

General Guidance

The US Department of Veterans Affairs urges all Veterans who are encountering problems making their mortgage payments to speak with their loan servicers as soon as possible to explore options to avoid foreclosure. Contrary to popular opinion, servicers really do *not* want to foreclose because foreclosure costs a lot of money. Depending on a Veteran's specific situation, servicers may offer any of the following options to avoid foreclosure:

- Repayment Plan – The borrower makes regular installment each month plus part of the missed installments.
- Special Forbearance – The servicer agrees not to initiate foreclosure to allow time for borrowers to repay the missed installments. An example would be when a borrower is waiting for a tax refund.
- Loan Modification - Provides the borrower a fresh start by adding the delinquency to the loan balance and establishing a new payment schedule.
- Additional time to arrange a private sale – The servicer agrees to delay foreclosure to allow a sale to close if the loan will be paid off.
- Short Sale – When the servicer agrees to allow a borrower to sell his/her home for a lesser amount than what is currently required to payoff the loan.
- Deed-in-Lieu of Foreclosure - The borrower voluntarily agrees to deed the property to the servicer instead of going through a lengthy foreclosure process.

Access our website at www.benefits.va.gov/homeloans/veteran.asp for additional information on VA loans and to watch videos of Veterans who have completed the workout options listed above.

Veterans with VA-Guaranteed Home Loans

The servicer has the primary responsibility of servicing the loan to resolve the default. However, in cases where the servicer is unable to help the Veteran borrower, Loan Guaranty has Loan Technicians in eight Regional Loan Centers and a special servicing center who take an active role in interceding with the servicer to explore all options to avoid foreclosure. Service members or Veterans with VA-guaranteed home loans can call **(877) 827-3702** to reach the nearest Loan Guaranty office where Loan Specialists are prepared to discuss potential ways to help save the loan.

Veterans with non-VA Guaranteed Home Loans

For a Veteran or service member who may have obtained a conventional or sub-prime loan, VA does not have the legal authority to intervene on the borrower's behalf. It is imperative that a borrower contacts his/her servicer as quickly as possible. Visit VA's website (www.benefits.va.gov/homeloans) or call toll-free **(877) 827-3702** to speak with a VA Loan Technician for advice on approaches to take with your servicer.

National Call Center for Homeless Veterans

Veterans who feel they may be facing homelessness as a result of losing their home can call (877) 4AID VET (877-424-3838) or go to <http://www.va.gov/HOMELESS/NationalCallCenter.asp> to receive immediate assistance from VA.

Other Assistance

If VA is not able to help a Veteran borrower retain his/her home (whether a VA-guaranteed loan or not), the HOPE NOW Alliance may be of assistance. HOPE NOW is a joint alliance consisting of servicers, counselors, and investors whose main goal is to assist distressed borrowers retain their homes and avoid foreclosure. They have expertise in financial counseling, as well as programs that take advantage of relief measures that VA cannot. HOPE Now provides outreach, counseling and assistance to homeowners who have the willingness and ability to keep their homes but are facing financial difficulty as a result of the crisis in the mortgage market. The HOPE NOW Alliance can be reached at (888) 995-HOPE (888-995-4673) or by visiting <http://hopenow.com/>.