CALIFORNIA RESIDENTIAL FORECLOSURE & LOAN MODIFICATION RESOURCE GUIDE

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Overview: This Resource Guide provides general information for persons facing potential foreclosure of loans secured by California residential (1 to 4 units) real property, and attempting to modify those loans. Foreclosure and loan modification present complex and stressful issues but borrowers who educate themselves navigate the process better.

Warning: Be very wary of anyone who promises a quick fix, demands money up front, or wants your signature (especially if notarized) on a document. Because of some abuses, California law since October 2009 prevents anyone, including lawyers, from charging an up front fee (or retainer) to assist with mortgage loan modification. This new law did have the desired effect of stopping the incompetent / unethical providers (assuming they decided to comply with the law), but has dried up the competent "for-profit" providers of these services. The California Department of Real Estate has published detailed information about the law prohibiting up front fees for loan modification services on its website: http://www.dre.ca.gov/cons_adv_fees_alert.html

Patience Is A Virtue: Negotiating a loan modification process is grueling and frustrating. The lender representatives may repeatedly ask for the same information time and time again, and with little consistency on each call of what the lender wants. A healthy dose of patience is needed. You also need a notebook where you write down detailed notes about each and every phone call, fax, e-mail, letter and other parts of the process. When keeping a journal, remember the newspaper reporter's mantra: “who, what, why, when, how”.

Be Prepared: We are strong advocates of self-help remedies. You best know your household’s needs and desires, and your ability to afford a possible loan restructuring. You also can afford your own services. But, take the time to educate yourself about the law, the process and the various programs available to assist in the process. The following resources will get you started.

Foreclosure In California -- www.foreclosureinfoca.org. A website sponsored by LawHelpCalifornia.org, a project of the Public Interest Clearinghouse, and the State Bar of California.

California Foreclosure Prevention Law - www.dre.ca.gov/ind_cfpa_exemptlist.asp.
A list of lenders that have received immunity from the Foreclosure Prevention Law.

NeighborWorks Home Ownership Center - www.nwsac.org. A Sacramento based non-profit, affiliated with NeighborWorks America. In-person counseling is available.

NeighborWorks America – www.foreclosurehelpandhope.org The national non-profit organization. In conjunction with the Homeownership Preservation Foundation, it runs the nationwide toll-free foreclosure help line 888 995-HOPE.

HomeOwnership Preservation Foundation – www.995hope.org. Minnesota based non-profit which started the foreclosure help line 888 995-HOPE. In addition to the help line, it offers on-line foreclosure and loan modification counseling.

Sacramento Home Loan Counseling Center – www.hlcc.net. A Sacramento based non-profit offering homeownership education and counseling.

ByDesign Financial Services – www.bydesignsolutions.org. California non-profit (formerly known as Consumer Credit Counseling) it offers credit education, mortgage restructuring assistance, debt repayment plans, pre- and post-bankruptcy education certificates and more.

Sacramento Mutual Housing Association – www.mutualhousing.com. Sacramento-based non-profit emphasizing affordable housing and home ownership. Offers financial education classes. Individualized counseling for lower income owners facing foreclosure available on a limited basis.

Making Home Affordable - www.makinghomeaffordable.gov. Part of the Obama Administration's Financial Stability Plan. Gives up to 4 to 5 million homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to refinance into more affordable payments.

Fair Isaac Corporation (FICO) - www.mortgagereliefonline.com. Free determination of qualification for Making Home Affordable loan modification-refinance programs. Offers return telephone call within 48 hours from a nonprofit, HUD-certified loan counselor.

United States Department of Housing and Urban Development (HUD) - http://www.hud.gov/foreclosure/index.cfm. Hosts free or low-cost counseling through HUD-approved counselors and offers other resources.

LIS Mortgage Loan Modification Team – A privately owned (for profit) mortgage broker which has established a team to work on residential loan modifications. LIS Mortgage Company, 4401 Hazel Ave # 135, Fair Oaks, CA 95628. 916 904-5027 (The initial contact is Brian Canada).

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