

Senator Lieberman's Mortgage Assistance Tip Sheet

Over the past few years, we have seen a vast increase in the number of Connecticut residents experiencing foreclosures. If you or someone you know has already missed one or more mortgage payments, I recommend that you reach out to state, federal, and nonprofit organizations that may be able to assist you. Acting early increases the potential for you, or an individual you know, to avoid foreclosure. **I encourage you to do this as soon as possible.** Contact your mortgage lender immediately or call 1-888-995-4673 (1-888-995-HOPE) to reach a U.S. Department of Housing and Urban Development (HUD)-approved housing counselor. HUD-approved counseling services are free and can help you evaluate your income and expenses and understand your options. The law provides certain safeguards for Connecticut homeowners. For instance, under Connecticut law, some unemployed and underemployed homeowners may apply for a six-month protection from mortgage foreclosure and the restructuring of their mortgage payments.

In 2009, President Obama unveiled the Homeowner Affordability and Stability Plan, a comprehensive strategy to help stabilize the economy and housing markets. As a part of this plan, the U.S. Department of the Treasury has released national guidelines for the Making Home Affordable Loan Modification Program. This program will offer assistance to homeowners making a good faith effort to make their mortgage payments. It will not provide money to speculators, and it will target support to the working homeowners who have made every possible effort to stay current on their mortgage payments. The guidelines will give financial incentives for mortgage lenders to modify existing first mortgages and set standard industry practices for modifications. For additional information and to utilize a self-assessment tool, go to the following website at <http://www.financialstability.gov/> and click on the borrower information link under Making Home Affordable.

On July 30, 2008, with my support, the Housing and Economic Recovery Act of 2008 (H.R. 3221) was signed into law. The legislation includes a number of provisions designed to help struggling homeowners cope with the economic slowdown and avoid foreclosure. It increases the loan limit on reverse mortgages for seniors to \$625,000; and, most importantly, it establishes the HOPE for Homeowners (H4H) Program, which will allow the Federal Housing Administration (FHA) to insure distressed loans for principal residences that have been renegotiated at a significant discount to the borrower. H4H began on October 1, 2008, and will end on September 11, 2011. The program is voluntary – both the borrower and lender must agree to participate. For additional information, contact a HUD-approved counselor from the list of counseling agencies mentioned below or contact FHA directly at 1-800-225-5342, or visit the HUD website at http://portal.hud.gov/portal/page?_pageid=73,7601299&_dad=portal&_schema=PORTAL.

On April 1, 2011, HUD announced that Connecticut will receive \$33 million to assist struggling homeowners through its new Emergency Homeowners Loan Program (EHLA). EHLA offers forgivable, deferred payments “bridge loans” for up to \$50,000 to help eligible borrowers with their mortgage arrearages and monthly mortgage payments. The Connecticut Housing Finance Authority (CHFA) is now accepting applications for this program. For additional information regarding this program please contact CHFA directly at 1-877-571-2432 or visit their website at <http://www.chfa.org>. You may also obtain additional information from HUD's website at <http://portal.hud.gov/hudportal/HUD?src=/states/connecticut/news/HUDNo.2011-04-01>

The following resources can help you to understand better the options that may be available:

- As a result of a lawsuit filed by Attorney General Richard Blumenthal against Countrywide (now Bank of America), approximately 4,500 Countrywide/Bank of America consumers may be eligible for loan modifications, thus saving them from foreclosure. For more information, and to find out if you are eligible to participate, please contact Bank of America directly at toll free (800) 669-6607.

- As a result of legislation passed into law by the Connecticut General Assembly, a Mortgage Foreclosure Assistance Hotline has been established to provide information to Connecticut residents facing foreclosure on their homes. To access the hotline, call 1-877-472-8313 toll free which is open Monday-Friday, 8:00 a.m. to 5:00 p.m. In addition, two new programs have been established to assist homeowners. The EMAP (Emergency Mortgage Assistance Program) and the CT FAMILIES programs. These programs are being administered by the Connecticut Housing Finance Authority (CHFA). For more information and details about program guidelines, please contact CHFA directly at 860-571-3500 or toll free at 1-877-571-2432.
- HUD maintains a list of **FREE** or low-cost approved housing counselors. To speak with a HUD approved counseling agency, contact HUD directly at 1-800-569-4287. Also, if you have an FHA mortgage, be sure to ask the representative for additional information about the FHA Loss Mitigation Program. Under this program, lenders have the ability to offer borrowers a number of HUD-approved options for avoiding foreclosure. You should also inquire about HUD's FHA Secure Plan.
- The Connecticut Department of Banking offers a website on "avoiding foreclosure." The website offers advice to people who have fallen behind on their mortgage payments and can be accessed at <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=386114>.
- The Statewide Legal Services of Connecticut, Inc., which offers statewide legal services, can be reached at 860-344-0380 in the Middletown and Hartford areas or toll free at 1-800-453-3320.
- The Federal Trade Commission's fact sheet "Mortgage Payments Sending You Reeling? Here's What To Do," www.ftc.gov/bcp/edu/pubs/consumer/homes/rea04.shtm
- If your mortgage was guaranteed or purchased by Fannie Mae or Freddie Mac, you may have additional mortgage refinancing or restructuring options, including reductions in the interest rate and/or principal amount. To find out if your mortgage is secured by Fannie Mae you can contact the Fannie Mae Resource Center directly at toll free 1-800-732-6643. To find out if your mortgage is owned by Freddie Mac please visit Freddie Mac's website <https://www3.freddiemac.com/corporate/>

Mortgage Servicer Contact Numbers and Websites for Homeowners

In addition to the governmental and nonprofit organizations, it is important that you reach out to your mortgage servicer. To obtain lender contact information visit the Making Home Affordable website <http://www.makinghomeaffordable.gov/get-assistance/contact-mortgage/Pages/default.aspx>