

Frequently Asked Questions

For your information only – Do not return to your Credit Union.

1. Why Did I Receive This Packet?

You have contacted your Credit Union for help with your mortgage. This packet includes the information needed to help you understand your options and request assistance. When you return the completed and signed Borrower Assistance Form (with supporting income and hardship documentation), and a completed IRS Form 4506T-EZ, your Credit Union can start to work with you to quickly resolve any temporary or long-term financial challenge you face to making all of your mortgage payments.

2. Where Can I Find More Information on Foreclosure Prevention?

Please see the Avoiding Foreclosure attachment in this packet for more information, or visit KnowYourOptions.com.

3. Will I Be Evaluated for the Federal Home Affordable Modification Program (HAMP) When I Submit My Information?

If you are not eligible for a refinance, reinstatement, repayment, or forbearance plan based on the information you provide, we will evaluate you for participation in the Home Affordable Modification Program (HAMP). If you are not eligible for HAMP, you will be evaluated for a non-HAMP Fannie Mae loan modification.

4. Will It Cost Money to Get Help?

There should never be a fee from your servicer or qualified counselor to obtain assistance or information about foreclosure prevention options. However, foreclosure prevention has become a target for scam artists. Be wary of companies or individuals offering to help you for a fee, and never send a mortgage payment to any company other than the one listed on your monthly mortgage statement or one designated to receive your payments under a state assistance program.

5. What Happens Once I Have Sent the Borrower Assistance Form With Supporting Income and Hardship Documentation, and IRS Form 4506T-EZ to My Credit Union?

Your Credit Union will review the packet to determine whether it is completed properly and contact you about next steps. Be sure to ask for the name and/or employee number of the mortgage specialist who is helping you and be sure to give them your up-to-date contact information. **Please submit your Borrower Assistance Form with supporting income and hardship documentation and IRS Form 4506T-EZ to your Credit Union as soon as possible.**

6. What Happens to My Mortgage While You Are Evaluating My Information?

You remain obligated to make all mortgage payments as they come due, even while we are evaluating the types of assistance that may be available.

7. What Happens if I Have Waited Too Long and My Property Has Been Referred to an Attorney for Foreclosure? Should I Still Contact My Credit Union?

Yes, the sooner the better!

Frequently Asked Questions continued

8. Will My Property be Sold at a Foreclosure Sale If I Accept a Foreclosure Alternative?

No. The property will not be sold at a foreclosure sale once you accept a foreclosure alternative, such as a forbearance or repayment plan, and comply with all requirements.

9. Will My Credit Score Be Affected by My Late Payments or Being in Default?

The delinquency status of your loan will be reported to credit reporting agencies as well as your entry into a Repayment Plan, Forbearance Plan, or Trial Period Plan in accordance with the requirements of the Fair Credit Reporting Act and the Consumer Data Industry Association requirements.

10. Will My Credit Score Be Affected if I Accept a Foreclosure Prevention Option?

While the affect on your credit will depend on your individual credit history, credit scoring companies generally would consider entering into a plan with reduced payments as increasing your credit risk. As a result, entering into a plan with reduced payments may adversely affect your credit score, particularly if you are current on your mortgage or otherwise have a good credit score.

11. Is Foreclosure Prevention Counseling Available?

Yes, HUD-approved counselors are available to provide you with the information and assistance you may need to avoid foreclosure. You can use the search tool at <http://www.hud.gov/offices/hsg/sfh/hcc/fc/> to find a counselor near you.

12. I Have Seen Ads and Flyers From Companies Offering to Help Me Avoid Foreclosure for a Fee. Are These Companies on the Level?

Foreclosure prevention has become a target for scam artists. The HUD website referenced in question 12 can help you to locate a counselor near you. Also, please refer to “Beware of Foreclosure Rescue Scams” for more information.