

SCAM ALERTS!

Be wary of anyone who contacts you with promises to save your home. Many of these companies are fraudulent and their intention is not to help you. Below is a partial list of signs to look for when an unsolicited company or individual approaches you claiming to want to help you save your home:

- Asks for payment only in the form of cash, cashier's check, or wire transfer;
- Asks for a transfer of title or an interest in the property;
- Makes promises to stop foreclosure or other assurances without further explanation;
- Asks you to do something immediately without delay;
- Asks you to give them a power of attorney;
- Request your signature on a grant deed or deed of trust;
- Request your signature without giving you sufficient time to review the documents;
- Asks for your signature on a document that has lines left blank;
- Fails to provide you copies of documents signed;
- Refuses or fails to provide you an oral promise in writing;
- Instructs you to make mortgage payments to someone other than your bank or lender; or
- Instructs you not to discuss the situation with your bank, lender, housing counselor, accountant, attorney, family, or others.

WHO CAN HELP?

The Foreclosure Prevention Project
Rhode Island Legal Services
401-274-2652

Office of the Attorney General
Consumer Protection Unit
401-274-4400

Blackstone Valley Community
Action Program
401-723-4520

The Housing Network of Rhode Island
401-521-1461

Community Works RI
401-273-2330

Olneyville Housing Corp.
401-351-8719

Money Management International
866-232-9080

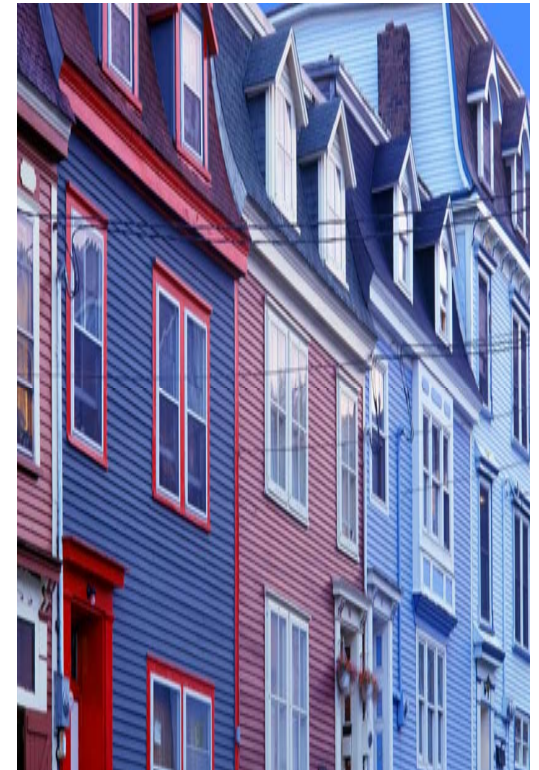
Neighborworks Blackstone River Valley
401-762-0074

Rhode Island Housing
401-457-1116

West Elmwood Housing Development Corp.
401-453-3220

**FORECLOSURE
PREVENTION PROJECT**
Rhode Island Legal Services
56 Pine Street, Suite 400
Providence, RI 02903

www.rils.org
401.274.2652
1.800.663.5034



FORECLOSURE PREVENTION PROJECT

RHODE ISLAND LEGAL SERVICES

***FORECLOSURE FACTS
YOU NEED TO KNOW
NOW!***



CAN I SAVE MY HOME?

ARE YOU BEHIND ON YOUR MORTGAGE PAYMENTS?

Contact your bank or your servicing company (the company from whom you receive your monthly mortgage statement) immediately. There are many programs that allow you to negotiate with the lender to restructure the terms of your loan that allow for reduced monthly payments. Other options include consulting with a reputable HUD certified housing counselor. See www.hud.gov for a list of approved counselors in your area. These counselors can inform you about available options for making your mortgage payments affordable, facilitate communication with your bank or servicer and evaluate your financial situation. **These services are free of charge.** Also, if at all possible, obtain legal assistance immediately.

What if I can't afford an attorney?

Our attorneys at Rhode Island Legal Services will provide you legal advice and representation at **no cost to you.**

KNOW YOUR OPTIONS:

Nothing is worse than doing nothing.

The following is a list of some of the options you have when facing foreclosure:

Payment deferrals – a process that allows your missed payments to be added to the end of the loan term. Your payments may go up as a result but the interest at the end of the loan period will not be as high.

Repayment agreements – you can agree to make regular payments as they come due along with partial payments towards the missed payments.

Temporary reduction of the interest rate on your loan – your payments may be lowered temporarily based on the reduced interest rate; however, you must be able to make full payments as previously agreed at the end of the interest reduction period.

Temporary or permanent loan modification– your loan can be either temporarily or permanently modified by either extending the loan period, reducing the interest rate and adding the missed payments to the loan. You can also try to negotiate a reduction in principal.

Refinancing – always look into refinancing the loan to lower the payments as a result of a lower interest rate. If your loan is guaranteed or insured by the Federal Housing Authority, you may have additional options and protections.

Bankruptcy – filing a Chapter 13 bankruptcy allows you to present a repayment plan to the bankruptcy court and pay back the missed payments over time. The court must approve the plan.

Sale / Short Sale –selling your home through a reputable real estate agent is ultimately a better option than if it is sold through the foreclosure process. If a straight sale is not an option, consider a “short sale” which can be negotiated with your lender and allows for a portion of the debt to be forgiven. There may be tax consequences involved whenever a debt or a portion of a debt is forgiven so make sure you consult with an accountant or tax expert prior to entering into this type of agreement.

Deed in lieu of foreclosure – if keeping your home is not to your advantage, you may be able to negotiate with your lender to take the deed to your home instead of going to foreclosure. Ensure that your lender will agree to release you from the balance of the loan or for any deficiency still existing on your mortgage. As mentioned above, ensure that you seek tax advice in the event your lender agrees to forgive any of the debt associated with your loan.

