

Foreclosure Prevention Counseling Application

The best time to address a mortgage delinquency is early in the process!

- The foreclosure prevention designed to help homeowners keep their home, establish financial stability and learn strategies to avoid similar situations in the future. The SAHT provides free counseling assistance to help homeowners who are in or nearing foreclosure with referrals to additional resources.
- Homeowner/borrowers who have experienced financial hardship can be spared the painful ordeal of foreclosure and may even be able to keep their home. Thorough evaluation of a delinquent homeowner/borrower's financial circumstances, the value of the property involved, and market conditions will determine which foreclosure prevention option the servicer will decide whether to pursue a workout or not.
- Most foreclosures result in losses for everyone involved—the homeowner/homeowner/borrower, the lender/servicer, and investors, and the insurer or guarantor. Many foreclosures can be avoided, particularly when all parties work together to ensure a successful outcome. The SAHT acts as a liaison between the lender/servicer and the homeowner/borrower. A counselor will help you assess your financial situation, determine what options are available to you, and help you negotiate with your lender. A counselor will be familiar with the various work-out arrangements that lenders will consider and will know what course of action makes the most sense for you and your family, based on your circumstances. In addition, the counselor can call the lender with you or on your behalf to discuss a workout plan.
- The counselor will help you establish a monthly budget plan to ensure that you can meet all of your monthly expenses, including your mortgage payment. Your personal financial plan will clearly show how much money you have available to make the mortgage payment. This analysis will help you and your lender determine whether a reduced or delayed payment schedule could help you.

What to expect from Mortgage Foreclosure Prevention Program:

- Honesty. Sometimes the answers are difficult and solutions mean lifestyle changes.
- Review of the homeowner's financial picture based on income, bills and spending habits.
- Guidance as homeowners sort through personal and financial issues and explore solutions.
- Direction to other community resources that may be a part of the solution.
- Information about the foreclosure process.

Counselors schedule vary. Please call (210) 735-2772 to make an appointment with a counselor.

Items to bring to appointment:

- Completed Applicant Intake Form
- Signed Authorization Form
- Proof of Income
- Social Security Card
- Driver's License
- Past 2 Bank Statements
- Copy of Utility Bill
- All correspondence from Mortgage/Lender
- Hardship Letter

Applicant Intake Form

Borrower Information:

Borrower name(s) _____ SSN: _____
Date of Birth _____
Property Address _____
City _____ State _____ Zip Code _____

Mailing address _____
City _____ State _____ Zip Code _____
Phone Numbers (home) _____ (office) _____
(Cell) _____ Other _____

E-mail _____
Number of people in household _____ How long? _____

No. of Children under 18 _____

Bankruptcy: _____ Yes _____ No _____ Chapter 7 _____ Chapter 13
Bankruptcy Attorney: _____

Employer's Name: _____
Employer's Address & Phone: _____
Title: _____
Type of Industry: _____
Start & End Date: _____
Hourly Wages: _____
Hours Per Week: _____
Gross Mortgagor Income: _____
Net Mortgagor Income: _____
Combined Income: _____

Median Income Less than 50% 50-80% 81-100% More than 100%

Co-Borrower Information:

Borrower name(s) _____ SSN: _____
Date of Birth _____

Mailing address _____
Phone Numbers (home) _____ (office) _____
(cell) _____ other _____

E-mail _____
Home phone: _____
Work phone: _____
Cell phone: _____

Employer's Name: _____
Employer's Address & Phone: _____
Title: _____
Type of Industry: _____
Start & End Date: _____
Hourly Wages: _____
Hours Per Week: _____
Gross Mortgagor Income: _____
Net Mortgagor Income: _____
Combined Income: _____

Mortgage Information:

Loan Number: _____
Servicer Loan Number: _____
Mortgage Company: _____
Current Servicer: _____

Original Lien Holder: _____
 Payment prior to rate/escrow change: _____
 Type: FHA _____ VA _____ Conv _____ ARM _____ Interest Rate: _____
 Monthly Payment: _____ Months Delinquent: _____ Balance Owed: _____

Is the property for sale? _____ Listing date _____ Price \$ _____
 Realtor name _____ Realtor phone _____
 Borrower occupied. _____ Property Purchase Date: _____

| <u>Assets:</u> | Amount owed | Value |
|-----------------------|-------------|----------|
| Home | \$ _____ | \$ _____ |
| Other Real Estate | \$ _____ | \$ _____ |
| Retirement Funds | \$ _____ | \$ _____ |
| Investments | \$ _____ | \$ _____ |
| Checking | \$ _____ | \$ _____ |
| Savings | \$ _____ | \$ _____ |
| Other | \$ _____ | \$ _____ |

Automobile #1 Model _____ Year _____
 Amount owed _____ Value _____
 Automobile #2 Model _____ Year _____
 Amount owed _____ Value _____

Monthly Income:

Borrower:

Co-Borrower:

Wages _____
 Unemployment _____
 Child Support _____
 Alimony _____
 Disability Income _____
 Rental Income _____
 Retirement _____
 Other _____
 Other _____

Wages _____
 Unemployment _____
 Child Support _____
 Alimony _____
 Disability Income _____
 Rental Income _____
 Retirement _____
 Other _____
 Other _____

Monthly Expenses: (Include expenses you are currently paying) **Total Expenses:** _____

| <u>Expense</u> | <u>Amount</u> |
|--|---------------|
| 1. Mortgage | _____ |
| 2. 2 nd Mortgage | _____ |
| 3. Automobile Payment(s) | _____ |
| 4. Auto Insurance | _____ |
| 5. Auto Fuel/repairs | _____ |
| 6. Credit Card Payments | _____ |
| 7. Installment loan Payments | _____ |
| 8. Child support / Alimony | _____ |
| 9. Day Care / Child Care / Tuition | _____ |
| 10. Food | _____ |
| 11. Utilities | _____ |
| 12. Condominium/ Neighborhood Fees | _____ |
| 13. Medical (not covered by insurance) | _____ |
| 14. Other property payments | _____ |
| 15. Telephone / Cell Phone | _____ |
| 16. Cable TV | _____ |
| 17. Spending Money | _____ |
| 18. Other Expenses | _____ |

Authorization Form

Authorization to Disclose Information to Agencies

I, _____, authorize _____ to discuss my account and financial information with the above named agency.

Borrower Signature

Date

Co-Borrower Signature

Date

Please forward this page along with the following information to lender: _____

- ✓ Proof of income
- ✓ Past 2 bank statements
- ✓ Proof of any expected income
- ✓ Copy of a current utility bill
- ✓ Letter explaining reason for delinquency and any supporting documentation
- ✓ Listing agreement (if property is currently on the market)

In an effort to evaluate all of the workout options available to you, a counselor/lender staff will work with your lender(s) and servicing company to determine eligibility.

Lenders

Contact: _____ **Phone** _____

Non Profit Counselor

Contact: _____ **Phone** _____

Sample Hardship Letter

(Company's representative)
(Company's Name)
(Company's Address)
(Company's phone number)

RE: (Home Address)

Account Number:(#)

Dear (Ms/Mr. Brown:)

I/We, (Your Name), are/am requesting that you review my/our financial state of affairs to see if I/we qualify for a loan modification or any other options.

I/We are having problems making my/our monthly payments because of financial troubles created by **(pick one)**:

Death of my spouse

Divorce

Job layoff

Separation

Medical bills

Too much debt

Unemployment

Death of a family member

Business failure

Loss of income

Job relocation

Illness

Damage to property

Military service

Payment increase

Incarceration

Other (Please Specify) _____

This difficulty or situation happened on or about this date **MM/DD/YYYY**. I/We believe that my/our situation is **(circle one) Temporary / Permanent**. The following is a brief account of my/our situation: **(explain your situation and tell them why you feel you can now afford your new payments/payments)** I/We, (your name), state the information provided above to be true and correct to the best of my/our knowledge.

Borrower's Signature

Date

Co-Borrower's Signature

Date

Alternatives to Foreclosure

In order to be eligible for one of the alternatives to foreclosure, the homeowner/borrower must be experiencing or have experienced a financial hardship, or meet one of the allowed exceptions to the hardship requirement.

The following are financial hardship criteria:

An involuntary reduction of income due to:

- Unemployment
- Mandatory pay reduction (could result form elimination of overtime, reduction in regular working hours, or a reduction in base pay)
- Under-employment following a previous job loss
- Death of a homeowner/borrower or primary wage earner in the household
- Decline in business earning for a self-employed homeowner/borrower
- Incarceration of a spouse or c-homeowner/borrower
- Permanent or short-term disability
- Serious illness of household member
- Divorce

An unavoidable increase in expenditures due to:

- A disability or illness that results in an increase in uninsured major medical expenses
- A natural or man-made disaster damaging the property
- An unanticipated capital expense for property maintenance that, if not performed, would result in sufficient deterioration to the point of affecting the property value as security for the mortgage or its habitability
- Excessive credit obligations (if caused by involuntary hardship that caused the homeowner/borrower to use credit to pay his or her monthly mortgage payments)

What is not considered financial hardship?

A homeowner/borrower does not have financial hardship if he or she has a voluntary reduction of income due to:

- Quitting a job
- Leaving a job to stay home and care for children
- Reducing the number of hours worked, and therefore reducing the amount of pay
- Having a job that has normal seasonal layoffs
- Etc.

In order to receive program services, homeowners:

- Must own and occupy as their principal residence a home located in Bexar County
- Must be behind on mortgage 2 or more months behind
- Must be willing to work to help resolve the problem.
- Loan must be FHA or Convention with MIP. VA loan must contact the Texas Veteran's Office