

Get Help Quickly If You Can't Make Your House Payment



Is there 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, 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?

Many times 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 cannot make your payments for you. But they can help in other ways:

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

Warning!



Do not 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 Home 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 **1-888-768-2131**. 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

To get the names of the HUD-approved housing counseling agencies in your area, call **1-888-466-3487**.

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

Affordable Housing Resources
(615) 251-0025

Citizens for Affordable Housing
(615) 321-5626

Consumer Credit Counseling Service of Middle Tennessee, Inc.
(615) 777-3404

Legal Aids Society of Middle Tennessee, Clarksville office
(931) 552-6656 (Montgomery Co.)
1-800-342-3317 (Humphreys, Dickson, Houston, Cheatham, Stewart and Robertson Counties)

Victory Housing Counseling Center
(615) 226-9556



NOTE: This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice.

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Tennessee Alliance for Legal Services

Legal Aid Society of Middle Tennessee

Nashville Office

211 Union Street, Suite 800
Nashville, TN 37201
(615) 244-6610

Clarksville Office

120 Franklin Street
Clarksville, TN 37040
(931) 552-6656

Gallatin Office

650 N. Water Avenue
Gallatin, TN 37066
(615) 451-1880

Murfreesboro Office

526 North Walnut Street
Murfreesboro, TN 37130
(615) 890-0905

Legal Services of South Central Tennessee

Columbia Office

104 West 7th Street
Columbia, TN 38402-1256
(931) 381-5533

Tullahoma Office

123 North Atlantic Street
PO Box 1293
Tullahoma, TN 37388
(931) 455-7000

West Tennessee Legal Services

Jackson Office

210 West Main Street
PO Box 2066
Jackson, TN 38302-2066
(901) 423-0616
FAX (901) 423-2600

Dyersburg Office

208 South Church Street
PO Box 366
Dyersburg, TN 38024
(901) 285-8181

Huntingdon Office

PO Box 287
Huntingdon, TN 38344
(901) 986-8975

Memphis Area Legal Services

Memphis Office

109 North Main Street, 2nd Floor
Memphis, TN 38103
(901) 523-8822

Covington Office

899-A Highway 51 South
Covington, TN 38019
(901) 476-1808

Knoxville Legal Aid Society

502 South Gay Street, Suite 404
Knoxville, TN 37902-1502
(423) 637-0484

Legal Services of Upper East Tennessee

Johnson City Office

311 West Walnut Street
PO Drawer 360
Johnson City, TN 37605-0360
(423) 928-8311 or 1-800-321-5561

Kingsport Office

150 Cherokee Street
Colonial Square
Kingsport, TN 37660
(423) 246-8734

Rural Legal Services

Oak Ridge Office

226 Broadway, Jackson Square
PO Box 5209
Oak Ridge, TN 37831-5209
(865) 483-8454
FAX (865) 483-8905

Cookeville Office

95 S Jefferson Avenue, Suite 102
Cookeville, TN 38501
(931) 528-7436

Southeast Tennessee Legal Services

Chattanooga Office

700 Chattanooga Bank Bldg.
737 Market Street
Chattanooga, TN 37402
(423) 756-4013

Cleveland Office

85 Central Ave., NW
Cleveland, TN 37311
(423) 479-8577

Mike Murphy

Legal Assistance for Elderly

9111 Cross Park Drive, Suite D100
Knoxville, TN 37923
(865) 691-2551 1-800-522-0127

Aging Services for the Upper Cumberland

1225 S. Willow Ave.
Cookeville, TN 38506-4194
(931) 432-4210

