

## TIPS FOR AVOIDING FORECLOSURE

[Click here](#) for information from the U.S. Department of Housing and Urban Development to avoid foreclosure.

### WHAT DOES “FORECLOSURE” MEAN?

The term ‘foreclosure’ refers to a process or legal proceeding where a lender attempts to recover the amount owed on a defaulted loan. If you fail to make regular mortgage payments, the lender will attempt to get a court order terminating your rights to the property, meaning a lender takes possession of the property securing the loan in order to sell it.

### WHAT SHOULD I DO IF I FALL BEHIND ON MY MORTGAGE PAYMENTS?

As soon as you find that you’re unable to make your mortgage payments, give your lender a call and ask what arrangements can be worked out. If you are having difficulty paying because of an injury or loss of job, ask your lender for a “financial hardship” package. If you are having difficulty paying because your monthly mortgage payment increased due to an adjustable rate mortgage or interest-only loan, ask to see if the terms of your loan can be modified. One such example would be to take it from an adjustable interest rate to a fixed rate with no penalties.

### WHAT SHOULD I DO IF I RECEIVE A NOTICE OF DEFAULT?

If you receive a notice of default, call your lender immediately. Lenders do not want to repossess your home, and many are willing to work on terms that may enable you to stay in your home. If you contact your lender and do not feel satisfied with the results, contact a HUD-approved housing counseling agency, such as the [Fair Housing Council of Riverside County, Inc.](#)

### I’VE REMAINED CURRENT ON MY MORTGAGE PAYMENTS, BUT MY RATE IS SET TO RESET NEXT MONTH, AND I CAN’T AFFORD THE PAYMENTS WHEN IT DOES. WHAT CAN I DO?

Contact your lender immediately and explain this situation to them. If you feel you need more help, contact a HUD-approved housing counseling agency, such as the [Fair Housing Council of Riverside County, Inc.](#)

### ISN’T THE GOVERNMENT DOING ANYTHING?

Currently, there are over 150 bills pending in Washington DC related to the foreclosure issue. Many of these bills may be included as amendments to legislation that is passed. One of the leading pieces of legislation would help struggling homeowners convert their loans into new, fixed rate loans backed by Fannie Mae and Freddie Mac. It would also include housing tax breaks, including a credit of up to \$7,500 for first-time home buyers for people who bought homes between April 9, 2008, and July 1, 2009. In Sacramento, legislation is pending that would provide protection to renters by giving notification to the occupants of a home when a landlord’s property goes into default.

### I OWE BACK TAXES ON MY RESIDENCE. WHAT SHOULD I DO?

[The Riverside County Office of the Treasurer-Tax Collector](#) has a very informative website that should be able to answer all of your questions.

### I THINK I AM A VICTIM OF MORTGAGE FRAUD. WHAT SHOULD I DO?

According to Maria Rosino-Miracco, a highly accomplished attorney with the Rosino-Miracco Law Office specializing in real estate transactions, mortgage banking, banking, and credit union laws and regulations, if you feel you may have been the victim of a lender or mortgage broker who put you into a loan that you would never have been able to repay, then contact a real estate attorney with knowledge of predatory lending laws for advice and options. If you have fallen for a foreclosure recovery scam, then you should file a complaint with the Riverside County's District Attorney's Office, Real Estate Fraud Division. Their website address is [www.rivcoda.org](http://www.rivcoda.org). Their telephone number is (951) 955-0826.

### WHAT ARE FORECLOSURE RECOVERY SCAMS?

Due to the high level of foreclosure activity, many businesses are being established to “help” homeowners through the foreclosure process. Some of these businesses have good intention, but many do not. There are a variety of ways they use to find homeowners in distress: Some use the Internet to find public records showing homes in pre-foreclosure or foreclosure status. They can then send personalized letters about their “service.” Others advertise through newspapers, posters, Internet and flyers. Almost all claim to save your home from being foreclosed for a small fee. The most popular method they use is to have you sign over your property deed or title as part of their process. At that point, they often take your money and/or your property, and do little or nothing concerning the foreclosure. If you need professional consultation and advice about your mortgage, contact any HUD- approved housing counseling agency. Their services are provided free of charge.