



# Are You Having Trouble Paying Your Mortgage?

You are not alone, and your mortgage company is familiar with people in your situation. Many mortgage companies now have programs that can help.

## What should you do first?

Before you make any attempts to save your house, you should look at your budget and make sure you know how much you can afford for housing. Make sure the payment you agree to leaves enough money to pay your other expenses.

Navicore Solutions is a HUD-approved housing counseling agency where a counselor can help assess your situation, answer your questions, review your options and help you prepare for discussions with your loan servicer. There is no cost to the homeowner for counseling. You can contact a housing counselor at 866-472-4557.

You can also contact your local office of the U.S. Department of Housing and Urban Development at [portal.hud.gov](http://portal.hud.gov), as well as the Homeownership Preservation Foundation (HPF) at 888-995-HOPE or [www.995hope.org](http://www.995hope.org).

Counseling should be free. Beware of anyone charging large, upfront fees or guaranteeing you a loan modification or other solution to stop foreclosure.

Although a counseling session is recommended, you can call your loan servicer on your own. Here are some things to keep in mind:

- Before you call, have a record of your expenses and income.
- Be prepared to answer questions about the cause of your hardship. Is the hardship temporary, long-term or permanent? What changes in your situation do you see happening?
- Keep notes of all communications with the servicer, including the date, time and representative's contact information.
- Meet all deadlines that your servicer gives you.

## Some servicers will offer:

- reduced payments.
- reduced interest rates.
- to apply any prepayments to the past due amount.
- a payment of interest only.
- a suspension of payments.
- to allow you to make up any missed payments free of interest over a period of time.

## Other Alternatives

- **Sell Your House.** If there is equity, it can be used to pay off the loan balance plus any expenses connected to selling the house.
- **Short Sale.** If there is no equity, your loan servicer may allow you to sell the home for less than what is owed in order to avoid a foreclosure on the property. They may agree to forgive any shortfall between the sale price and the mortgage balance. Consider speaking to a tax professional to determine whether the forgiven debt will be considered part of your income or not. For more information, you can visit [www.IRS.gov](http://www.IRS.gov).
- **Deed in Lieu of Foreclosure.** This is a voluntary transfer of the property title to the lender. In exchange, the mortgagee may cancel the remainder of the debt. This may not be feasible if there are other liens secured by the house.

## Beware of Scams

- **Foreclosure Prevention Specialists.** These individuals charge high fees to make a few phone calls and complete some paperwork that you can easily fill out yourself. Some of these companies even use names that sound like legitimate agencies in order to fool consumers.
- **Lease/Buy-Back.** Homeowners are deceived into signing over their home in order to rent it back from the scammer. These schemes usually have terms so demanding that the homeowner gets evicted and the scammer walks off with the property.
- **Bait and Switch.** Homeowners think that they are signing paperwork to bring the mortgage current, but they actually wind up signing away the deed to their home.

*This brochure is meant as an overview and is for general information purposes only. Please call us if you need further assistance.*



An Educational Message from



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*Knowing the difference can  
make all the difference.*