



## Avoiding Foreclosure on Your Home

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. If your loan is with TruGrocer Federal Credit Union, call toll free at (888) 498-7676 to discuss available options. The following options may be available if you are delinquent or otherwise in breach of your real estate loan with TruGrocer Federal Credit Union:
  - a) Pay the amounts past due on your account.
  - b) If you are able to make your current monthly payments and some of the past due payments, we may be able to enter into a workout arrangement with you.
  - c) Consider selling your property.
  - d) Consider refinancing your property.

Whether you are eligible for any of the above options will depend on your particular circumstances. Prior to committing to any particular option, TruGrocer will require:

- ~ A letter signed by you explaining why you are unable to make your payments
- ~ Pay stubs for the last two (2) months
- ~ Tax returns for the last two (2) years
- ~ A copy of current bills, invoices, and utility bills
- ~ A letter signed by anyone who is going to contribute to the loan payments
- ~ A copy of all deposit account statements
- ~ A list of all debts (you may use a Fannie Mae Uniform Residential Loan Application Form 1003)
- ~ A list of all assets (you may use a Fannie Mae Uniform Residential Loan Application Form 1003)
- ~ Proof of current insurance on the property, naming the Credit Union as loss payee
- ~ A copy of property tax bills and proof of payment or a written statement listing all property taxes which have not been paid, and when the payments were due
- ~ Documents showing the current amount outstanding and the status of all other loans encumbering the property.

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 [http://portal.hud.gov/portal/page/portal/HUD/i\\_want\\_to/avoid\\_foreclosure](http://portal.hud.gov/portal/page/portal/HUD/i_want_to/avoid_foreclosure).

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 TV, memberships, entertainment – that you can eliminate.
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.** You don't 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 payments) for information and services your lender or a HUD approved housing counselor will provide free if you contact them.
10. **Don't lose your house to foreclosure recovery scams!** If any firm claims it can stop your foreclosure immediately if you sign a document appointing it 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.

Federal Reserve System [www.federalreserve.gov/consumerinfo](http://www.federalreserve.gov/consumerinfo)

Department of Housing and Urban Development (HUD) [www.hud.gov](http://www.hud.gov)

Federal Housing Administration Resource Center (800) 225-5342 [www.hud.gov](http://www.hud.gov)

Federal Trade Commission (800) 382-4357 [www.ftc.gov](http://www.ftc.gov)

Neighborworks – Center for Foreclosure Solutions (888) 995-4673 [www.995hope.org](http://www.995hope.org)

AARP (888) 687-2277 [www.aarp.org](http://www.aarp.org)

Freddie Mac [www.freddiemac.com](http://www.freddiemac.com)

National Foundation for Credit Counseling [www.debtadvice.org](http://www.debtadvice.org)

National Foundation for Debt Management (800) 353-9890 [www.nfdm.org](http://www.nfdm.org)