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FINDING THE RESOURCES TO FIGHT OFF FORECLOSURE

NORTHBROOK, IL (November 18, 2008) — Homeowners struggling to pay their bills keep up with their mortgage payments and stay in their homes shouldn't give up hope as there are resources available to help them fight off the threat of foreclosure.

“One of the best things homeowners at risk of foreclosure can do is to act quickly and seek help before they get too far behind, preferably before they are three months delinquent on their mortgage payments. Before that happens, contact your lender, research the many state and federal foreclosure relief programs and get help,” says North Shore – Barrington REALTOR® Association (NSBAR) Board President, Adrienne Han.

There are different options, depending on the homeowner's situation. Some may be having temporary problems, but ultimately will be able to repay their mortgage and get current. For them, options can include:

- “Forbearance” whereby a lender lets a borrower pay less than the full amount of the mortgage or skip a few payments if there is a reasonable plan to become current on the loan.
- “Reinstatement” is another option if the homeowner is able to make a payment that covers all of the previous late payments.
- A “repayment plan” from a lender will allow a borrower who has fallen behind to make additional payments each month until the amount past due is paid.

For homeowners facing more long-term hardships or who can't afford their current payments, a better option might be to work with a lender to get a mortgage modification, which can include refinancing to a new interest rate, adding missed payments to the loan balance or extending the life of the loan.

A good first step is to contact a financial counselor certified through the U.S. Department of Housing and Urban Development (HUD) for guidance. You can find HUD-certified counselors in your area by calling 800-569-4287 or by going to www.hud.gov.

There are a number of foreclosure relief programs available to qualifying homeowners including:

- **HOPE for Homeowners** – This is a new federal program that allows qualifying owners to refinance to a 30-year, fixed rate mortgage backed by the Federal Housing Administration (FHA). The program began in October and ends September 30, 2011. For more information, go to www.hud.gov.

- **FHASecure** – An existing FHA program that also allows homeowners who are current or delinquent on their mortgage payments to refinance to an FHA-insured mortgage. To learn about FHASecure, go to www.hud.gov.
- **Finally Home** – This program is administered by the Office of the Illinois Treasurer and is an option for Illinois residents. The program allows homeowners with problematic adjustable-rate mortgages or those who are having qualifying financial hardships to refinance. To learn more about the guidelines, go to www.treasurer.il.gov.
- **Homeowner's HOPE** - The Homeownership Preservation Foundation provides free, HUD-approved counselors to help homeowners avoid foreclosure. Learn more by calling 888-995-HOPE or online at www.995hope.org.
- **Illinois Legal Aid** – The Web site features legal information including videos on the foreclosure process and referrals for free or low-cost legal help. Go to www.illinoislegalaidonline.org.
- **Illinois Mortgage Lending Guide** – An online resource manual provided through Illinois Attorney General Lisa Madigan's office. It features information on mortgages, tips on avoiding mortgage rescue fraud and counseling resources. The guide can be found at www.illinoisattorneygeneral.gov or call the Homeowners Referral Helpline, 1-866-544-7151.

For other homeowners, the best option may be to enlist the help of a professional REALTOR® to sell the home in a “short sale in lieu of foreclosure.” Under a “short sale,” the owner doesn't have enough equity in the property to sell it, pay off liens and expenses and give clear title to the purchaser. Basically, the owner is “upside down” and owes more than the home is worth. But a “short sale” can be a better option than going ahead with foreclosure, which can be even more damaging to your credit than a bankruptcy.

“The fear of foreclosure is something that some homeowners are struggling with in today's economy, but there is help out there that could help them save their home,” said Han.

Find more information about foreclosures and short sales at www.YourIllinoisHome.com, a consumer Web site developed by the Illinois Association of REALTORS®.

NSBAR who represents real estate professionals in the North Shore and Barrington area of Illinois is one of 1,600 local boards and associations of Realtors nationwide that comprise the National Association of Realtors. As America's largest trade association, NAR is "The Voice of Real Estate," representing more than a million members involved in all aspects on the real estate industry.