



Frequently Asked Questions

Why should I choose a Loss Mitigation solution?

If you are having trouble and are behind on your payments, you have several different options to fix your problem.

- **Reinstatement Plan** - Your lender will reinstate the original terms of your loan once you are caught up.
- **Repayment Plan** - Your lender will tack on an extra amount onto each payment for a set period of time.
- **Loan Modification** - You negotiate a restructure of your current loan terms without refinancing.
- **Loan Refinance** - Refinancing may be an option if you have the equity and credit required.
- **Forbearance Agreement** - Your lender negotiates a repayment plan and may force you to list your home for sale.
- **Short Sale** - You sell your property for less than you owe but your lender accepts it as payment in full.
- **Pre-Foreclosure Sale** - You agree to sell your property before foreclosure takes place. (requires equity)
- **Deed-in-Lieu of Foreclosure** - You agree to sign your property back over to your bank and walk away.
- **Bankruptcy** - You have to file bankruptcy to protect yourself, but if you miss one payment, you will be right back in foreclosure.

Based on your individual circumstances one or more of these solutions provide far better resolutions to your mortgage challenges. Ultimately losing your home to foreclosure is both a devastating emotional process as well as financial. HomeLife loss mitigation services provide guidance through this challenging time with resolutions that significantly enhance your financial challenges. For a more complete description of the various Loss Mitigation services please consult your HomeLife Client Ambassador today.

What is a Loan Modification and how can I benefit?

Loan modifications are one of the potential outcomes of a loss mitigation process. A loan modification is a temporary or permanent change in one or more of the terms of a mortgagor's loan, it allows the loan to be reinstated, and results in a payment the mortgagor can afford. A modification is made to an existing loan by a lender in response to a borrower's long-term inability to repay the loan. Loan modifications typically involve a reduction in the interest rate on the loan, an extension of the length of the term of the loan, a different type of loan or any



combination of the three. A lender may be open to modifying a loan because the cost of doing so is less than the cost of default.

How do I know if I qualify for a loan modification?

The major criteria lenders look for to approve a loan modification is proof of your ability to afford the new loan payment now and in the future. Based on a current hardship you may be experiencing, our negotiators will work with your lender to determine if a modified loan solution meets your ability to pay.

What is an acceptable hardship situation?

While each homeowner's situation is unique, lenders generally consider the following to be potential hardships (see attached list) as acceptable reasons to consider a loan modification. A hardship letter included in your loan modification application package will help the lender understand your current circumstances and intentions.

- **Illness of the Borrower**
- **Illness of a Borrowers Family Member**
- **Curtailement of Income**
- **Loss of Job**
- **Abandonment of Property**
- **Property Problem**
- **Inability to Sell the Property**
- **Inability to Rent the Property**
- **Mortgage Servicing Problems**
- **Transfer of Ownership Delays**
- **Reduced Income**
- **Failed Business**
- **Job Relocation**
- **Death of the Borrower**
- **Death of Spouse or Co-Borrower**
- **Death in the Family**
- **Incarceration**
- **Divorce**
- **Marital Separation**
- **Military Duty**
- **Medical Bills**
- **Damage to Property (natural disaster or unnatural)**



Can I still ask for a loan modification even if I am not currently delinquent?

Yes. Most lenders will accept loan modification applications from homeowners who foresee a problem meeting their home loan payments due to interest rate resets or financial hardship. The Federal government is urging lenders to proactively reach out to homeowners who face potential default. You simply need to demonstrate the loan terms have become or will become unaffordable.

Are lenders and banks really willing to negotiate?

In most cases YES! Lenders do not want to foreclose on your home unless they have no other alternative.

If you can present them with a realistic professional proposal that makes sense, they are very open and receptive to the loan modification process.

Can I negotiate a loan modification myself?

Yes. You can contact your lender or your bank and see about going through the process of loan modification. But, keep in mind that your bank has their best interest at heart. They neither have the time nor the inclination to hear about what troubles you might be experiencing.

What usually ends up happening is that the bank will negotiate an agreement that helps them but still leaves you with only a temporary solution. This also takes many hours of communication and back and forth information exchanges in order to accomplish. It is not easy to complete on your own and the outcome may not be favorable for you.

When you contact the bank they will ask for a "hardship letter" from you. When they receive that letter, they will usually tell you that they will get back to you in about 8 weeks. By the time you get back with them, or if you are lucky enough to get a call from them, you're already in worse shape than when you first started negotiating.

HomeLife and its affiliates are here for one reason; to ensure the best possible outcome within a modification negotiation. Our team of professionals works diligently to understand the nuances of attaining the best results. You can certainly attempt the modification process on your own. There are even sponsored agencies that will assist you at no cost. However, our experience has taught us that these companies do not have the time or resources to properly assist you throughout this extremely important time.

Why should I choose HomeLife and the Law Offices of Kramer and Kaslow?

Our attorneys have been practicing real estate law for over 25 years. Kramer and Kaslow have achieved an AV Martindale and Hubbell rating ("AV Peer Review rating — shows that a lawyer



has reached the height of professional excellence. He or she has usually practiced law for many years, and is recognized for the highest levels of skill and integrity").

Our history of working with most every major lender gives us the greatest ability to negotiate directly with the person in charge of making a modification decision on your loan.

Our staff works proactively to create a thorough legal file on your behalf prior to beginning the negotiation process with your lender. Your legal file will include the following information carefully arranged to meet your lenders guidelines:

- **Personal information worksheet**
- **Financial information worksheet**
- **Mortgage information worksheet**
- **Debt calculation worksheet**
- **Budget information worksheet**
- **Modification analysis worksheet**

The preparation and presentation of this information to your lender resulting in a beneficial modification may take between 60-120 hours of work. There are numerous companies out there advertising "attorney-backed" services, but who, upon closer inspection, don't actually involve an attorney in your case. Our process is different - each file is carefully reviewed by our negotiators prior to being submitted to the bank, and our attorneys carefully review and approve all correspondence going to the lender. We have contacts inside both the loss mitigation department at the lender as well as their legal department, and we utilize these contacts on every file to push for results. We are confident in our serving you with 100% commitment during this process.

How long does the modification process take?

Working with your lender to reach a suitable arrangement can take anywhere from a few days to several months. It all depends on your current financial position, and whether or not foreclosure proceedings have already been started. Typically, it takes between 60 and 90 days to complete a modification.

What do I do next?

You may have additional questions surrounding the following issues:

- **Can you help me if I have filed for Bankruptcy?**
- **Can you stop a foreclosure?**
- **What if I simply cannot afford my house and yet I am upside down?**
- **Why not let the bank take the home?**
- **Will this affect my credit?**



What if I have already been turned down for a modification?

If you need answers to any of these or many other questions please contact our loss mitigation department as we would be happy to assist you.

If you realize there is a need to seek a modification solution, simply fill out the contact us form or call us and we would be happy to discuss what is surely an emotional time for you and your family. At HomeLife, our goal is simple: To ensure that our clients achieve a beneficial resolution to your mortgage needs.