the state. In the fourth quarter of 2008 alone, Prince George's County experienced 3,621 foreclosure events. And, in the same period, the County led the state in default notices (34.1%), foreclosure sales (46%), and lender purchases of foreclosed properties (37.3%).<sup>1</sup> In fact, of the 30 communities identified as severe foreclosure hot spots, 25 are located in Prince George's County.

There is a clear need for action to help stem the tide of foreclosures in Prince George's County. Unfortunately, homeowners often are unaware of the resources available to keep them in their homes. With the goal of connecting homeowners to these important resources, *Keeping Your Home* provides important contact information for housing counseling agencies, emergency service organizations, legal service providers, and much more. We hope that this publication will demystify the foreclosure process and help families take the first step toward recovery. We encourage your feedback and suggestions for future editions of this guide. And we look forward to working with you to protect families and preserve neighborhoods in Prince George's County.

Sincerely,

Artis Hampshire-Cowan  
President

Desiree Griffin-Moore  
Executive Director

<sup>1</sup> Source: Maryland Department of Housing and Community Development, Property Foreclosures in Maryland Fourth Quarter 2008. January 2009 (citing RealtyTrac).

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# Acknowledgements

This publication has benefited immensely from the assistance and guidance of a diverse group of experts. These talented individuals generously gave of their time, talent and insight, contributing content as well as advice throughout the writing process. It is not possible to thank everyone, but The Prince George's Community Foundation is deeply grateful to the following advisors and contributors:

Jerry Adams, Executive Director, Human Services Coalition of Prince George's County; Donna Badgett Hurley, Housing Options & Planning Enterprises, Inc.; Keisha L. Brooks, Emerging Leaders Program, U.S. Department of Housing and Urban Development; Lisa Butler McDougal, Executive Director, Sowing Empowerment and Economic Development, Inc.; John Crew, Jr., Community Outreach Liaison, Maryland Department of Housing and Community Development; The Hon. Herman C. Dawson, Associate Circuit Court Judge, Circuit Court of Prince George's County; Manuel Geraldo, Esq., Advisory Board Member, The Prince George's Community Foundation and Chair, the Prince George's Pro Bono Committee; Sharon E. Goldsmith, Esq., Executive Director, and Jennifer A. Larrabee, Esq., Program Manager, Foreclosure Prevention Pro Bono Project, Pro Bono Resource Center of Maryland; Mosi Harrington, Executive Director, Housing Initiative Partnership, Inc.; Lisa R. Evans, Deputy Director, and Anne Balcer Norton, Esq., Director of Foreclosure Prevention, St. Ambrose Housing Aid Center; Aracely Panameño, Director of Latino Affairs, Center for Responsible Lending; Jo Ann Ramseur, Integrity Church International; April N. Richardson, Esq., Assistant State's Attorney, and Albert Reed, Special Assistant, Prince George's County State's Attorney's Office, Economic Crimes Unit, Mortgage Foreclosure Fraud Division; Robert J. Strupp, Director of Research and Policy, Community Law Center; and Cynthia Whitmire, Deputy Director, Roots of Mankind Corp.

*Keeping Your Home: A Guide to Foreclosure Prevention and Assistance in Prince George's County, MD*, is supported by a grant from the Fannie Mae. This publication is an outgrowth of "Under a Shadow: Dealing with the Threat of Foreclosure," a workshop organized by the Coalition for Homeownership Preservation in Prince George's County.

## **Coalition for Homeownership Preservation in Prince George's County**

Associated Black Charities  
Association of African American Financial Advisors  
Association of Community Organizations for Reform Now  
Center for Responsible Lending  
Civil Justice, Inc.  
Collective Banking Group  
Community Law Center  
Community Legal Services  
Fannie Mae  
Freddie Mac  
Home Free USA  
Housing Initiative Partnership, Inc.  
Housing Options & Planning Enterprises, Inc.  
Howard University School of Law Fair Housing Clinic Law Program  
Kairos Development Corp., Inc.  
Keller Williams Realty/HOPE  
Legal Aid Bureau  
Literacy Institute for Financial Enrichment, Inc.  
M&T Bank  
Maryland Association of Realtors  
Maryland DHCD  
Maryland DLLR Division of Financial Regulation  
Maryland Housing Counselors Network  
Maryland Office of Attorney Gen. Consumer Protection Division  
National Community Reinvestment Coalition  
NeighborWorks America  
The Office of Congressman Steny H. Hoyer  
Prince George's County Association of Realtors  
Prince George's County, Maryland DHCD  
Provident Bank  
Reid Temple  
Residential Mortgage Corp.  
Roots of Mankind Corp  
Sowing Empowerment and Economic Development, Inc  
U.S. Department of Housing and Urban Development, DC Field Office  
University of Maryland Cooperative Extension

# Quick Contacts for Foreclosure Prevention and Assistance

## **Foreclosure Assistance Maryland Homeowners Preserving Equity Hotline (MD HOPE)**

(877) 462-7555  
[www.mdhope.org](http://www.mdhope.org)

## **Homeowner's HOPE™** (888) 995-HOPE

## **ACORN Stop Foreclosure Hotline** (866) 67-ACORN

## **Veteran's Administration Hotline** (877) 827-3702

## **CASA de Maryland, Inc.** (301) 431-4185

## **Emergency Assistance National Capital Region 2-1-1** Dial 2-1-1 or (800) 492-0618 [www.211metrodc.org](http://www.211metrodc.org)

## **Prince George's County Department of Social Services** (301) 209-5000 or (301) 909-6300

## **Energy and Food Programs** (301) 909-6343

## **Eviction Prevention** (301) 909-6362

## **Maryland Energy Assistance Program** (800) 352-1446 or (301) 909-6300

## **Prince George's County Homeless Hotline** (888) 731-0999 or (301) 864-7130 [www.communitycrisis.org](http://www.communitycrisis.org)

## **Catholic Charities** (301) 568-9529

## **Laurel Advocacy and Referral Services** (301) 776-0442

## **Spanish-Speaking Community of Maryland** (301) 587-7217

## **Legal Assistance Community Legal Services of Prince George's County, Inc.** (301) 864-8353 or (301) 864-8186, ext. 16 [www.clspgc.org](http://www.clspgc.org)

## **Civil Justice, Inc.** Call MD HOPE Hotline (877) 462-7555 for lawyer referral [www.civiljusticenetwork.org](http://www.civiljusticenetwork.org)

## **Pro Bono Resource Center of Maryland/ Foreclosure Prevention Pro Bono Project** Call MD HOPE Hotline (877) 462-7555 for lawyer referral [www.probonomd.org](http://www.probonomd.org)

## **To Report Mortgage Fraud Prince George's County State's Attorney, Economic Crimes Unit** (301) 952-3500

## **Maryland Attorney General's Office, Consumer Protection Division** (410) 576-6550 [www.oag.state.md.us](http://www.oag.state.md.us)

## **Maryland Department of Labor, Licensing and Regulation** (888) 784-0136 [www.dllr.state.md.us](http://www.dllr.state.md.us)

# Part One: Getting Help Early

## What Is Foreclosure?

Foreclosure occurs when property is sold to satisfy an unpaid debt. The debt is usually a home mortgage, but also could be taxes, mechanics' liens, condominium fees or home repairs. Foreclosure rates are especially high in Prince George's County, MD.

No matter where you are in the process, there are a few steps you will have to take.

## 1. Understand Your Loan

- What **type of loan** do you have? FHA? VA? Conventional? Fannie Mae/Freddie Mac Product? Your options are different depending on the type of loan that you have.
- What is the **term** of your loan -- 15 years? 20 years? 30 years? 40 years? Is it a "balloon" loan?
- What is the **interest rate**? Is it fixed or variable? Is it interest-only? Can you choose the amount of the payment?
- What is your **current loan balance**?

## Maryland Foreclosure Timeline

Times given in this chart are minimums. How quickly the process occurs depends on the lender and its attorney.

### Day 1

Mortgage payment due (per most loan documents, late fees/penalties are not assessed until a payment is not received 15 days after due)

### Day 2

Mortgage in default

### Day 45

Lender can mail Notice of Intent to Foreclose to Borrower at any time at least 45 days prior to filing action to foreclose (but cannot foreclose until 45 days after Borrower is personally served)

### Day 91

Lender files Order to Docket in Circuit Court  
Lender must personally serve Borrower with Order to Docket or after 2 unsuccessful good faith attempts, may post Notice on the property  
Advertisement for the auction sale may begin and must run in the newspaper once a week for at least three weeks in a row before sale date.

### Day 136

This day is the earliest the house can be sold at an auction. The Court is notified of the sale of the property. The Court orders a date by which exceptions to the sale must be filed.

### Day 166

The sale is ratified and title transferred to the Purchaser. The Court is notified and its auditor reviews the notice. If no exceptions are filed, the Court issues a final order of ratification. The Purchaser may file in the Court for possession of the property. The Borrower (former owner) has 15 days to respond.

### Day 182

Court grants possession of the property to the new owner and allows the eviction of the Borrower (former owner.)

### Day 212

Eviction occurs, if the Borrower (former owner) is still in the house.

### Up to 3 years from sale date

If the auction sale price does not cover the outstanding balance due on the loan, plus all fees and costs of the foreclosure and sale, the Lender has up to three years to file for a deficiency judgment against the Borrower (former owner.)

Source: Legal Services Foreclosure Prevention Division, St. Ambrose Housing Aid Center, Inc.

- How much **equity** have you built up?
- What is your **monthly payment**?
- Do you have a **prepayment penalty** on your loan? If so, how much and for what period of time?
- How many months are you in **arrears**? In other words, how much does the lender say you owe now including principal, interest, late fees and associated legal fees, if any?

You will need all of the above information for each lien or second or third mortgage. You can find this information on your mortgage statement(s), in the closing papers from your settlement, and also in your “Truth in Lending” statement. Notices and other letters from your lender may also include this information.

## 2. Understand Your Budget

### Sources of income

Can anyone in your household work more hours for additional income? Can you take a second job? Do you have any assets that you can sell? Can you rent out a room or share your home?

### Monthly debt

Know the account balances and monthly payments on all of your debts and obligations, such as student loans, car loans, credit cards, property taxes, condominium/homeowners association fees, alimony, and child support.

### Spending priorities

Cut variable expenses such as entertainment, clothing, and memberships. Even if your lender refuses a partial payment, do not spend it on non-essential debt.

You can find most of this information in your most recent tax returns and bank statements. You also can get a listing of your debts from a credit report. Visit <http://www.ftc.gov/freereports> for information on how to get a free credit report.

## Are you (or someone you know) having trouble making mortgage payments?

The truth is, no one wants to lose his or her home to foreclosure. But losing your home is a very real possibility if you become delinquent in your loan repayment. If you are facing foreclosure – act now. Reading this guide is an excellent start – but use the information to understand and take charge of your situation.

If you have not missed a payment or are less than 30 days past due, you may still be current. At this stage, you have many options.

### Get help

Contact your local housing counselor (see pp. 7-8) or attend the Coalition for Homeownership Preservation’s ongoing workshop, “Under a Shadow: Dealing with the Threat of Foreclosure.” For more information, call the Prince George’s County Homeownership Center at (301) 458-9808.

### Read up on the subject

Visit your local public library for books on preventing foreclosures. Try *American Foreclosure: Everything U Need To Know About Preventing & Buying*, by Trevor Rhodes; *Foreclosure Self-Defense For Dummies*, by Ralph R. Roberts; or *Fight Foreclosure!: How To Cope With a Mortgage You Can’t Pay, Negotiate with Your Bank, and Save Your Home*, by David M. Petrovich.

### Negotiate

Contact your loan servicer or lender (see p. 12).

### Check into refinancing

You may be eligible for programs such as the Make Home Affordable Refinancing Plan or Maryland’s Lifeline and Homesaver programs (see p. 21).

### Check into additional assistance

There are programs to help with food, utilities, and medicine (see p. 19) that may help you be able to pay the mortgage in the short-term.

## Tip

For information on how to stop collection calls, try the Federal Trade Commission’s Debt Collection FAQs: A Guide for Consumers, available at [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre18.pdf](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre18.pdf), or the National Consumer Law Center’s Dealing with Debt Collection Harassment, available at [www.consumerlaw.org/issues/seniors\\_initiative/content/brochure\\_debt\\_collection.pdf](http://www.consumerlaw.org/issues/seniors_initiative/content/brochure_debt_collection.pdf)

## Chances for Saving Your Home

**You probably have a better chance of saving your house if these things are true:**

- Your payment record and credit have been excellent up until now, meaning no prior history of late or missing payments.
- You are getting on top of the problem early. You are only a month or so behind, but have not been 90 days late yet.
- There was a temporary problem, but now you are on track again and can make the payments in the future on a regular basis. For example, you were behind because you were sick and now you are well. You were laid off, but now you are working again.
- You have a high interest mortgage (or other unfavorable terms) and no prepayment penalty on your existing mortgage. You might be able to replace a bad mortgage with a better one by refinancing.
- You were the victim of predatory lending or mortgage fraud.

**These things may work against you:**

- This has happened before. You have a previous foreclosure.
- You have had repeated late payments. You are more than three months (90 days) past due.
- The foreclosure date is already scheduled. You have received a Notice of Foreclosure Sale.
- You have had a permanent setback that changes your ability to pay the mortgage in the long-term.
- You have an upside down loan.
- Your credit is poor.

(Source: "Under a Shadow: Dealing with the Threat of Foreclosure" by the Coalition for Homeownership Preservation.)

## Scam Alert: Beware of Foreclosure Rescue Scams!

Some scam artists calling themselves "mortgage consultants" or "foreclosure services" advertise that they can guarantee to save your home. These are some signs of a foreclosure scam:

- Requires an upfront fee before providing any services
- Asks you to pay a mortgage payment directly to them
- Asks you to transfer your property deed or title to them
- Advertises through cold calls, road signs, flyers or door-to-door solicitations

## What is a housing counselor and why should I call one?

Maryland's HUD-approved housing counselors can help you better understand your mortgage documents and options for reducing your mortgage burden. They also can help you in the following ways:

- Encouraging the lender to make a deal to help you catch up -- the counselor may already have a relationship with your lender
- Helping you budget and reign in your spending where possible
- Helping to keep you from making missteps
- Helping you understand your options
- Making recommendations to the lender

**Note:** If you currently are in bankruptcy, you need to work with an attorney; a housing counselor cannot work with you. See Legal Service Providers on p. 13.

In addition to the help they can give you, most housing counseling agencies do not charge for their services. Be sure that the agency is HUD-approved and/or your counselor is a certified housing counselor and has passed a certification test.

## What should I bring?

Come to your housing counseling appointment prepared. You need to bring the following items:

- A hardship letter that explains your situation (Many lender websites have a form letter.)
- A copy of your mortgage statement or coupon book
- A copy of documents showing all household income (last 2-3 pay stubs, SSI award letter)
- A copy of your settlement paperwork (HUD-1, Truth In Lending Statements, Deed)
- A copy of your last two years' tax returns (2007, 2008)
- A copy of any letters, notices or invoices from your lender, mortgage company, or its attorney
- Copies of any documentation from the court or the sheriff regarding foreclosure
- A copy of your last two months' bank statements



# HUD-Approved Housing Counseling Agencies

**In Prince George's County:** Contact the agency closest to your home for an appointment.

## **ACORN**

3600 East-West Highway, Suite 202  
Hyattsville, MD 20782  
www.acorn.org  
(301) 699-8000

## **Greater Washington Urban League**

5012 Rhode Island Avenue, Suite 103  
Hyattsville, MD 20781  
www.gwul.org  
(301) 985-3550

## **Housing Initiative Partnership Services Inc.**

6526 Belcrest Rd., Suite 555  
Hyattsville, MD 20782  
www.hiphomes.org  
(301) 699-6262

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase
- Loan Modification/Refinancing

## **HomeFree-USA**

3401-A East-West Highway  
Hyattsville, MD 20782  
www.homefreeusa.org  
(301) 891-8400

## **Housing Options & Planning Enterprises, Inc.**

6192 Oxon Hill Rd., Suite 405  
Oxon Hill, MD 20745  
www.hopefinancial.org  
(301) 567-3330

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase
- Loan Modification/Refinancing

## **Kairos Development Corporation**

5601 Old Branch Avenue  
Camp Springs, MD 20748  
www.kairosgroups.org  
(301) 899-1180

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase

## **Omega Gold Development Group**

3000 Victory Lane  
Suitland, Maryland 20752  
www.omegagolddevelopmentgroup.com

## **Prince George's County Homeownership Center**

9400 Peppercorn Place, Suite 120  
Largo, MD 20774  
(301) 883-5570

## **Roots of Mankind Corporation**

4273 Branch Avenue, Suite 205  
Temple Hills, MD 20748  
www.romkind.org  
(301) 899-6800

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase
- Loan Modification/ Refinancing
- Relocation Assistance
- Financial Literacy
- HECM Counseling
- Legal and Financial Services

## **Sowing Empowerment & Economic Development, Inc.**

6201 Riverdale Road, Suite 200  
Riverdale, MD 20737  
www.seedinc.org  
(301) 458-9808

- Foreclosure/Credit/Default Counseling
- Loan Modification/ Refinancing
- Non-Delinquency Post-Purchase
- Financial Literacy

## **United Communities Against Poverty, Inc.**

P.O. Box 31356  
1400 Doewood Lane  
Capitol Heights, MD 20743  
www.ucappgc.org  
(301) 322-5700

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase
- Loan Modification/ Refinancing
- Financial Literacy

## **Unity Economic Development Corporation**

3231 Brinkley Road  
Temple Hills, MD 20748  
www.unityedc.org  
(301) 505-0331

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase

# Other Housing Counseling Agencies

The following organizations also serve Prince George's County residents.

## **Housing Counseling Services**

2410 17th St. NW, Suite 100

Washington, DC 20009

[www.housingetc.org](http://www.housingetc.org)

(202) 667-7006

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase Loan Modification/Refinancing
- Relocation Assistance
- Emergency Financial Assistance
- HIV/AIDS Housing Services

## **Marshall Heights Community Development Organization**

3939 Benning Road NE

Washington, DC 20019

[www.mhcdo.org](http://www.mhcdo.org)

(202) 396-1201 ext. 132

- Foreclosure/Credit/Default Counseling
- Non-Delinquency Post-Purchase
- Loan Modification/Refinancing

## **Neighborhood Assistance Corporation of America**

1716 14th Street NW

Washington, DC 20009

[www.naca.com](http://www.naca.com)

(202) 328-6333

- Loan Modification/Refinancing

## **NeighborWorks America**

Mid-Atlantic District Office

400 E. Pratt Street, Suite 606

Baltimore, MD 21202

[www.nw.org](http://www.nw.org)

(410) 962-3181

- Loan Modification/Refinancing

# Part Two: Working With Your Lender

When you bought your home, you made a deal with the lender. By falling behind on the mortgage payments – even though you may feel you have a good reason and it wasn't your fault – you have violated the terms of that deal. You also can lose your home if you are behind on a second mortgage or home equity loan; or if you are behind on your condominium fees; or if you have not paid your property taxes. If you miss one payment, you will receive a deficiency notice from your lender. Thirty (30) days after you miss one payment, the lender may send you a Notice of Default. The Notice of Default will tell you how much is due and that foreclosure proceedings will begin if that amount is not paid. If you miss two mortgage payments, you are considered seriously delinquent.

## Why should I contact my lender?

**The good news:** it's in your lender's best interest to keep you in your home. In fact, lenders lose an average of \$60,000 per foreclosure, so they have an incentive to work with you. What's more, studies show that most foreclosures could have been prevented if homeowners had contacted their lender prior to entering the foreclosure process.

If you cannot get an appointment with a housing counselor, you may want to contact the lender yourself. First, though, learn about the approaches lenders use to help borrowers. Open and respond promptly to all mail from your lender or their agents – delays will reduce the options lenders may make available to you. Remember, curing the default is the easiest solution. If you can scrape together the funds to bring everything up to date, do it. To help you get current, the lender might negotiate-down some of the fees for you.

The notices and letters sent from your lender should include contact information. If not, consult the Home Learning Center, which provides an updated list of lender/servicer foreclosure prevention contact information at [www.homeloanlearningcenter.com/files/ServicerContactList.pdf](http://www.homeloanlearningcenter.com/files/ServicerContactList.pdf).

Remember, a HUD-approved housing counseling agency can provide free assistance in negotiating with a lender.

## In a nutshell...

Depending on the number of missed payments, you should:

### 1<sup>ST</sup> Month Missed

#### If you are one month behind:

- Contact Servicer
- Gather your closing docs
- Get a credit report
- Raise money
- Complete hardship letter, financial package, budget
- Decide whether to keep or lose the house
- Negotiate with lender
- Read literature

### 2<sup>ND</sup> Month Missed

#### If you are two months behind, continue steps from month 1 plus:

- Revisit your budget
- Determine objective (Is keeping your house realistic?)
- Contact HUD approved counselor or call (888) 995-HOPE

(Source: "Under a Shadow: Dealing with the Threat of Foreclosure," Coalition for Homeownership Preservation)

### 3<sup>RD</sup> Month Missed

#### If you are three months or more behind:

Contact a HUD approved counselor **IMMEDIATELY**

## Five Workout Plans Offered by Lenders

Lenders generally offer five workout plans that would let you keep your house:

### Repayment Plan

A plan for monthly payments that include your regular monthly payment plus some catch-up (for example, a payment and a quarter every month) until you are paid up.

**Example:** Tonya is three months past due after she was laid off from her job. She is now back to work. Her original monthly payment was \$1000. Total past due now is \$3000. Under a 10-month repayment plan, she pays \$300/month extra on top of her \$1000 monthly payment for a total of \$1300 per month. (Note: This plan may include late fees from your lender.)

## Tips: Contacting Your Lender

- A hardship letter is required by most lenders before they will consider offering relief to borrowers.
- Read "12 Things You Should Know When You Call Your Lender" ([www.homeloanlearningcenter.com/12things.htm](http://www.homeloanlearningcenter.com/12things.htm)).
- Give them all the documentation they need.
- Don't go looking for a fight – they hold most of the cards!
- Don't withhold any information.
- Get a good book on foreclosure prevention.
- Be realistic. Don't make promises you can't keep.
- Get all agreements with the lender in writing.
- Be prepared to document everything. (e.g., If you are going back to work, a letter from your employer.)
- Their willingness to deal with you depends partly on whether you have a good payment history.
- Before you sign a workout, contact a HUD-approved Housing Counselor (see p. 7) or Legal Service Provider (see p. 13). They may review your workout for free to explain what you will be signing.

### Forebearance Plan

Your monthly payments are temporarily reduced or suspended. There is usually a higher payment when the payments are reinstated.

**Example:** Bill is temporarily laid off for three months and currently has no reserve funds. His lender sets up a grace period with no payments for three months. At the end of the three-month forbearance, Bill develops another workout plan to bring his loan current. (Note: During the grace period, Bill should be considering viable long-term workout plans.)

### Loan Modification Plan

The lender agrees to change your terms in some way. He/she might:

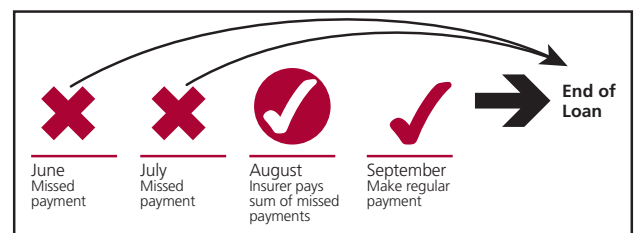
- 1) Reduce your interest rate, especially if it is above market rate. (Most lender websites have the current market rates.)
- 2) Extend the loan payment period.

**Example:** Alan's old monthly payment is \$1,045. He has 22 years left on 30-year ARM. His new monthly payment is \$940 with a new term of 30 years.

- 3) Change a floating rate to a fixed rate.
- 4) Negotiate the prepayment penalty.

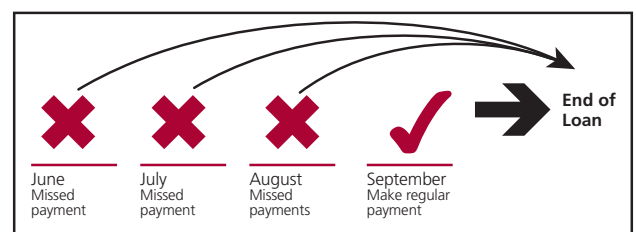
### Partial Claim

This plan is available only for an FHA loan. The lender may offer an interest-free loan to catch up the arrearage (past due amounts). The loan is due when you sell the property or when you pay off your first mortgage. Since the loan is interest-free, the loan repayment will serve as the principal. The graphic below illustrates the Partial Claim process.



### Recast Plan

You put missed payments at the back-end of the loan. This scenario is unusual and is not available with loans from Fannie Mae or Freddie Mac. See the illustration below.



# Maryland's 5/10/60 Timeline

## Now is the Best Time to Act

Homeowner Requests Loss Mitigation <b>Day 1</b>	Servicer acknowledges Receipt of Loss Mitigation <b>Day 5</b>	Servicer Confirms Whether Package Is Complete <b>Day 15</b>	Servicers Make Decision <b>Day 75</b>
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**Cooling Off Period: Foreclosure Actions Delayed/No Late Fees or Penalties**

### Team Maryland

Six mortgage-servicing companies have agreed with the State of Maryland to create a streamlined and transparent process for distressed Maryland homeowners. The servicers, HSBC, Ocwen, GMAC, ResCap, Litton Loan Servicing, AmeriNational Community Services and Citi have pledged to abide by a predetermined timeline that will ensure Maryland homeowners have an answer within 75 days from the time they submit a loss-mitigation package.

### Can I give the home back?

The short answer is “yes”...but this isn't as easy as it seems. Four common options are:

#### Short Sale

A Short Sale is used when you owe more than your home is worth (also known as an “upside-down” mortgage or “underwater” mortgage). You find a buyer to pay the lender the balance due on the loan (or another amount acceptable to the lender). The lender allows you to sell your home and accepts the lesser amount as paid in full. You need a realtor, a real contract, and usually the appraised value. You do not walk away with any cash.

#### Additional Information on Short Sales

**Prince George's County Association of REALTORS®**

www.pgcar.com  
(301) 306-7900

#### Maryland Association of REALTORS®

www.mdrealtor.org  
(800) 638-6425

#### Deed in Lieu of Foreclosure

In this case, you sign the home over to the lender in exchange for their agreement to stop the foreclosure process and to zero-out the balance due on the loan. The lender forgives the mortgage, and you move on with your life. Ask your lender for time to find a place to live – sometimes

you will be given a small payment to help you relocate. Be sure to get the paperwork right on these. (Note: This option is available only if there are no second liens.)

#### Assumptions Upon Sale

Here, someone buys your home and the lender allows them to “assume” your payments. Caution: Not all loans are assumable. Many scams are a form of this option. Also, you may remain liable on the loan note unless the lender agrees to release you.

#### Fair Market Sale

You have equity in the home and the lender gives you time to sell it. You may be able to get some of the home's value back after arrears are paid. You have to apply to the court to get the extra money back. Often, this is your back-up plan in case the lender refuses your other proposals.

#### Bad Idea – Abandoning the House

Leaving the house empty can lead to an increase in crime for the neighbors who stay. There could be problems for you because you still own the house until the bank files a new deed. In the meantime, you may still be responsible for the housing code violations and property taxes.

### I'm having trouble communicating with my lender. What should I do?

One of the biggest problems with contacting your lender is getting through to the right people. Be patient, because lenders are swamped with calls. But if you absolutely can't get the servicer to return your calls, here are the people you need to speak with, depending on your situation:

If you are dealing with the servicer, try calling the original lender. If you are one or two payments behind, you probably will speak with the collections department. If you are more than three months behind, you probably will speak with the loss-mitigation department.

If all else fails, complain.

### Consumer Complaints Concerning Mortgage Companies, Collections or Loan Servicers Maryland Department of Labor, Licensing, and Regulation

(888) 784-0136

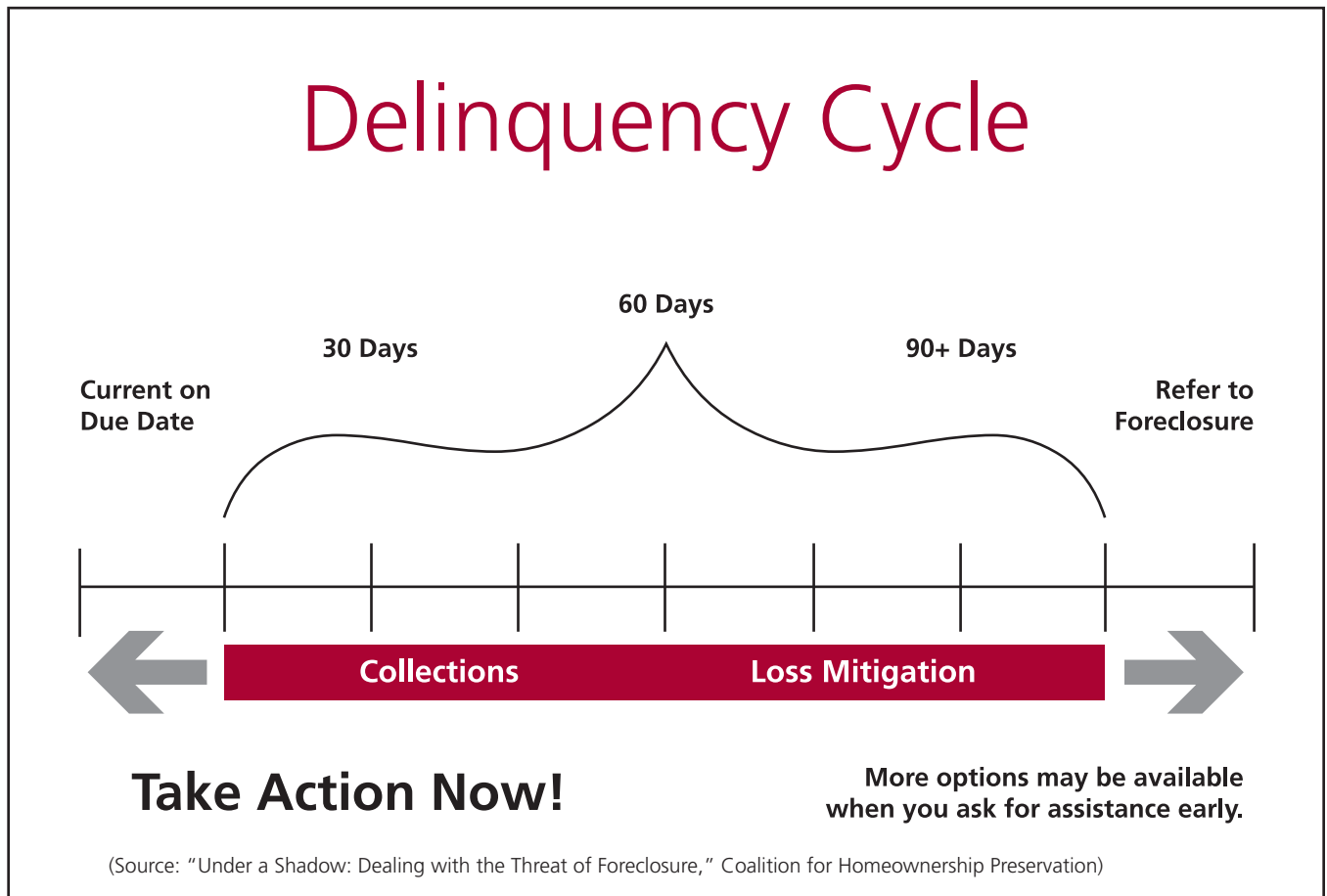
**Fannie Mae**  
(800) 7FANNIE

**Freddie Mac**  
(800) 743-0076

**FHA**  
(888) 297-8685

**VA**  
(800) 933-5499

Remember – remain calm and be polite. Whatever happens (even threatening or abusive behavior on the phone), and however you may feel, **DO NOT IGNORE THE LENDER**. If you feel mistreated by your lender, make an appointment with a HUD-approved housing counseling agency as soon as you see that there is (or may be) a problem. After all, no problem gets better by ignoring it, and mortgage trouble is no different.



# Part Three: The Foreclosure Process

## How much time do I have before the lender can foreclose?

Before filing a foreclosure action in court, the lender must wait 90 days from the date of a homeowner's default. Depending on what your mortgage documents say, the default date could be as early as the second day after a missed payment (not after the 15-day grace period allowed for late fees). Forty-five (45) days before filing a foreclosure case, the lender must send a Notice of Intent to Foreclose. This could occur during the 90-day waiting period.

After filing a foreclosure action, the lender must serve you, the homeowner, with the papers it filed with the court. First, the lender must make two (2) good faith attempts to personally serve you on two (2) separate days. If both attempts fail, the lender can file an affidavit with the court describing its actions and then serve you by mail (both certified and first class) and by posting the court papers on your property.

After serving you with the court papers, the lender must wait 45 days before holding the foreclosure sale. During this time, the following things will happen:

- A Notice of the Foreclosure Sale will be published in a local newspaper of general circulation for three (3) consecutive weeks.
- The Notice of the Foreclosure Sale also will be sent 10-30 days prior to the sale to the last known address of the debtor ("you"), by both certified mail and first class mail.

In the meantime, you still have time to act. **Do not wait until your court date. By your court date, the lender's attorney will have a pile of paperwork. By that time, the court may have few options but to rule in the lender's favor.**

Free legal assistance is available. See the list at below.

## Legal Service Providers Serving Prince George's County

**Community Legal Services of Prince George's County, Inc.**

[www.clspgc.org](http://www.clspgc.org)  
(301) 864-8186 or (301) 864-8353

## Maryland Legal Aid Bureau Prince George's County

[www.mdlab.org](http://www.mdlab.org)  
(301) 560-2100

## Prince George's County Bar Association

[www.pgcbacba.com](http://www.pgcbacba.com)  
(301) 952-1440 for fee-based lawyer referral

## Pro Bono Resource Center of Maryland

[www.probonomd.org/foreclosure.html](http://www.probonomd.org/foreclosure.html)  
(877) 462-7555 for lawyer referral

## Civil Justice, Inc.

[www.civiljusticenetwork.org](http://www.civiljusticenetwork.org)  
(877) 462-7555 for lawyer referral

## Prince George's County Circuit Court Residential Mortgage Foreclosure Mediation Program

In response to an unprecedented increase in mortgage foreclosure cases in Prince George's County, Maryland, the Circuit Court for Prince George's County is developing a Foreclosure Mediation Program. The purpose of this program will be to provide a forum for discussion among homeowners and lenders, and to facilitate problem solving for the foreclosure crisis, while providing competent and professional help to homeowners. Foreclosure mediation introduces a neutral third party to assist lenders and defaulting homeowners in reaching a satisfactory resolution to their dispute. Mediation can result in homeowner-mortgagors staying in their homes and affords lenders the opportunity to avoid foreclosure costs and carrying charges, and to reduce the number of non-performing loans in their portfolio. Only homeowners who have had a foreclosure case filed against them in the Circuit Court for Prince George's County will be eligible to participate. The program is expected to commence in summer 2009.

# Scam Alert: How to Protect Yourself From Scams

If a foreclosure action is filed, you may start getting calls or letters promising to save your home that are really scams. These simple rules will help protect you from Foreclosure Rescue Scams.

- **Only make payments directly to your lender or servicer.** Do NOT pay a counselor money. Only pay your lender, AFTER you have a written agreement. It is okay to pay your lawyer for his/her escrow account.
- **NEVER sign over your deed.** Unless you are selling your house, there is NO reason to sign over your deed to someone else. This will NEVER get you out of foreclosure. It WILL make you lose the house.
- **Get promises in writing.** Scam artists pretend that they are talking to your lender. Make them show you a written agreement from your lender, before you pay anything.
- **Do NOT give out personal information.** The fact that you are in foreclosure is public information. Some scam artists call people in foreclosure, just to get their personal information. DON'T give anyone who calls you ANY personal information.
- **Know what you are signing.** Scam artists know that people in foreclosure will sign anything if they think it will help. Don't make this mistake! Refuse to sign, unless a housing counselor or an attorney can explain it to you. If they won't let you "show it to your attorney" or "think about it overnight," do not sign.

Source: © Don't Borrow Trouble,  
[www.dontborrowtroublecc.org](http://www.dontborrowtroublecc.org).

## What happens after the foreclosure sale?

You still have options.

### Legally object to the sale

After the foreclosure sale, the debtor has 30 days to file exceptions to the sale. If the court has not ratified the sale, you may still file objections if the sale was improperly conducted. If you believe that, for some reason, the sale of your home was completely unfair, you should contact an attorney immediately. See the Legal Service Providers on p. 13.

### "Cash for Keys"

Under the terms of a "cash for keys" agreement, you will receive a cash payment in exchange for moving by the date specified in the agreement and leaving the home in "broom-cleaned" condition, free of personal belongings and debris.

### REO rental programs

Freddie Mac's REO Rental Initiative is a temporary rental initiative that offers qualified, former owner-occupants the option to lease properties in which they reside that have been acquired by Freddie Mac as a result of foreclosure. See the program description on p. 22.

### Contact eviction-prevention resources

See p. 18.

### Look for a new residence

Call 2-1-1 or (800) 492-0618 for emergency assistance. If you need to find rental housing, call (877) 428-8844 or visit <http://www.mdhousingsearch.org>.

### Things that can come back and bite you.

- 1) Deficiency judgment by lenders after sale of your property
- 2) Possible tax liability on forgiven amount. (Contact the Internal Revenue Service at (800) TAX-1040, or your tax advisor regarding tax-related questions.)
- 3) Lost equity if you don't file for surplus funds
- 4) Either bankruptcy or foreclosure can impact your employment and stays on your credit for a long time

(Source: "Under a Shadow: Dealing with the Threat of Foreclosure," Coalition for Homeownership Preservation)



# The Foreclosure Process Has Started What Can I Do?

## Notice of Intent to Foreclose

1. **ACT NOW.** Don't believe that, if you ignore the problem, it will go away. The longer you wait, the fewer options you will have.
2. **GET HELP.** Don't be embarrassed to contact a HUD-certified Housing Counselor (see p. 7) or call (888) 995-HOPE.
3. **Contact your lender.** You may ask for a delay to get the workout in place. (see p. 12 ).
4. **Looking for other housing.**

## Foreclosure Action Filed

### Continue steps 1-4 plus:

5. Contact a Legal Service Provider (see p. 3). A lawyer may be able to help you stop or delay the foreclosure if you can prove mortgage fraud or if the lender did not comply with applicable foreclosure laws. A lawyer also can help if you are considering Chapter 7 or 13 bankruptcy.

## Date of Foreclosure Sale Set

### Reinstatement:

Pay what you owe. The lender must accept payment from the homeowner of the funds due to cure the default up to one business day before the sale.

**NOTE:** For information on foreclosure rescue scams see pp. 16-17.

# Declaring Bankruptcy: Would It Help?

**Bankruptcy is usually NOT a long-term solution.  
Consult an attorney to determine the pros and cons of filing.**

## Potential PROs

- Bankruptcy may ease stress from the inability to pay your debts.
- Might STOP garnishments, most lawsuits, repossessions, utility turnoffs and bank attachments.
- Provides you with the ability to get a fresh start on your finances.

## Potential CONs

- You can still lose a house, car or other valuable property.
- Bankruptcy stays on your credit report for 10 years.
- You can only file Chapter 7 once every 8 years.
- There are some debts you cannot wipe out even if you file bankruptcy.

**Note:** If you are currently in bankruptcy, you need to work with your attorney. A housing counselor cannot work with you.

(Source: "Under a Shadow: Dealing with the Threat of Foreclosure," Coalition for Homeownership Preservation)

# Part Four:

## Protecting You from Scams

### **Have you (or someone you know) been a victim of mortgage fraud or a foreclosure rescue scam?**

Once you are in foreclosure, your name, address, and the fact that you are desperate to save your home becomes public information. Scam artists send mail, post road signs, or call you and promise to “save you from foreclosure” or to “solve your problems.”

BEWARE! There are many different types of scams and there are more scam artists than legitimate housing counselors.

### **Types of Scams**

#### **Equity stripping/“Deed your house and rent it back”**

The scammer convinces you to give him/her the title to your home in exchange for the ability to lease the home with the option to buy it back over the next few years (this is known as “leaseback” “buy back” or “option to purchase”). “Don’t worry,” they’ll say. “You’ll just pay us rent until your credit is fixed.” Instead, the scammer either keeps the money or splits it with a straw buyer, and evicts you from the home.

#### **Phantom help/pretending to help you**

The scammer offers to help save your home for outrageous fees. They tell you to pay now and 1) ignore your lender’s phone calls; 2) ignore any court date that you have; and 3) don’t try to contact an attorney. The promised work is never done and you lose the house to foreclosure.

#### **Debt elimination schemes**

The scammer promises to get rid of your mortgage by proving the debt is not valid. They charge outrageous up-front fees in exchange for a set of letters to send to your lender to dispute the debt. You are encouraged to stop making payments because merely sending the “letters” is enough to invalidate the debt. The problem is, the letter will never eliminate your debt.

#### **“We’ll review your documents for \$1,000”**

The scammer promises to “review” your mortgage papers to see if you have any legal claims. You get a long letter with lots of legal language that isn’t worth the paper it’s printed on. Many HUD-approved housing counseling agencies work with local attorneys who offer free legitimate document reviews.

#### **“Filing bankruptcy will save your home”**

The scammer convinces you to file bankruptcy, promising this will stop the foreclosure, or to deed the home to somebody else so that they can file bankruptcy and stop the foreclosure case. While filing a bankruptcy may stop a sale, only use a reputable attorney. See Legal Services, p. 13.

#### **“The old bait and switch”**

You are offered the “bait” (favorable mortgage loan terms). Days before settlement or at the settlement table, you see a completely different loan (for example a higher interest rate, ARM vs. fixed rate, junk fees). Being too afraid to walk away from the deal for fear of losing the deposit, you go through with the mortgage. (For new construction homes, a model home may be the bait that is switched for a home without the fine finishes.)

#### **“Straw buyer” schemes**

You are advised to use an unknown, third party’s credit and/or income to qualify for a home that you can’t afford. You are then asked to sign a contract that gives the “straw buyer” an opportunity to take full title to the property (if and when you default). The straw buyer gets your home and initial deposit. In some cases, the straw buyers can be victims of mortgage and real estate fraud themselves.

#### **Loan application fraud**

You are advised to inflate your income, bank account balances, work history etc. on the loan application in order to qualify for a loan. False W-2’s, banks account statements and tax documents may have been prepared.

## **Assistance with Fraud or Predatory Lending/Unfair Business Practices**

### **Community Law Center**

www.communitylaw.org

(410) 336-0922

### **Federal Trade Commission (FTC) Consumer Response Center**

www.ftc.gov

(877) 382-4357

### **Department of Housing and Urban Development, Office of Consumer and Regulatory Affairs**

www.hud.gov

(202) 708-4560

### **Maryland Attorney General's Office, Consumer Protection Division**

www.oag.state.md.us

(410) 576-6550

### **Maryland Department of Labor, Licensing and Regulation**

www.dllr.state.md.us

(888) 784-0136

### **Prince George's County State's Attorney Office, Economic Crimes Unit**

(301) 952-3500

For more information on foreclosure rescue services, visit <http://www.dllr.maryland.gov/finance/advisories/advisory9-08.htm>

## **Mortgage Foreclosure Fraud Division**

### **What They Can Do**

1. Bring criminal charges against individuals that had the intent to defraud.
2. Seek monetary restitution for aggrieved persons.
3. Seek fines for breaking the laws.
4. Seek jail time for up to 15 years.
5. Prosecute criminals that did business in our county even if the property is not in our county.
6. Prosecute cases under the Protection of Homeowners in Foreclosure Act, Mortgage Fraud Statute, Theft by deception, conspiracy and other counts.

### **What They Can't Do**

1. Stop, enjoin or delay a foreclosure even if fraud has occurred
2. Give or assist with obtaining loans to help with payments in the arrears
3. Offer legal advice for civil matters
4. Contact your lender on your behalf

Source: Prince George's County State's Attorney's Office, Mortgage Foreclosure Fraud Division (a pilot program made possible by a grant from the Governor's Office of Crime Control and Prevention).

## **Tip**

Before you call, write out a summary of why you think you were a victim of mortgage or foreclosure fraud. Include as much detail as possible, such as dates, times, names and places, and have your paper work ready.

# Part Five: Facing Eviction

## Are you a tenant or former homeowner facing eviction?

After foreclosure, the purchaser is not required to allow tenants or the former homeowner to remain in the property. Maryland state law prohibits the purchaser from taking possession of the premises or the tenant's property without legal process. The purchaser cannot lock-out a tenant or evict a tenant without a court order. You must be given notice of the purchaser's request to evict and time to respond.

## What You Can Do

If you fear that you may be evicted, here are some steps that can help.

**Save your money** for rent or housing every month, even if you are not sure who or where to pay.

If you rent, **know your rights** under the law regarding the loss of your rental.

**Consider REO rental policies.** The new owner may be open to creating a new lease. See the Freddie Mac and Fannie Mae REO program descriptions on p. 22.

- The Maryland Office of the Attorney General Consumer Protection Division has published an article on the rights and responsibilities of tenants of a foreclosed property; you can view it at (<http://www.oag.state.md.us/Consumer/131.pdf>) as well as another publication, *Landlords and Tenants: Tips on Avoiding Disputes*, at [www.oag.state.md.us/consumer](http://www.oag.state.md.us/consumer).
- Maryland Judiciary's Mediation and Conflict Resolution Office has published a *Consumers' Guide to Maryland Mediation and Conflict Resolution Services* that describes the county's mediation services. View it at [http://www.courts.state.md.us/macro/pdfs/consumers\\_guide\\_to\\_adr\\_services2007.pdf](http://www.courts.state.md.us/macro/pdfs/consumers_guide_to_adr_services2007.pdf).

## Call for Help

**Prince George's County Department of Social Services**  
(301) 909-6362

- Eviction Prevention

## Tenant/Landlord Hotline

(410) 243-6007 or (800) 487-6007

## Sheriff's Office Landlord Tenant Unit Scheduling Desk

(301) 883-6927

## Landlord Tenant Commander's Desk

(301) 883-6946

## United Way's 211/First Call

Dial 2-1-1 or (800) 492-0618

- Emergency Support Services

## Maryland Legal Aid

[www.medlab.org](http://www.medlab.org)

(301) 560-2100

(800) 999-8904

- Legal Services

## Legal Aid Bureau

(301) 927-6800

- Legal Services

## Civil Justice, Inc.

(877) 462-7555 for lawyer referral

- Legal Services

## Prince George's County Community Legal Services

(301) 864-8353

- Legal Services

## MD Department of Housing and Community Development

[www.mdhousingsearch.org](http://www.mdhousingsearch.org)

(877) 428-8844

- Listing of Rental Properties

You also may get help by calling one of the emergency service organizations listed on pp. 19-20.

# Emergency Service Organizations

## Do you need emergency assistance for housing, food, utilities or medicine?

Homeowners trying to save their homes often put significant resources toward the mortgage. As a result, paying the mortgage may leave little or no money to pay for food, gas, utilities or medicine. If you need short-term assistance for these necessities, the following organizations may be able to help.

### **Prince George's County Department of Social Services**

805 Brightseat Rd.,  
Landover, MD 20785  
(301) 909-6300

- Emergency Food and Energy Assistance

### **Bowie Interfaith Pantry and Emergency Aid Fund**

3120 Belair Dr., Bowie, MD 20715  
[www.bowiefoodpantry.org](http://www.bowiefoodpantry.org)  
(301) 262-6765

- Emergency Food and Financial Assistance

### **Capital Area Food Bank**

[www.CapitalAreaFoodBank.org](http://www.CapitalAreaFoodBank.org)  
(202) 639-9770

- Referral to Emergency Food

### **Catholic Charities of Prince George's County**

6706 Marlboro Pike  
Forrestville, MD 20747  
[www.capitalcharitiesdc.org/find](http://www.capitalcharitiesdc.org/find)  
(301) 568-9529

- Rent, Mortgage, Utilities, Food, Medical Care, and Pharmacy Assistance

### **Community Crisis Services, Inc.**

P.O. Box 149  
Hyattsville, MD 20781  
[www.communitycrisis.org](http://www.communitycrisis.org)  
(301) 864-7095

- Foreclosure Counseling
- Rent, Mortgage, Utilities, Food

### **Community Ministry of Prince George's County**

P.O. Box 250  
Upper Marlboro, MD 20773  
[www.cmpgc.org](http://www.cmpgc.org)  
(301) 499-2319

- Transitional Housing
- Rent, Mortgage, Utilities, Food

### **Community Support Systems, Inc.**

P.O. Box 206  
Aquasco, MD 20608  
[www.CommunitySupportSystems.org](http://www.CommunitySupportSystems.org)  
(301) 372-1491

- Rent, Mortgage, Utilities, Food

### **Elizabeth House, FISH of Laurel, Inc.**

P.O. Box 36  
Laurel, MD 20707  
(301) 262-7106

- Emergency Shelter Referrals
- Food Pantry

### **Greenbelt CARES**

25 Crescent Road  
Greenbelt, MD 20770  
[www.greenbeltmd.gov](http://www.greenbeltmd.gov)  
(301) 345-6660  
(301) 864-7161

- Rent, Mortgage, Utilities, Food

### **Housing Counseling Services**

2410 17th Street NW, Suite 100  
Washington, DC 20009  
[www.housingetc.org](http://www.housingetc.org)  
(202) 667-7006

- Rent, Mortgage, Utilities, Food
- HIV/AIDS Housing Services

# Emergency Service Organizations

## **Laurel Advocacy and Referral Services, Inc.**

311 Laurel Avenue,  
Laurel, MD 20707  
[www.laureladvocacy.org](http://www.laureladvocacy.org)  
(301) 776-0442

- Eviction Prevention
- Rent, Utilities, Food
- Transitional Housing
- Permanent Housing
- Employment Services

## **SHARE Food Network**

5170 Lawrence Place  
Hyattsville, MD 20781  
[www.sharedc.org](http://www.sharedc.org)  
(301) 864-3115

- Reduced-cost Groceries

## **Sowing Empowerment & Economic Development, Inc.**

6201 Riverdale Road, Suite 200  
Riverdale, MD 20737  
[www.seedinc.org](http://www.seedinc.org)  
(301) 458-9808

- Emergency Financial Assistance

## **Spanish Speaking Community of Maryland**

8519 Piney Branch Rd.  
Silver Spring, MD 20901  
(301) 587-7217

- Application Assistance

## **The Foundation Schools**

1330 McCormick Drive  
Largo, MD 20774  
[www.foundationsschools.org](http://www.foundationsschools.org)  
(301) 773-3500

- Food and Assistance for Student Families

## **United Communities Against Poverty, Inc. (UCAP)**

1400 Doewood Lane  
Capitol Heights, MD 20743  
[www.ucappgc.org](http://www.ucappgc.org)  
(301) 322-5700

- Rent, Mortgage, Utilities, Food
- Financial Literacy

## **Don't see what you need?**

### **Try these additional resources:**

#### **Prince George's County Department of Social Services Resource Guide**

[http://www.co.pg.md.us/Government/AgencyIndex/Social\\_Services/pdf/PGC-DSS\\_Resource\\_Guide.pdf](http://www.co.pg.md.us/Government/AgencyIndex/Social_Services/pdf/PGC-DSS_Resource_Guide.pdf)

#### **Maryland People's Counsel Resource Guide to Utility Bill Assistance in Prince George's County**

[http://www.opc.state.md.us/assets/documents/2008pdf/prince\\_georges\\_resource\\_guide\\_2008.pdf](http://www.opc.state.md.us/assets/documents/2008pdf/prince_georges_resource_guide_2008.pdf)

#### **[www.NeedyMeds.org](http://www.NeedyMeds.org)**

Provides information on medicine and healthcare assistance programs.

#### **[www.modestneeds.org](http://www.modestneeds.org)**

Pays creditors on behalf of eligible individuals or families for relatively small, emergency expenses.

# Part Six:

## What programs can help?

### Federal Programs

#### **Making Home Affordable Refinancing Plan**

Provides access to low-cost refinancing for homeowners who are current on their mortgage payments but unable to refinance to a lower interest rate due to falling home values.

#### **Eligibility Requirements:**

- Own a one- to four-unit home
- Loan is owned or guaranteed by Fannie Mae or Freddie Mac
- No more than 30-days late on your mortgage payment in the last 12 months
- Amount owed on your first mortgage is about the same or less than the current value of your house (does not exceed 105% of the current market value)

#### **Contact Information:**

Call your local HUD-approved housing counselor or your mortgage servicer or lender (the organization to whom you make your monthly mortgage payments).

#### **For More Information:**

Visit <http://makinghomeaffordable.gov> to use the self-assessment and Loan Lookup tools. Your mortgage company can tell you who owns your loan, or you can contact Fannie Mae [(800) 7FANNIE] and Freddie Mac [(800) FREDDIE].

#### **Making Home Affordable Modification Plan**

Provides homeowners struggling to make their monthly mortgage payments (perhaps because their interest rate has increased or they have less income) with affordable payments.

#### **Eligibility Requirements:**

- Home is your primary residence
- Amount owed on your first mortgage is equal to or less than \$729,750
- Current mortgage is before January 1, 2009
- Payment on your first mortgage is more than 31% of your current gross income

#### **Contact Information:**

Call your local HUD-approved housing counselor or your mortgage servicer or lender (the organization to whom you make your monthly mortgage payments).

#### **For More Information:**

Visit <http://makinghomeaffordable.gov> to use the self-assessment tools. The website's Payment Reduction Estimator will determine what your current mortgage debt-to-income ratio is and how much your monthly payment may be reduced if you qualify.

#### **FHA HOPE for Homeowners**

Provides new, 30-year, fixed-rate mortgages that are insured by FHA for homeowners who are having trouble making mortgage payments or are already in the foreclosure process.

#### **Eligibility Requirements:**

You should contact your lender to determine eligibility, but you may be eligible if, among other factors:

- Home is your primary residence, and you have no ownership interest in any other residential property, such as a second home.
- Current mortgage is on or before January 1, 2008 and you have made at least six payments.
- As of March 2008, your total monthly mortgage payments due were more than 31% of your gross monthly income.
- No convictions of fraud in the past 10 years, intentionally defaulted on debts; and did not knowingly or willingly provide material false information to obtain existing mortgage(s).

#### **Contact Information:**

Call your local HUD-approved housing counselor or your mortgage servicer or lender (the organization to whom you make your monthly mortgage payments).

#### **For More Information:**

[www.fha.gov](http://www.fha.gov)

## **Fannie Mae/Freddie Mac Programs HomeSaver Advance™ (HSA)**

Provides an unsecured personal loan to help eligible homeowners catch up on mortgage payments for loans owned by Fannie Mae.

### **Eligibility Requirements:**

- Problems that led to the delinquency have been resolved and you can repay the loan
- At least \$200 in monthly net income after all expenses
- No previously obtained HSA in connection with this delinquent first mortgage
- Not currently involved in an active bankruptcy proceeding
- Mortgage is first lien secured by a principal residence, second home, or investment property
- At least 6 monthly mortgage payments paid (12 months if the loan previously modified)
- Loan is at least two months past due
- Loan has not been foreclosed
- Loan has not been previously discharged in Chapter 7 bankruptcy proceeding unless reaffirmed
- Loan is not FHA-insured mortgage

### **Contact Information:**

Contact your local HUD-approved housing counselor.

### **For More Information:**

<https://www.efanniemae.com/sf/servicing/homesaveradvance.jsp#>  
(888) 326-6438, option #2

## **Fannie Mae's National REO Rental Policy**

Allows renters in Fannie Mae-owned, single-family foreclosed properties the opportunity to stay in their homes by signing a new month-to-month lease with Fannie Mae.

### **Eligibility Requirements:**

- Renter occupying the home at the time of foreclosure or deed-in-lieu of foreclosure (does not apply to homeowners or their immediate families)
- Homeowners Association (HOA) does not prohibit rentals

### **Contact Information:**

(800) 7FANNIE

### **For More Information:**

[http://www.fanniemae.com/newsreleases/2009/faq/FAQ\\_national\\_REO\\_rental\\_policy\\_010709.pdf](http://www.fanniemae.com/newsreleases/2009/faq/FAQ_national_REO_rental_policy_010709.pdf)

## **Freddie Mac's REO Rental Initiative**

Temporary rental initiative under which qualified, former homeowners and tenants may lease properties in which they reside that have been acquired by Freddie Mac as a result of foreclosure.

### **Eligibility Requirements:**

- Demonstrate the ability to pay the market rent
- Allow an inspector to enter and inspect the property
- Sign a separate lease agreement
- Sign a property condition disclosure at the time of the inspection
- Allow future showings of the property to prospective buyers and real estate agents

### **Contact Information:**

REO\_Rental@FreddieMac.com

### **For More Information:**

Visit [http://www.freddiemac.com/avoidforeclosure/rental\\_initiative.html](http://www.freddiemac.com/avoidforeclosure/rental_initiative.html)

## **State Programs**

### **Lifeline Refinance Mortgage Program**

Provides refinancing for Marylanders facing financial difficulties after purchasing homes with "exotic" mortgages, such as ARMs balloon payment loans, etc.

### **Eligibility Requirements:**

- Household income must not exceed the income limits
- Current market value of the home must not exceed the "Maximum Appraised Value" limits
- The property must be the borrower's primary residence
- Minimum "representative" credit score is 600
- All judgments/liens against the property must be refinanced
- Refinancing a "qualified subprime loan"

**Contact Information:** Call your local HUD-certified housing counselor or a Lifeline Approved lender.

**For More Information:** Visit [www.mdhousing.org/Lifeline](http://www.mdhousing.org/Lifeline) (includes current income and appraisal limits and a list of participating lenders).



### **Bridge to HOPE Loan Program**

Provides up to a \$15,000 deferred loan that is repayable at the time the house is sold, transferred or upon the refinance of the existing mortgage.

#### **Eligibility Requirements:**

- Must be referred by a CDA-approved housing counseling agency
- Must either be in delinquency or imminent potential of delinquency
- One-unit, owner-occupied primary residences only
- Must not own any other real estate at time of closing
- Maximum Combined Loan-To-Value Ratio 110%
- Must have had a good mortgage/credit history prior to the interest rate change
- Must have stable employment

#### **Contact Information:**

Call your local HUD-approved housing counselor.

#### **For More Information:**

<http://www.mdhope.org/B2HFactSheet.aspx>

### **Homesaver Refinance Mortgage Program**

Provides refinancing to Maryland residents who have subprime or exotic mortgages and are experiencing certain financial hardships.

#### **Eligibility Requirements:**

- Household income must not exceed the income limits
- Current market value of the home must not exceed the "Maximum Appraised Value" limits
- Minimum "representative" credit score is 580
- Mortgage being refinanced is not more than two months past due at time of application
- You are experiencing difficulties as a result of a mortgage default, low credit scores and/or a mortgage greater than the current value of their home
- Refinancing a "qualified subprime loan"
- All judgments/liens against the property must be included in the refinance
- The property must be your primary residence

#### **Contact Information:**

Call your local HUD-approved housing counselor or a Lifeline Approved lender

#### **For More Information:**

<http://www.mdhousing.org/homesaver> (includes current income and appraisal limits and a list of participating lenders)

### **Programs for Servicemembers or Veterans Homeowners Assistance Program**

Provides assistance to military personnel forced to sell their homes in during the current real estate crisis. For more information, call (800) 861-8144 or visit <http://hap.usace.army.mil>.

#### **Servicemember's Civil Relief Act of 2003**

Provides certain protections to active military members in case of eviction, rising mortgage interest rates, and mortgage foreclosure. For more information, visit the Deployment and PCS section of [www.SaveandInvest.org](http://www.SaveandInvest.org) at <http://www.saveandinvest.org/Military/DeploymentandPCS/ServicemembersCivilReliefAct/index.htm>

#### **Veterans' Benefits Improvement Act of 2008**

Assists veterans with subprime mortgages to refinance into more affordable VA-guaranteed loans. For more information, view the Department of Veteran Affairs' video on foreclosure alternatives at [http://www.homeloans.va.gov/ondemand\\_vets\\_stream\\_video.htm](http://www.homeloans.va.gov/ondemand_vets_stream_video.htm)

#### **Army Emergency Relief**

Provides emergency financial assistance for rent/mortgage. For more information, visit <http://www.defenselink.mil/ra/mobil/pdf/financialaid.pdf>

#### **Joint Federal Travel Regulations**

This new provision allows the military to assist servicemembers forced to relocate locally when landlords default on their mortgages. It does not apply to servicemembers who own their own homes and default on their loans. Contact your housing or administrative officers for more information.

## Other Programs

### Citi's Homeowner Unemployment Assist Program

Helps recently unemployed, delinquent CitiMortgage customers stay in their homes by paying a reduced monthly mortgage payment of up to \$500 for three months.

#### Eligibility Requirements:

- First mortgage is owned and serviced by CitiMortgage
- More than 60 days delinquent or in foreclosure
- Provide proof of unemployment
- Be actively seeking work as verified through State Unemployment benefits receipt, letter, etc.
- Be involuntarily unemployed for under six months

#### Contact Information:

(866) 915-9417  
mortgagehelp@citi.com

#### For More Information:

Visit <http://www.citi.com/citi/citizen/community/homeownershippreservation>

### Chase Homeownership Centers

Offers specially trained homeownership advisors to help keep Chase, WaMu and EMC customers in their homes.

#### Eligibility Requirements:

- Must have a loan owned by Chase, WaMu or EMC
- Must be 30 days or more behind on your payment
- Must call (866) 550-5705 to make an appointment

#### Contact Information:

Call (866) 550-5705

#### For More Information:

Visit [https://www.chase.com/chf/mortgage/hrm\\_centers](https://www.chase.com/chf/mortgage/hrm_centers)

### Sale and Land Softly Alternative

Brings together qualified listing agents and brokers with home sellers facing foreclosure or those not able to afford their home and who simply want to: move on, sell their homes, and reap as much equity as possible from the transaction. For more information, call (301) 567-3330 or visit the Prince George's County Association of REALTORS® website, [www.pgcar.com](http://www.pgcar.com)

## Looking Ahead

The following federal programs are anticipated in 2009:

### Homelessness Prevention and Rapid Re-Housing Program

Provides financial and other assistance to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. For more information, call (202) 275-9200 or visit [www.hud.gov/recovery](http://www.hud.gov/recovery)

### Neighborhood Stabilization Program

Provides down payment and closing cost assistance to homebuyers purchasing a foreclosed home. For more information, call the Prince George's County Homeownership Division at (301) 883-5570.

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**The Prince George's**  
COMMUNITY FOUNDATION

*where giving and opportunity meet*

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