

### **How can Piedmont Housing help me if I am behind or I am about to be behind on my mortgage payments?**

A Default Housing Specialist works with you to complete a hardship package and prepare the accompanying documentation for submittal to your lender. The lender will review your hardship package to make sure that it is complete and to see if there are any solutions that allow you to avoid foreclosure and keep the home. It usually takes anywhere from 45-90 days for your lender to review your hardship package.

### **Can Piedmont Housing negotiate the terms of my mortgage with my lender?**

Piedmont Housing Alliance does **not** have any special negotiating powers with the lenders. As a HUD-approved housing counseling agency, we are here to educate homeowners about the general loss mitigation process. If an agency/company has promised to “save your house” by negotiating on your behalf, you should exercise caution. If you have been involved in a scam already, report it at [www.LoanScamAlert.org](http://www.LoanScamAlert.org).

### **What are my responsibilities as a homeowner working with Piedmont Housing?**

It is **ESSENTIAL** that you remain in contact with the lender throughout the process.

- Calling the lender to update them on your financial status and properly documenting your phone calls.
- Opening and responding to all written correspondence from the lender in a timely manner.
- Keeping all related paperwork in order.
- Tracking your income and expenses.
- Lowering your expenses as much as possible.
- Pursuing all potential income and assets.
- Submitting requested documents to lender.
- Contacting the default housing specialist with updates and questions.

### **What are the responsibilities of the Default Housing Specialist who is working with me through this process?**

- Educate, you, the homeowner about the loss mitigation process and foreclosure.
- Explain the different workout options that exist.
- Educate, you, the homeowner about how to communicate with the lender about mortgage payments.
- Review hardship documents before they are submitted to lender.
- Fax paperwork if you do not have access to a fax machine.

### **Will I be charged for the counseling services at Piedmont Housing?**

No. All services received through the housing counseling department are free of charge including the default and foreclosure counseling.

### **How quickly can I come in to see someone?**

Once our intake specialist has verified that the intake form is complete and all requested documents have been submitted, your intake form will be assigned to a default housing specialist. The Default Housing Specialist will contact you to give you an update on the processing time frame, if the intake specialist has not already done so. The Default Housing Specialist will first contact your lender to gather basic information on the hardship requirements, which takes anywhere from one to five business days after the intake form has been assigned to the Default Housing Specialist. It is at this stage when you will receive another call or email to set up an appointment to meet with a Default Housing Specialist.

### **I received a letter by certified mail that states that I have a foreclosure sale date assigned by an attorney, what should I do?**

It is important that you reach out to a real estate attorney that is licensed to practice in Virginia, which may help you temporarily halt the foreclosure sale date. At the same time, you can work with Piedmont Housing to submit a hardship package to your lender for review. Click here for a list of real estate attorneys in the area.

### **I have just missed my first mortgage payment, what happens next?**

The foreclosure process in Virginia is a non-judicial process, meaning that the lenders do not have to submit information through the court system to foreclose on the home. This means that the foreclosure process can happen fairly quickly. In the state of Virginia, if you are four months behind on your mortgage payments, the lender has the right to start the foreclosure process. If you are behind on your mortgage payments for less than four months, then you can expect late fees assessed on your account, a drop in your credit score and increased phone and mail activity from your lender.

### **My lender keeps calling me, should I talk to them?**

Yes. It is very important for you to remain in contact with your lender concerning your mortgage payments. This allows you the opportunity to explain the reason you are behind on your mortgage payments and potentially resolve the delinquency over the phone.

### **What is a hardship package?**

A hardship package is a list of documents that your individual lender/investor requires the homeowners to fill out in order to be reviewed for loss mitigation options. Each lender/investor is unique and the range of documents and forms required can vary wildly, however there are common core documents listed below.

- Hardship letter
- Request for Modification form
- Latest month of paystubs
- Profit and Loss Statement if you are self employed
- Social Security/Disability, SNAP, or TANF benefits letters
- Last three months of bank statements
- Latest year of tax returns
- One month of bills (will prove that you live in the property as your primary residence)

### **How many times will I have to submit a hardship package to my lender?**

It depends on your situation and your lender/investor. However, expect to submit more than one hardship package to your lender. This means keeping your documents together and in order so that you can submit them to your lender at a moment's notice.

### **I have submitted a hardship package to my lender and I still receive calls and letters stating that I am behind. Should I be concerned?**

It depends. It is always important to contact your lender to verify the accuracy of contents of the letters that you receive. In each lending department there are at least two separate departments. One department is the loss mitigation department which reviews your hardship package for alternatives to foreclosure. The second department is the collection or customer service department. The main objective for the collection/customer service department is to collect your monthly payment. Many times the loss mitigation and collection/customer service departments do not communicate with each other and this is why many homeowners continue to receive calls and letters that are not accurate or up to date.

### **Why can't I just speak to a housing specialist or schedule an appointment without filling out an intake form?**

A completed intake form provides the Default Housing Specialist with the necessary information to give you appropriate feedback about your current financial situation.

### **Is it important for me to write a hardship letter and submit the letter with my intake form?**

Yes. It is very important that you write down the circumstances that lead you to fall behind on your mortgage payments. All lenders/investors require a hardship letter when reviewing homeowners for loss mitigation options. Here is a sample hardship letter.

### **My partner is not on the loan but lives in the home as his/her primary residence and contributes to the household bills. Should I fill in the "co-applicant" section of the default/foreclosure intake form with my partner's information?**

Yes. Please have your partner fill out the co-applicant section of the default/foreclosure intake form where applicable. It is also important to fill out a spending plan with both applicants' financial information present on the spending plan.

**I am unemployed and I am only receiving my unemployment benefits. Do I have to fill out the “employment” section of the default/foreclosure intake form?**

Yes. Please indicate the amount and frequency that you receive in unemployment benefits. It is also important to fill in the date of your last paycheck which is under the employment section.

**I am no longer working and I receive Social Security/Disability, SNAP or TANF benefits. Do I have to fill out the “employment” section of the default/foreclosure intake form?**

Yes. Please indicate the amount and frequency that you receive the Social Security/Disability, SNAP or TANF benefits.

**What is the authorization form and why is it so important that I fill it out before returning the default/foreclosure intake form?**

It is very important to fill out each section of the intake form including the Authorization to Release and Obtain Information form. The authorization form gives Piedmont Housing permission to speak to your lender in regards to your mortgage. This allows Piedmont Housing access to information concerning the preferred hardship package requirements and the workout options that might be available for you through your lender. Once the Default Housing Specialist has submitted the authorization form, it usually takes one to 5 business days for the lender to process the request.

**I don't remember the terms of my original loan. Is it important for me to fill out the “mortgage loan” section of the default/foreclosure intake form?**

Yes. It is very important to fill out the mortgage loan section of the intake form with as much information as you know. Many of the answers to the questions on the mortgage loan section can be found in the monthly statement from your lenders and sometimes in the documents that you received at closing.