

# If you can't make your house payment, get help quickly!



## Could you have a problem if you miss just one house payment?

Yes. The lender (the bank or whoever holds the mortgage) can start "foreclosure." This means they can sell your house at an auction and make you move out. Most lenders do not foreclose after you miss just one payment, but they can. A lender can foreclose at any time after you miss a payment. So, act quickly to protect yourself!



## Won't I be told in time to do something?

Not always. The lender will probably send you a letter about the foreclosure, but you can't count on it. They do not always have to tell you before they sell your house.

## Can I send just part of a payment?

No. Send part of a payment only if you know your lender will accept it. If they will, get this special agreement in writing. Be sure it is signed by a representative of the lender. You must then keep your end of the special agreement. If you don't, you could face foreclosure again.



## If they sell my house at a foreclosure sale, will I get part of the money?

Probably not. At a foreclosure sale, a house usually sells for far less than it is worth. It often sells for just the amount still owed on it. When this happens, the lender gets all the money from the sale. If the house sells for less than you owe on it, the lender can still sue you for the rest of the money.

## Can I stop a foreclosure?

Sometimes you can, but you must act fast and get expert help. Do **NOT** just give up and let the foreclosure happen. Try everything you can to stop it.

## Where can I get help?

Get help from an approved housing counseling agency or from Legal Aid. They are listed near the end of this booklet. Housing counselors can't make your payments for you. But they may help you:

- cut back on other bills so you can make your house payments.
- work out an agreement with your lender to lower your payments.
- find a lawyer who can help you file a Chapter 13 bankruptcy. This lets you make affordable payments on your bills through the court.
- sell the house and pay off the mortgage. This will prevent foreclosure.



## Warning!

Don't let anyone rip you off. Someone may write or visit you with an offer to "save" you from foreclosure. They may offer to buy your house and sell it back to you. They may offer to loan you money to catch up your payments. They may offer to speak to your lender for a fee. Be careful of such offers. **Never** sign without first checking with a housing counseling agency or a lawyer.

## Does it matter what kind of mortgage I have?

**Yes!** The law gives you more protection if your home has a mortgage with:  
FHA (Federal Housing Administration),  
VA (Veterans Administration), or  
FmHA (Farmers Home Administration).

## If you have an FHA mortgage

If you cannot make a payment or you get behind, contact your lender. Explain why you cannot make the payment. Ask if they can lower your payments. They will ask you to fill out a "workout packet." The packet has papers you must fill out and give back to your lender. This will help the lender decide if your payments should be lowered.

What if the lender does not want to lower the payments? You can ask FHA to make them do it. Call HUD's National Servicing and Loss Mitigation Center at **1-888-297-8685**. This is a free call. You will need to tell them your FHA loan number and the name of the lender.

The FHA specialist will look at the information you gave the lender when you asked for lower payments. The FHA specialist may keep the payments the same or may decide to lower the payments.

Usually lenders and the FHA specialist will lower payments if you have lost your job or if you have a lot of medical bills.

## If you have a Veteran's Administration (VA) mortgage



If you get behind on payments or cannot make a payment, call your lender. Explain why you cannot pay. Ask if they can lower your payments.

If the lender won't lower your payments, call the VA's Home Loan Guarantee Office at **1-888-768-2132**. This is a free call. The VA may be able to lower your payments for a few months. The VA may also help you sell your home to avoid foreclosure and protect your credit. In some cases, the VA will buy the loan from the lender and lower the interest rates. If this happens, it will make your payments lower.

## If you have a Farmer's Home Administration (FmHA) mortgage

If you get behind in payments or cannot make a payment, call the FmHA Rural Development Office right away. The number is **1-800-414-1226**. This is a free call. Tell them why you can't make your house payments. Ask if they can lower your payments. They may be able to lower your payments for a few months.

## Other reasons for foreclosure

This booklet is about foreclosure when you can't make your house payments. Foreclosure can happen for other reasons, such as:



- You get behind on your property taxes
- You don't have home owners' insurance and your deed requires it, or
- Creditors win a lawsuit against you over a debt.

In any of these cases, you should see a lawyer.

## Where to get help

You can get the names of the HUD-approved housing counseling agencies in your area. Call **1-888-466-3487**. It's a free call.



Some of the HUD-approved housing counseling agencies in Middle Tennessee when this pamphlet was printed were:

**Affordable Housing Resources** in Nashville: (615) 251-0025

**Citizens for Affordable Housing** in Nashville: (615) 321-5626

**Consumer Credit Counseling Service of Middle Tennessee, Inc.** in Nashville: 1-800-355-2227

**Housing Development Corporation of the Clinch Valley** in Oak Ridge: (865) 482-7345

**Legal Aid Society** of Middle Tennessee and the Cumberlandds

Clarksville office (931) 552-6656  
or 1-800-342-3317

Columbia office (931) 381-5533

Cookville office (931) 381-528-7436

## Legal Aid Society

*of Middle Tennessee and the Cumberlandds*

**1-800-238-1443**

It's a free call.

NOTE: This pamphlet cannot take the place of legal advice. Each case is different and needs individual attention.

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### Tennessee Legal Aid/ Legal Services Offices

#### Legal Aid Society

of Middle Tennessee and the Cumberlandds

**1-800-238-1443**

Offices in Clarksville, Columbia, Cookeville, Gallatin, Murfreesboro, Nashville, Oak Ridge, and Tullahoma

### West Tennessee Legal Services Jackson Office

1-800-372-8346

Dyersburg Office (731) 285-8181

Huntingdon Office (731) 986-8975

Selmer Office (731) 645-7961

### Memphis Area Legal Services

Memphis Office 1-888-207-6386

Covington Office (901) 476-1808

### Legal Aid of East Tennessee

Knoxville Office (865) 637-0484

Johnson City Office 1-800-321-5561

Kingsport Office 1-800-821-1309

Chattanooga Office 1-800-572-7457

Cleveland Office 1-800-445-3219