

## **MORTGAGE MODIFICATION FREQUENTLY ASKED QUESTIONS**

**A Prospective Client might ask: If I'm going to EVEN consider hiring you to represent me in a mortgage modification negotiation, what can I expect from you?**

**My Answer:** Before I'll agree to represent a client in the mortgage modification / negotiation process, I'll first research several critical areas pertaining to the existing lender/servicer and mortgage. At the outset, I offer a complementary and confidential consultation before any representation agreement is reached. If, after that research, both you and I are satisfied that I can obtain effective results, only then will I agree to enter into a lawyer-client relationship with you.

The truth is, no one can predict the successful outcome of a mortgage mod negotiation. I believe that before you pay any of your hard earned money to hire someone to negotiate or attempt to do a mod for you, certain questions have to be asked first, among them:

- ❖ Who is the lender or servicer?
- ❖ Is your mortgage an ARM, or conventional fixed?
- ❖ Are you current or delinquent on your payments?
- ❖ How long ago did you obtain your mortgage loan?
- ❖ Are there any RESPA or TILA disclosure violations with respect to your Purchase & Sale Agreement documents?
- ❖ If your mortgage payments *are* delinquent, has your mortgagee declared a default or set a trustee sale date yet?
- ❖ Has your lender/servicer complied with recently modified RCW 61.24 Deed of Trust Act requirements?
- ❖ What Federal programs currently exist to entice your lender into working with you?
- ❖ What changes have taken place recently in your income or living expenses?
- ❖ Would you qualify for a hardship loan modification with your lender, and if so, what is the time frame and expense required in obtaining that modification?
- ❖ Do you have any equity in the property?
- ❖ Is your mortgage part of a securitized loan portfolio that was sold to investors?
- ❖ If you're underwater in the property, what are some other available options to consider?

Regardless of whether or not you decide to consult with me for a mortgage modification, please read the following, and above all, take steps to protect yourself and property investment!

### **Six Things You Should Know About Mortgage Mod Scams**

Here are six red flags to indicate that you may be dealing with a loan modification scammer:

1. A company/person asks for a fee in advance to work with your lender to modify, refinance or reinstate your mortgage. They may pocket your money and do little or nothing to help you save your home from foreclosure.

2. A company/person guarantees they can stop a foreclosure or get your loan modified. Nobody can make this guarantee to stop foreclosure or modify your loan. Legitimate, trustworthy HUD-approved counseling agencies will only promise they will try their very best to help you.
3. A company/person advises you to stop paying your mortgage company and pay them instead. Despite what a scammer will tell you, you should never send a mortgage payment to anyone other than your mortgage lender. The minute you have trouble making your monthly payment, contact your mortgage lender.
4. A company pressures you to sign over the deed to your home or sign any paperwork that you haven't had a chance to read, and you don't fully understand. A legitimate housing counselor would never pressure you to sign a document before you had a chance to read and understand it.
5. A company claims to offer "government-approved" or "official government" loan modifications. They may be scam artists posing as legitimate organizations approved by, or affiliated with, the government. Contact your mortgage lender first. Your lender can tell you whether you qualify for any government programs to prevent foreclosure. And, remember, you do not have to pay to benefit from government-backed loan modification programs.
6. A company/person you don't know asks you to release personal financial information online or over the phone. You should only give this type of information to companies that you know and trust, like your mortgage lender or a HUD-approved counseling agency.

**If you do nothing else, at the very least, arm yourself with some the latest information available from the U.S. Treasury Department, which can be found at this link:**

<http://www.occ.treas.gov/ftp/ADVISORY/2009-1.pdf>