

- **Housing Education Resource Center**  
Hartford (860) 296-4242
- **Mutual Housing Association of Greater Hartford**  
Hartford (860) 296-1797
- **Neighborhood Assistance Corp of America**  
New Haven (203) 562-6220
- **Neighborhood Housing Services**  
New Britain (860) 224-2433  
New Haven (203) 562-0598  
Waterbury (203) 753-1896
- **Urban League**  
Hartford (860) 527-0147  
Stamford (203) 327-5810

### GETTING HELP

- **CT Dept. of Consumer Protection**  
Hartford  
(860) 713-6050  
(860) 713-7240 TDD  
[www.state.ct.us/dcp](http://www.state.ct.us/dcp)
- **CT Department of Banking**  
Hartford  
(860) 240-8299  
Toll Free: 1 (800) 831-7225  
[www.state.ct.us/dob](http://www.state.ct.us/dob)
- **Federal Trade Commission**  
Toll Free: 1 (877) 382-4357  
complaint form  
[www.ftc.gov](http://www.ftc.gov)
- **Info Line – 211**  
Dial 211 or call  
Toll Free: 1 (800) 203-1234  
[www.infoline.org](http://www.infoline.org)

- **Better Business Bureau**  
Wallingford (203) 269-2700  
[www.connecticut.bbb.org](http://www.connecticut.bbb.org)
- **Commission on Human Rights & Opportunities**  
Hartford (860) 541-3400  
(860) 541-3459 TDD  
Toll Free: 1 (800) 477-5737  
[www.state.ct.us/chro](http://www.state.ct.us/chro)
- **CT Fair Housing Center**  
Hartford (860) 247-4400  
New Haven (203) 772-3247  
Toll Free: 1 (888) 247-4401  
[www.ctfairhousing.org](http://www.ctfairhousing.org)

### LEGAL ASSISTANCE

- **Statewide Legal Services of CT, Inc.**  
Hartford and Middletown  
(860) 344-0380  
Toll Free: 1 (800) 453-3320  
[www.slsct.org](http://www.slsct.org)
- **Greater Hartford Legal Aid**  
(860) 541-5000  
(860) 541-5069 TDD  
[www.ghla.org](http://www.ghla.org)
- **New Haven Legal Assistance Association**  
(203) 946-4811  
[www.nhlegal.org](http://www.nhlegal.org)



May 2008

[WWW.FHA.GOV](http://WWW.FHA.GOV)

[www.espanol.hud.gov](http://www.espanol.hud.gov)

1-800-CALL-FHA (800-225-5342)



## Foreclosure Prevention

### Act Now – Don't Lose Your Home!

The following are tips aimed at helping homeowners avoid foreclosure and stay in their homes.

#### 1. Don't ignore the problem.

The further behind you become, the harder it will be to reinstate your loan and the more likely that you will lose your house.

#### 2. Contact your lender as soon as you realize that you have a problem.

Lenders do not want your house. They have options to help borrowers through difficult financial times.

#### 3. Open and respond to all mail from your lender.

The first notices you receive will offer good information about foreclosure prevention options that can help you weather financial problems. Later mail may include important notice of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.

#### 4. Know your mortgage rights.

Find your loan documents and read them so you know what your lender may do if you can't make your payments. Learn about the foreclosure laws and timeframes in your state (as every state is different).

#### 5. Understand foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found in



Equal Housing Opportunity

this foreclosure brochure and on the internet at [www.fha.gov](http://www.fha.gov).

#### **6. Contact a non-profit housing counselor.**

The U.S. Department of Housing and Urban Development funds free or very low cost housing counseling nationwide. Housing counselors can help you understand the law and your options, organize your finances and represent you in negotiations with your lender if you need this assistance.

#### **7. Prioritize your spending.**

Review your finances and see where you can cut or eliminate spending in order to make your mortgage payment.

#### **8. Use your assets.**

Do you have assets—a second car, jewelry, a whole life insurance policy—that you can sell for cash to help reinstate your loan? Can anyone in your household get an extra job to bring in additional income? Even if these efforts don't significantly increase your available cash or your income, they demonstrate to your lender that you are willing to make sacrifices to keep your home.

#### **9. Avoid foreclosure prevention companies.**

Many for-profit companies will contact you promising to negotiate a loan work out with your lender. While these may be legitimate businesses, they will charge you a hefty fee (often two or three month's mortgage payment) for information and services your lender or a HUD approved housing counselor will provide for free if you contact them. You don't need to pay fees for foreclosure prevention help use that money to pay the mortgage instead.

#### **10. Don't lose your house to foreclosure recovery scams!**

If any firm claims they can stop your foreclosure immediately if you sign a document appointing them to act on your behalf, you may well be signing over the title to your property and becoming a renter in your own home! Never sign a legal document without reading and understanding all the terms and getting professional advice from an attorney, a HUD approved housing counselor or trusted real estate professional.

## **Loss Mitigation**

The following are a range of alternatives to foreclosure including retention and disposition options.

### **Retention Options**

- **Special Forbearance** - Long term repayment plan that may involve temporary payment reductions or suspension while a borrower recovers from the cause of default.
- **Loan Modification** - Permanent change to mortgage terms that reinstates a loan and reduces monthly payments through capitalized or re-amortized payments or through a lower interest rate.
- **Partial Claim** - Advance of insurance funds as a HUD interest-free second mortgage loan due when the mortgagor either pays off the first mortgage or no longer owns the property (only applicable to FHA loans).

### **Disposition Options**

- **Pre-Foreclosure Sale** - Mortgagor sells the property at a price less than the outstanding mortgage balance and HUD pays an insurance claim to the mortgagee for the resulting loss.
- **Deed-in-Lieu of Foreclosure** - Voluntary transfer of property title to the mortgagee or directly to HUD.

HUD approved housing counseling agencies can assist you with foreclosure options. For additional information about these agencies visit [www.hud.gov/counseling](http://www.hud.gov/counseling).

### **HUD-APPROVED HOUSING COUNSELING AGENCIES IN CT:**

- **ACORN Housing**  
Bridgeport (203) 366-4180
- **Bridgeport Neighborhood Trust**  
Bridgeport (203) 332-7977
- **Catholic Charities**  
Norwich (860) 889-8346
- **Christian Activities Council**  
Hartford (860) 527-9860
- **Community Renewal Team (CRT)**  
Hartford (860) 560-4663
- **CT Housing Finance Authority**  
Rocky Hill (860) 571-4396
- **Consumer Credit Counseling Service of Southern New England**  
East Hartford, Milford, Danbury, Norwich and Stamford  
1 (800) 208-2227
- **Co-opportunity**  
Hartford (860) 236-3617
- **Hartford Areas Rally Together**  
Hartford (860) 525-3449
- **Housing Development Fund**  
Stamford & Danbury (203) 969-1830