



Sample Foreclosure Prevention Counseling Forms

Form 1: Foreclosure Prevention Intake Form

This form is designed to be filled in by a counselor based on information supplied by the homeowner. The form provides a complete overview of a homeowner's finances in order to help a counselor determine which foreclosure prevention strategies are possible. The form is also available on the CD-Rom accompanying this handbook.

Form 2: Foreclosure Prevention Counseling Checklist

The purpose of this case-tracking checklist for default and delinquency counseling is to keep track of deadlines and actions necessary to achieve a successful mortgage loan workout. This form is also available on the CD-Rom accompanying this handbook.

Form 3: Sample Authorization to Release Information

In order to present a client's full range of foreclosure prevention options, a counselor generally must obtain information about the amount of money the loan servicer claims due. Due to valid privacy concerns for borrowers, very few servicers will release information to a counselor without written authorization from the borrower. This appendix contains a sample client authorization form. Generally, a form of this type is sent by facsimile to the loan servicer with Form 4, below, requesting necessary information. Both forms are found on the CD-Rom accompanying this handbook.

Form 4: Sample Request for Information from Loan Servicer

This sample form is useful for obtaining necessary information from a loan servicer about the status of a client's loan. The information provided on this form helps determine the amounts that the servicer believes are needed to cure or pay-off the loan. In some cases, obtaining this information will crystallize a dispute the borrower may have concerning the amount due on the loan. This form is also available on the CD-Rom accompanying this handbook.

Form 5: Sample Qualified Written Request Under RESPA

This is a sample "qualified written request" for information under the Real Estate Settlement Procedures Act (RESPA). A section of RESPA, 12 U.S.C. § 2605, provides a procedure

and a remedy to obtain information from a loan servicer that fails to provide it under a more informal request. This sample is also found on the CD-Rom accompanying this handbook.

Form 6: Homeowner's Checklist for Avoiding Foreclosure

This is a checklist for homeowners in financial distress. It provides general suggestions and ideas on how to prepare for and work through tough times. This is also available on the CD-Rom accompanying this handbook.

You may not be having financial trouble now, but many people do have money problems at some point in their lives. The best way to avoid foreclosure is to make your mortgage the first bill that you pay each month. However, that is not always possible. The following pages provide general suggestions and ideas as to how you can prepare for and work through tough times. **NOTE:** This checklist is not comprehensive and is not intended to provide legal advice. If you need legal advice, you should speak with a lawyer.

FORM 1: FORECLOSURE PREVENTION INTAKE FORM**I. CLIENT INFORMATION**

Date: _____

Name(s) _____

Address _____

Home Phone _____

Work Phone _____

Best Times to Reach _____

Marital Status _____

Spouse (if any) _____

Children (names and ages) _____

Others in Household: _____

II. INFORMATION ABOUT HOME BEING FORECLOSED

Address of Property (if different from above) _____

Names of all Co-owners w/ Address (if different) _____

Year Purchased _____

Original Purchase Price _____

Estimate of Current Value _____

Number of Rooms _____

Owner Occupant?

At purchase? Yes ___ No ___

Now? Yes ___ No ___

Multi-Family Home? Yes ___ No ___

Name of tenants _____

Rent received _____

Condition Exc ___ Good ___ Fair ___ Poor ___

Major repairs needed

Describe: _____

Number of Mortgages _____

Other Liens _____

Notes:

III. MORTGAGE

Please note: some information about the mortgage may be obtained after a review of the client's records.

Type of Mortgage Purchase Money ___
 Refinance ___
 Home Equity Loan ___
 Debt Consolidation ___
 Other ___

Year of Mortgage _____

Original Amount _____

Has client brought original loan papers Yes ___ No ___

Current Lender or Servicer _____

Address of Current Lender or Servicer _____

Phone: _____

Fax: _____

Contact Person _____

Loan Account Number _____

Investor/Insurer FHA Insured ___
 VA ___
 RHS ___
 Fannie Mae ___
 Freddie Mac ___
 PMI _____
 Other _____

Term of mortgage (in months) _____

Interest Rate _____

Principal and Interest Payment (monthly) _____

Tax and Insurance Payment (monthly) _____

Total Monthly Payment _____

Months Behind _____

Total Arrears Including Costs _____

Current Principal Balance _____

Payoff Amount _____

Is Client in Default? Yes ___ No ___

Status/Amount of Monthly Payment

Reason for Default

Client's Statement of Objectives and Plan

Other Mortgages and Liens
Describe

Yes ___ No ___

Notes:

IMPORTANT NOTE: If there are other mortgages, obtain information for each using the questions on the form above.

IV. HOUSEHOLD FINANCIAL INFORMATION

INCOME BUDGET FOR HOUSEHOLD

SOURCE OF INCOME	LAST MO. ACTUAL	THIS MO. EXPECTED	THIS MO. ACTUAL	ADJUSTED MONTHLY
Employment	\$	\$	\$	\$
Overtime				
Child Support/Alimony				
Pension				
Interest				
Public Benefits				
Dividends				
Trust Payments				
Royalties				
Rents Received				
Other (List)				
TOTAL (MONTHLY)	\$	\$	\$	\$

NOTES/ANTICIPATED CHANGES:

EXPENSE BUDGET FOR HOUSEHOLD

TYPE OF EXPENSE	LAST MO. ACTUAL	THIS MO. EXPECTED	THIS MO. ACTUAL	ADJUSTED MONTHLY
Payroll Deductions	\$	\$	\$	\$
Income Tax Withheld				
Social Security				
FICA				
Wage Garnishments				
Credit Union				
Other				
Home Related Expenses				
Mortgage or Rent				
Second Mortgage				
Third Mortgage				
Real Estate Taxes				
Insurance				
Condo Fees & Assessments				
Mobile Home Lot Rent				
Home Maintenance/Upkeep				
Utilities				
Gas				
Electric				
Oil				
Water/Sewer				
Telephone:				
Land Line				
Cell				
Cable TV				
Internet				
Other				
Food				
Eating Out				
Groceries				
Clothing				
Laundry and Cleaning				
Medical				
Current Needs				
Prescriptions				

TYPE OF EXPENSE	LAST MO. ACTUAL	THIS MO. EXPECTED	THIS MO. ACTUAL	ADJUSTED MONTHLY
Medical (cont'd.)				
Dental				
Insurance Co-Payments or Premiums				
Other				
Transportation				
Auto Payments				
Car Insurance				
Gas and Maintenance				
Public Transportation				
Life Insurance				
Alimony or Support Paid				
School Expenses				
Student Loan Payments				
Entertainment				
Newspapers/Magazines				
Charity/Church				
Pet Expenses				
Amounts Owed on Debts				
Credit Card _____				
Credit Card _____				
Credit Card _____				
Medical Bill _____				
Medical Bill _____				
Other Back Bills (List)				
Cosigned Debts				
Business Debts (List)				
Other Expenses (List)				
Miscellaneous				
TOTAL				

Other Important Debt Issues:

Wage Garnishments Yes___ No___
 Pending Court Cases Yes___ No___
 Pending Utility Shut-offs Yes___ No___
 Car Loan Defaults or Repossessions Tax Debts Yes___ No___
 Student Loan Debts Yes___ No___

Other:

Notes/Anticipated Changes:

Describe Assets and Other Resources:

Savings Yes___ No___ Amount \$_____
 Court Cases Pending Against Others Yes___ No___ Value \$_____
 Anticipated Tax Refunds Yes___ No___ Amount \$_____
 Assets Which Can Be Sold Yes___ No___ Value \$_____
 Pension or Retirement Funds Yes___ No___ Value \$_____

Other Assets and Notes:

INCOME AND EXPENSE TOTALS

	Last Mo. Actual	This Mo. Expected	This Mo. Actual	Adjusted Expected
A. Total Projected Monthly Income				
B. Total Projected Monthly Expenses				
Excess Income or Shortfall (A minus B)				

Notes:

FORM 2: FORECLOSURE PREVENTION COUNSELING CHECKLIST

Client(s)Name _____

Counselor _____

	TASK DATE	COMMENTS
File Opened		
Initial Interview		
Foreclosure Status Sale Date (if scheduled) Other Deadlines Pending		
Release Form Signed		
Request Info. from Servicer		
Receive Info. from Servicer		
Budget Complete		
Pay Stubs Received		
Supporting Document Rcvd.		
Hardship Letter		
Options Counseling Complete		
Workout Package Comp.		
Workout Package Mailed		
Init. Resp. from Servicer		
Final Response		___ Approved ___ Denied
Workout Papers Signed		
Case Closed		

FORM 3: SAMPLE AUTHORIZATION TO RELEASE INFORMATION

TO: Handout Mortgage Co
[Address]
Attention: Loss Mitigation Department

RE: Account No: 1234567
Borrowers: Sam and Sally Consumer
Prop. Address: [Address]

AUTHORIZATION TO RELEASE INFORMATION

Dear Sir or Madam:

We are working with the Neighborhood House Counseling Service (a HUD certified counseling agency) on a plan to resolve our mortgage delinquency. We hereby authorize you to release any and all information concerning our account to the Neighborhood House Counseling Service at their request.

We further authorize you to discuss our case with Barry Booth or Beverly Bonder. They are working to help us address our financial problems and to propose a loss mitigation plan which is within your guidelines.

At present, we request that you fill out the request for loan information which accompanies this letter. Please return it to Beverly Bonder by fax (555-345-8768) no later than Friday, February 28, 2006. You may release additional information to the Neighborhood House Counseling Service in the future without further authorization.

Thank you taking the time to deal with this request.

Very truly yours,

Sam and Sally Consumer
Phone: [Phone Number]

FORM 4: SAMPLE REQUEST FOR INFORMATION FROM LOAN SERVICER

Borrower(s) _____ Loan #: _____

Address _____

Pursuant to the attached authorization by the borrower, please supply the following information about the above referenced account. The information will be used to help the borrower propose a loss mitigation plan, if possible.

Mortgage Investor: _____

Investor Loan #: _____

Mortgage Insurance Company: _____

Loan Payment Info:

Current Interest Rate: _____ %

Monthly Principal & Interest Payment: _____

Monthly Escrow Payment: _____

Total Monthly Mortgage Payment: _____

Amount of Arrears:

Due for (Earliest unpaid installment): _____

Late Charges Due: _____

Foreclosure Fees & Costs Due: (itemize all charges) _____

Other Unpaid Charges: _____

Balance in Suspense Account: _____

TOTAL ARREARS (as of _____) \$ _____

Total Balance Due on Loan:

Unpaid Principal Balance: _____

Past Due Interest: _____

Unpaid Escrow: _____

TOTAL AMOUNT DUE ON LOAN (PAY-OFF) (as of _____) \$ _____

Per Diem Interest: _____

Date of Most Recent BPO/Appraisal: _____ Value: _____

Other Comments:

FORECLOSURE STATUS: _____

SALE DATE (IF SCHEDULED): _____

FORM 5: SAMPLE QUALIFIED WRITTEN REQUEST UNDER RESPA

Joe & Sally Consumer

[Address]

January 1, 2006

VIA CERTIFIED MAIL
USA Federal Bank, FSB
[Address]

Attn: Mortgage Loan Accounting Department

Re: Loan # 99999999
Joe and Sally Consumer
[Address]

Dear Sir or Madam:

USA Federal Bank, FSB is the servicer of our mortgage loan at the above address. We dispute the amount that is owed according to the Monthly Billing Statement and request that you send us information about the fees, costs and escrow accounting on our loan. This is a “qualified written request” pursuant to the Real Estate Settlement and Procedures Act (section 2605(e)).

Specifically, we are requesting an itemization of the following:

1. A complete payment history, including but not limited to the dates and amounts of all the payments we have made on the loan to date;
2. A breakdown of the amount of claimed arrears or delinquencies, including an itemization of all fees charged to the account;
3. An explanation of how the amount due on the Monthly Billing Statement (\$1,000) was calculated and a explanation of why this amount was increased to \$2,000 on August 1, 2005;
4. The payment dates, purpose of payment and recipient of any and all foreclosure fees and costs that have been charged to our account;
5. The payment dates, purpose of payment and recipient of all escrow items charged to our account since [date USA Federal Bank took over the servicing];
6. A breakdown of the current escrow charge showing how it is calculated and the reasons for any increase within the last 24 months; and
7. A copy of any annual escrow statements and notices of a shortage, deficiency or surplus, sent to us within the last three (3) years.

Thank you for taking the time to acknowledge and answer this request as required by the Real Estate Settlement and Procedures Act (section 2605(e)).

Very truly yours,

Joe & Sally Consumer

FORM 6: HOMEOWNER'S CHECKLIST FOR AVOIDING FORECLOSURE

Before Trouble Starts

Start a file, in a safe place, for records relating to your home

- Purchase and sale agreement
- Mortgage application
- Closing documents
- Property tax bills
- Property insurance information
- Letters you receive from **and** copies of letters you mail to the bank

Use checks or money orders to pay bills

- Do not send cash
- Do not use credit cards
- Keep a record of all payments (date paid and check number)
- Correct errors quickly

Pay high priority bills first

- Food
- Mortgage
- Utilities (heat, hot water, electricity, gas)
- Do not pay credit cards or other unsecured debts **before** the mortgage

When Things Start to Feel Tight

Where is the money going?

- Create a budget that shows your current income and expenses
- Review every item on your budget
- Prepare a revised, realistic budget that you can live with until your circumstances improve

Increase your income

- Collect federal and state benefits if you are eligible
- Claim the earned income tax credit if you are eligible
- Stop all voluntary deductions being taken out of your paycheck
- Consider selling unnecessary property to raise money

Reduce your expenses

- Review every expense for potential savings—reduce or eliminate unnecessary expenses
- Pay only for the type of phone service you need
- Cancel cable television service temporarily
- Identify ways to conserve on energy and other utilities
- Participate in a home weatherization program
- Review your homeowner's and auto insurance policies and shop around
- Claim the owner-occupant property tax exemption and others for which you are eligible

Other Considerations

- Contact your mortgage servicer at the first sign of trouble
- Ask your utility company for budget billing so you can pay the same amount each month
- If you are behind on your utility bills, start an affordable repayment plan

After Falling Behind

Identify the problem

- What caused your current situation (job loss, illness, divorce, decreased income)
- How long do you expect your difficulty to last
- What specific type of help do you need
- How much can you afford to pay toward your mortgage

Communicate

- Speak with your bank's delinquent loan or loss mitigation specialist
- Explain your situation
- Ask for a mortgage workout package
- Keep a phone log that shows the date and time of your call, who you spoke to, the person's phone number, and what was said
- Follow up your phone call with a letter and keep a copy for yourself
- Send all letters by certified mail and keep the receipt

Pay what you can and save the rest

- Send to the bank as much of the mortgage payment as possible
- If the bank returns your payment, save the money and **do not spend it** on other bills

Know your options

There are many ways the bank can help you if you fall behind on your mortgage. Which one you choose/need and what the bank allows will depend on your individual situation.

Reinstatement: You give the bank all of the back payments you owe and start making your regular monthly payment. With a *partial reinstatement* you pay at least one-half of the back-payments first and agree to a repayment plan for the rest of what you owe.

Repayment Plan: You make the regular mortgage payment plus an additional amount toward the back-payments until you are caught up (usually no longer than 12 months). If the bank sets up a repayment plan for you, make sure it is reasonable. Do not agree to a plan that will not work for you.

Forbearance: The bank agrees that for a limited period of time it will accept a lower monthly payment or no monthly payment. At the end of the forbearance agreement you must bring the account current.

Modification: The bank agrees to change one or more terms of the mortgage. Possible changes include: reducing the interest rate; extending the term of the mortgage; and adding the arrears to the unpaid principal balance of your loan.

Short Sale: The bank may let you sell the home even if you owe more than the property is worth and agree to accept the lesser amount as payment in full. You must have a buyer and a signed purchase and sale agreement. Anyone else who has a lien on the property and the private mortgage insurer, if there is one, must also agree to the short sale.

Refinance: You take out a new mortgage to pay off the old mortgage. Sometimes it makes sense to refinance. You should contact a legitimate lender and proceed carefully. Beware of large fees and high interest rates.

Deed in Lieu: You cannot afford to keep the home and you give the house back to the bank. **Do not** ask for a deed in lieu when you have equity in the property or when a short sale is possible. The bank will not accept a deed in lieu if there are other mortgages or liens on the property.

Documentation for a workout (requirements may vary from bank to bank)

- Signed and dated letter that **briefly** explains what happened
- Documentation of your hardship (doctor's letters, etc.)
- One month worth of pay stubs or other proof of income
- Two most recent signed federal tax returns and W2s (3 years if self-employed)
- An accurate budget showing all of your monthly income and expenses
- A list of your assets (cars, bank accounts, etc.)
- A list of your liabilities (mortgages, loans, liens, other outstanding debts)
- This package must be complete before the bank will review it
- Keep copies for your file

Other Things to Know

Talk to a lawyer or counselor experienced in *default and delinquency counseling*

- If you cannot reach a solution with your bank
- If you disagree with the amount the bank says you owe
- If you wish to consider filing bankruptcy

Foreclosures move very quickly

- Keep track of deadlines
- Do not wait until the last minute to get help
- Your rights will be cut off once the foreclosure sale takes place

Foreclosures are public

- Foreclosure notices appear in newspapers and court records
- Some people may try to take advantage of you by offering a “quick fix”
- Carefully review offers to refinance or consolidate your credit card debts with your mortgage as this may make matters worse
- Avoid “deals” with high interest rates and large fees
- Do not agree to sell your home to someone who claims they will lease it back to you
- Talk to a lawyer or counselor **before you sign anything**

Where to go for help

- Your local non-profit housing organization
- Your mortgage company
- The U.S. Department of Housing and Urban Development (HUD)

Resource List

Name and phone number of housing agency

(To locate a HUD certified counseling agency near you, search www.hudhcc.org/agencies.html. Or try the main HUD site at www.hud.gov. Or call HUD at 1-800-569-4287)

Contact Name and phone number at mortgage lender

The book *NCLC Guide to Surviving Debt* is available from National Consumer Law Center, 77 Summer Street, 10th Floor, Boston, MA 02110 or 617-542-9595 for the publications department, order on-line at www.consumerlaw.org, or ask at your local bookstore. This book covers practical strategies for managing debt problems, preventing foreclosures, and other consumer credit issues. Additional useful information may be found at www.consumerlaw.org.