



HOME LOAN GUARANTY

ASSISTANCE WITH DELINQUENT HOME LOANS

The Department of Veterans Affairs (VA) urges all Veterans who are encountering problems making their mortgage payments to speak with their loan servicer as soon as possible to explore options to avoid foreclosure.

GENERAL GUIDANCE

Servicers really do not want to foreclose because foreclosure is costly. Servicers may offer any of the following options to avoid foreclosure:

- Repayment Plan – The borrower makes their 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.
- 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 the foreclosure process.

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

SERVICEMEMBERS CIVIL RELIEF ACT

Veteran borrowers may be able to request relief pursuant to the Servicemembers Civil Relief Act (SCRA). SCRA is intended to ease the economic and legal burdens on military personnel during their active service. In order to qualify for certain protections available under the Act, the borrower must request protection under the Act, and the loan must have originated prior to the current period of active military service. SCRA may provide for a lower interest rate, or prevent foreclosure or eviction up to nine months from period of military service.

VETERANS WITH VA-GUARANTEED HOME LOANS

The loan servicer has the primary responsibility of reviewing the loan to resolve the default, so it is imperative borrowers contact their loan servicer as quickly as possible. However, in cases where the



Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits



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servicer is unable to help the Veteran borrower, Loan Guaranty has Loan Technicians in eight Regional Loan Centers and one Regional Office who take an active role in interceding with the servicer to explore all options to avoid foreclosure. Servicemembers or Veterans with VA-guaranteed home loans can call (877) 827-3702 to reach the nearest Loan Guaranty office where Loan Technicians are prepared to discuss potential ways to help save the home.

VETERANS WITH NON-VA GUARANTEED HOME LOANS

For a Veteran or Servicemember with a conventional or sub-prime loan, VA does not have the legal authority to intervene on the borrower's behalf. It is imperative that the borrower contacts his/her servicer as quickly as possible. Visit VA's website (<http://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 believe 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 additional relief measures. HOPE Now provides outreach, counseling, and assistance to homeowners who have the willingness and ability to keep their homes but are facing financial difficulty. The HOPE NOW Alliance can be reached at (888) 995-HOPE [(888) 995-4673] or by visiting <http://www.hopenow.com/>.

IF YOU ARE UNEMPLOYED

The VOW to Hire Heroes Act of 2011 authorized the Veterans Retraining Assistance Program (VRAP). VRAP offers up to 12 months of training assistance to unemployed Veterans, between the ages 35-60, with the Department of Labor providing employment assistance upon completion of the program. Please visit <http://www.benefits.va.gov/vow/> or call 1-800-827-1000 for more information on applying to the program.

For more information, call toll-free (877) 827-3702 or visit our web site at <http://www.benefits.va.gov/homeloans>.

Contact us: www.va.gov 1-800-827-1000



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