

Mortgage Late? Don't Wait!

Act Now. Before It's Too Late.



Dear Homeowner:

You have taken an important step toward preserving homeownership. The enclosed information includes foreclosure prevention tips and steps to take before meeting with a housing advisor or contacting your lender.

Not everyone will be able to avoid foreclosure in these difficult times. However, the faster one acts, the more options will be available. We are here to help you understand your options and find the best solution.

Homeowners Preserving Equity (HOPE) is a program of the Maryland Department of Housing and Community Development, in partnership with the Department of Labor, Licensing, and Regulation, community organizations, and lenders.

Call us at the Maryland HOPE Hotline, 1-877-462-7555, if you have any questions along the way.

Raymond A. Skinner
Secretary,
Maryland Department of
Housing and Community Development



Maryland Department of Housing
and Community Development

100 Community Place
Crownsville, MD 21032

Hope Hotline 1-877-462-7555

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Here's your Consumer Information Kit
from Maryland HOPE...

Step 1: Prepare



Do the following before meeting with a nonprofit housing counselor or legal advisors:

1. Complete a Consumer Information form (enclosed).
2. Make a copy of your most recent mortgage statement or payment coupon.
3. Make a copy of all mortgage documents given to you before *and* at the closing for your current loan.
4. Gather all mail you may have received from your lender about mortgage lateness, including any letters regarding potential foreclosure actions.
5. Write a hardship letter (format enclosed).

What is a hardship letter? A hardship letter is required by most lenders before they will consider offering relief to borrowers. The letter can be hand written. The letter must include this information:

- “I would to like stay in my house.”
- “I fell behind on my mortgage payments as of _____ date.”
- “The reason I fell behind is _____.”
- “The situation has changed and I will be able to make my mortgage payment because _____.”

6. Complete a Household Monthly Budget form (enclosed).
7. Make a copy of pay stubs for all household earners for the two most recent pay periods, and also copy two months of bank statements.

Take Action NOW!

1. Contact your Lender:

Contact your lender as soon as you realize you have a financial challenge.

Open and respond to all mail from your lender or their agents. Lenders do not want to take your home! But delays will reduce your options.

2. Talk with a Nonprofit Housing Counselor:

Free foreclosure prevention help is available from Maryland’s network of nonprofit housing counselors listed in this kit. Help is also available, 24/7, via a national hotline at 1-888-995-HOPE, or www.hpfonline.org.

Housing counselors can help you understand your mortgage options and negotiate with your lender. Get ready with the enclosed information!

3. Try to refinance to a more affordable mortgage:

The Maryland Department of Housing and Community Development (DHCD) has safe and affordable financial options. See one of our HOPE nonprofit housing counseling partners in order to review your eligibility:

DHCD’s Lifeline Refinance Program is aimed at homeowners who are not behind on their payments but who are facing an interest rate increase.

DHCD’s Refinance Program is for homeowners that may have missed a few payments but who can afford to sustain a reasonable mortgage payment.

DHCD’s Bridge To Hope Program is emergency 0% loan assistance to help homeowners catch up on payments while they work out a solution with their counselor and lender to stay in their home.

Also, “**FHA Secure**” is a HUD refinancing program which you can learn about by calling 1-800-CALL-FHA (1-800-225-5342).

4. Avoid foreclosure “rescue” scams:

Free and objective assistance from a nonprofit housing counselor and your lender is available!

Some companies will promise you mortgage help for a fee. Some advertise their services on signs on telephone poles and in median strips. Some may be legitimate, but others have taken costly advantage of Maryland consumers.

If you feel you have been the victim of a scam, you can report this to Maryland’s Department of Labor, Licensing & Regulation, www.dlir.state.md.us, 1-888-784-0136.

Don’t sign any legal documents without getting objective advice from a qualified attorney. More information about legal assistance and predatory real estate practices is available at www.mdhope.org.

5. Prioritize your spending and SAVE money:

Review your finances and cut spending where you can. Look especially at variable expenses like entertainment, clothing, and memberships.

Do you have assets you can sell? Can anyone in your household work more hours for additional income? Efforts such as these demonstrate to your lender that you are willing to make sacrifices to keep your home.

6. If foreclosure is unavoidable:

Other supportive services in your area, such as emergency housing, can be found by contacting United Way’s 211/First Call for Help, 1-800-492-0618.

If you need to locate affordable rental housing, see DHCD’s housing locator service at www.mdhousingsearch.org or call 1-877-428-8844.

Step 2: Take Action



Maryland Nonprofit Housing Counselors

Non-profit housing counselors are community organizations that are solely dedicated to guiding consumers like you. Many Marylanders need foreclosure prevention assistance. If the first housing counselor you call is busy, consider selecting another from this list:

Organization	Jurisdiction	ZIP	Phone Number	Web Address
Arundel Community Development Services, Inc.	Anne Arundel	21401	410-222-7600	www.acdsinc.org
Housing Commission of Anne Arundel County	Anne Arundel	21060	410-222-6200 x 100	www.hcaac.org
ACORN Housing Corporation	Baltimore Prince George's	21218 20782	410-243-9790 301-699-0983	www.acornhousing.org
Belair-Edison Neighborhoods, Inc.	Baltimore	21213	410-485-8422	www.belair-edison.org
Consumer Credit Counseling Service of Greater Washington/Money Management International	Statewide	20855	800-747-4222	www.moneymanagement.org
Druid Heights CDC	Baltimore	21217	410-523-1350	www.druidheights.com
Eastside Community Development Corporation	Baltimore	21224	410-284-9861	www.eastsidecdc.org
Neighborhood Housing Services of Baltimore	Baltimore	21231	410-327-1200 x 33	www.nhsbaltimore.com/education.shtml
Southeast Community Development Corporation*	Baltimore	21224	410-342-3234	www.southeastcdc.org
St. Ambrose Housing Aid Center, Inc.	Baltimore	21218	410-366-8550	www.stambros.org
Tri-Churches Housing, Inc.	Baltimore	21223	410-385-1463	www.trichurcheshousing.org
We Are Family Community Development	Baltimore	21133	410-922-9623	www.unionbethelamec.org/cdc
Delmarva Community Services, Inc.	Eastern Shore	21613	410-901-2991	www.dcsdct.org
Maryland Rural Development Corporation	Eastern Shore	21639	410-479-3566	www.mrdc.net
Salisbury Neighborhood Housing Services	Eastern Shore	21804	410-543-4626	www.salisburynhs.org
Shore-Up! Inc.	Eastern Shore	21804	410-749-1142 x 307	www.shoreup.org
City of Frederick/Frederick CAA	Frederick	21701	301-600-1506	www.cityoffrederick.com/fcaa
Garrett County Community Action Committee	Garrett and Allegany	21550	301-334-9431 x 149	www.garrettcac.org
Home Partnership, Inc.	Baltimore, Harford and Cecil	21085	410-679-3200	www.homepartnershipinc.org
Latino Economic Development Corporation*	Montgomery	20902	240-777-4960	www.ledcdc.org
HomeFree - USA*	Montgomery	20782	301-891-8400	www.homefreeusa.org
Greater Washington Urban League	Prince George's	20782	301-985-3519	www.gwul.org
Housing Initiative Partnership, Inc. *	Prince George's	20782	301-699-3835	www.hiphomes.org
Housing Options & Planning Enterprises, Inc.	Prince George's and Charles	20745	301-567-3330	www.hopefinancial.org
Sowing Empowerment & Economic Development*	Prince George's	20737	301-458-9808	www.seedinc.org
Roots of Mankind Corporation	Prince George's	20748	301-899-6800	www.romkind.org
Kairos Development Corporation	Prince George's	20746	301-899-1180	www.kairosgroups.org
Southern Maryland Tri-County CAC	Southern Maryland	20637	301-274-4474	www.smtccac.org
Washington County CAC	Washington	21740	301-797-4161	www.wccac.org

*bilingual capacity

Consumer Information

Please complete this form before meeting with your housing counselor. Be sure to take it with you to your first appointment. If you have any questions, please call the HOPE Hotline at 1-877-462-7555 or go on-line to www.mdhope.org.

Borrower First Name: _____ Last Name: _____		Date: _____
Co-Borrower Name: _____		
Borrower Annual Household Income: _____		Co-Borrower Annual Household Income: _____
Household type: (Check all that apply)		Street address of property (do not use P.O. box): _____
<input type="checkbox"/> Single adult <input type="checkbox"/> Two or more unmarried adults <input type="checkbox"/> Married with children <input type="checkbox"/> Married without children <input type="checkbox"/> Female-headed single-parent household <input type="checkbox"/> Male-headed single-parent household <input type="checkbox"/> Senior <input type="checkbox"/> Other		City: _____
Who owns the residence in question: _____		County: _____ State: _____ Zip Code: _____
I make my mortgage payment to: _____		Phone numbers work/home/cell: _____
I am or may soon be behind on my mortgage payment because:		Email address: _____
<input type="checkbox"/> My income was reduced <input type="checkbox"/> Loss of job <input type="checkbox"/> Loss of income for another reason <input type="checkbox"/> Medical issues or expenses <input type="checkbox"/> Family issues <input type="checkbox"/> Increase in expenses <input type="checkbox"/> Divorce or separation <input type="checkbox"/> Death of a family member <input type="checkbox"/> Failed business venture <input type="checkbox"/> Increase in mortgage payment <input type="checkbox"/> Other (please explain): _____		My total monthly mortgage payment is: _____
My payments are now:		My payments are now:
<input type="checkbox"/> Current <input type="checkbox"/> 30-60 days late <input type="checkbox"/> 61-90 days late <input type="checkbox"/> 91-120 days late <input type="checkbox"/> More than 120 days late <input type="checkbox"/> Unknown or unsure		<input type="checkbox"/> Current <input type="checkbox"/> 30-60 days late <input type="checkbox"/> 61-90 days late <input type="checkbox"/> 91-120 days late <input type="checkbox"/> More than 120 days late <input type="checkbox"/> Unknown or unsure
Have you contacted your lender?		Have you contacted your lender?
<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes," what was their response?		

Household Monthly Budget

Please complete this form with your budget information so that you can review your financial situation with your housing counselor. Be sure to take it with you to your first appointment. If you have any questions, please call the HOPE Hotline at 1-877-462-7555.

A. Household Expenses:

Fixed Monthly Expenses	Payment
Mortgage	
2nd Mortgage	
Gas & Electric	
Heating Oil	
Water & Sewer	
Telephone	
Car Payment 1	
Car Payment 2	
Auto Insurance	
Life Insurance	
Medical Insurance	
Alimony/Child Support	
Alarm System	
Property Taxes/Insurance	
Other / Minimum Credit Card Payment	
Sub-Total, FIXED Expenses	

Variable Monthly Expenses	Payment
Groceries	
Eating Out	
Gas	
Bus/Taxi/Parking	
Car Repair	
Toiletries/Hair Care	
Medical/prescriptions	
Day Care	
Cable TV	
Clothing/Laundry	
Lottery	
Church/Charity	
Entertainment	
Cell Phone	
Other	
Sub-Total, VARIABLE Expenses	

TOTAL MONTHLY EXPENSES	
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B. Your Monthly Income:

Before Taxes	After Taxes

Spouse or Partner's Income:

Before Taxes	After Taxes

Other Household Income:

Before Taxes	After Taxes

C. Credit Card and Other Debts:

Creditor Name	Min. Payment	Balance

D. Surplus/Deficit:

Total net monthly household income	
Subtract total monthly expenses	
= Monthly surplus or deficit	

Hardship Letter Format

To (Name of Lender):	Date:
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From Borrower(s):

Loan #

I would like to remain in my house, but I fell behind on my mortgage payments as of (date):

The reason I fell behind is:

I will be able to overcome these difficulties and make my mortgage payment because:

- I have a new job
 - I have a second job
 - I have reduced my household expenses
 - I have additional income from my son, daughter, etc.
- and/or
- I can make the payments at my original interest rate. If you freeze my interest rate, I can make my payments.

Borrower Signature

Co-Borrower