



**STATE CORPORATION COMMISSION
BUREAU OF FINANCIAL INSTITUTIONS**

Are You Falling Behind On Your Mortgage or Facing Foreclosure?

The Bureau of Financial Institutions, a division of the State Corporation Commission, notes that the news is full of discussions regarding an increase in foreclosures, as well as consumers facing increases in their mortgage payments from changes in their adjustable rate loans.

If you are facing a mortgage payment that you cannot make or if you have fallen behind on your mortgage payments, the first step you should take is to contact your mortgage company directly. Please do not ignore the letters or phone calls from the mortgage company.

Foreclosure on a mortgage and the loss of a home is an expensive process. It is something many mortgage companies would like to avoid; however, you must be willing to contact your mortgage company directly and let your lender know what your problems are. Be prepared when you contact your lender. Have your financial information (monthly income, monthly expenses) ready so that you can discuss your situation. The mortgage company may be willing to offer a work-out plan such as a modification of terms, or rates, or both. If you do not contact the mortgage company directly in an effort to work the situation out, you may face an unhappy ending.

The U. S. Department of Housing and Urban Development (HUD) has guidance entitled "How to Avoid Foreclosure" available on its' Web site at <http://www.hud.gov/foreclosure/index.cfm>. The guidance offers some very useful information. It also cautions that if you are facing foreclosure you should be wary of solicitations that offer to assist you in stopping or preventing foreclosure. As is the case most often, if the assistance sounds too good to be true or if it sounds too simple, it usually is. You should be cautious before agreeing to or signing anything with anyone that states they can assist you in preventing or stopping a foreclosure, other than with your current lender or servicer.

Other resources that may be helpful include:

- HUD Approved Counseling Agencies 1-800-569-4287,
- HOME (Housing Opportunities Made Equal) 804-354-0641,
- NeighborWorks 1-888-995-4673.

The Bureau of Financial Institutions licenses and regulates certain state chartered financial institutions. As a regulatory agency, the Bureau is not able to provide legal advice and cannot stop or prevent a foreclosure.