



Save Our Homes Taskforce

March 2008 Executive Summary

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This Save Our Homes 2007 executive summary was produced by:

The Honorable Richard Cordray
Ohio Treasurer of State

To find additional copies of this publication go to:

www.yourmoneynowonline.org
and click on “foreclosure.”

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Executive Summary

The Save Our Homes Taskforce in its inaugural year established local advocacy coalitions in 44 counties throughout the state serving thousands of Ohioans in danger of foreclosure in 2007.

Mission

To coordinate a network of local foreclosure intervention services by mobilizing business, government, legal, non-profit and citizen resources to facilitate the delivery of these services to the citizens who need them.

Action

Local Save Our Homes coalitions have proven to be creative and resourceful in serving their individual communities. Following are a few examples.

Success Story: Montgomery County

Adjustable rate mortgages (ARM) resetting to a higher interest rate have greatly contributed to the staggering increase in home foreclosures in both Ohio and in the US.

A study conducted by Peter D. Hart Research Associates for the AFL-CIO found that 50% of those holding ARMs do not realize that their house payment can increase.

Through SOH networking, Montgomery County Recorder, William Blackshear, proactively raised public awareness by researching mortgage documents filed in his office to create a database of individuals who had adjustable rate mortgages scheduled to reset within the near future.

With the help and cooperation of Ohio Treasurer Richard Cordray who processed and mailed letters, Blackshear and Cordray notified these homeowners of the pending increase. Approximately 177 families responded and received assistance. This effort is continuing and expanding.

Success Story: Morrow County

The Morrow County Jobs and Family Services pays the postage for the first half real estate tax bill mailing. In return, the Morrow County Treasurer includes with the tax bill a brochure detailing foreclosure intervention services in the community.

Success Story: Franklin County

The Franklin County Treasurer's Office, the Equal Justice Foundation, Legal Aid and HUD-approved housing counseling agencies offer a monthly legal seminar for defendants in foreclosure cases.

Success Story: Ottawa County

The Ottawa County SOH chapter has planned a foreclosure call-in program where homeowners can confidentially access foreclosure intervention resources.



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The Ottawa County Save Our Homes chapter has planned a foreclosure call-in program where homeowners can confidentially access foreclosure intervention resources.

Success Story: Medina County

The Medina County Court of Common Pleas announced its intention to establish mediation services for foreclosure cases.

The Ohio Supreme Court in partnership with Ohio Treasurer Richard Cordray developed a foreclosure mediation model that has been presented to every Common Pleas Court in Ohio. As a result, many mediation programs are now underway. SOH networking advocates for these programs.

While the proposed foreclosure mediation model is being considered by the County Common Pleas Courts, county clerks are exploring raising filing fees for foreclosure complaints.

At least two county clerks have already raised the fees. The counties where the increase in fees has been implemented have strong SOH Task Forces and were among the first organized.



Statewide Accomplishments

- Free CEU foreclosure intervention training has been offered for social workers and lenders
- Free continuing legal education credit was offered to Ohio attorneys.
- The Ohio Treasurer, Consumer Credit Counseling Services, Transunion and local officials have offered Rebuild Your Credit Seminars to hundreds of homeowners whose credit has been weakened by foreclosure.
- Ohio Treasurer Richard Cordray and Ohio State Legal Services Association developed a model “How to File an Answer to a Foreclosure Complaint” document that is available on the Treasurer’s recently launched financial education Web site, www.yourmoneynowonline.org.
- Bowling Green State University’s public broadcasting system channel (serving 19 counties) is hosting a two-hour panel discussion and call-in show focused on the foreclosure issue and solutions.
- Many Clerks of Courts now include information on foreclosure intervention services in the community with every foreclosure complaint..
- Multiple chapters have provided homeowner workshops that provide information on community foreclosure intervention resources.

Save Our Homes

Ohio Community Coalitions



Allen
Ashtabula
Athens
Auglaize
Butler
Columbiana
Coshocton
Cuyahoga
Delaware
Erie
Fairfield
Franklin
Gallia
Guernsey
Hamilton
Harrison
Huron
Jackson
Jefferson
Lake
Licking
Lorain
Lucas
Madison
Mahoning
Marion
Medina
Meigs
Monroe
Montgomery
Morgan
Morrow
Muskingum
Ottawa
Paulding
Perry
Pike
Richland
Sandusky
Scioto
Stark
Summit
Trumbull
Tuscarawas
Wayne
Wood



Just the Facts

Foreclosure in Ohio:

- 2007 was the worst year on record for U.S. foreclosures and Ohio was at the center of the crisis. By December, one in every 58 Ohio households was in some stage of foreclosure.

Cordray Takes Action:

- Upon taking office in January 2007, Ohio Treasurer Richard Cordray introduced the Save Our Homes (SOH) initiative. The statewide program is designed to create local taskforces by uniting realtors, builders, lenders, non-profits and public officials to tackle Ohio home foreclosures neighborhood by neighborhood, county by county.

Save Our Homes Helps Ohio

- SOH works throughout Ohio to set up county taskforces focused on fighting foreclosures with preventative education. Participating individuals and organizations pool resources and ideas, create action plans and implement programs tailored to the unique needs of each community.
- SOH acts as the statewide clearinghouse for consumer hotlines, preventative measures, local seminars, and detailed information on credit and foreclosures.
- Currently more than half the counties in Ohio have SOH taskforces

Message from Treasurer Cordray:

"Few topics are as distressing to state officials right now as the looming onslaught of home foreclosures in Ohio. Our rate of home foreclosure is the highest in the nation, and experts expect the problem to grow as the variable interest rates on many sub-prime mortgages increase upon their reset dates. Too many people are on the verge of being priced out of their homes and too many more are only one job loss, one divorce, or one unexpected illness away.

I established Save Our Homes to provide a host of foreclosure intervention education services to communities. I believe every Ohio community needs access to these critical resources to prevent foreclosures wherever possible."



Common Foreclosure Questions

1. **What should I do if I get behind in my mortgage payments?**

As soon as you know you won't be able to make your payment, **CALL YOUR LENDER** and ask for the Loss Mitigation Department. Be honest with them about your situation so they can help you choose the best option.

Loss Mitigation is the process by which the mortgage company will re-negotiate the terms of your loan. Your lender does not want to take your home. The average foreclosure costs the lender about \$40,000 so they should want to work with you. 50% of all foreclosures can be halted by contacting your lender's Loss Mitigation Department.

You should also **STAY IN YOUR HOME** and **OPEN YOUR MAIL**. Foreclosure moves more quickly through the court system when homes are vacant. Government and non-profit foreclosure intervention groups may **MAIL** you information on how to save your home, so please open your mail.

2. **What workout options might be available to me?**

As described in the HUD publication "How to Avoid Foreclosure":

Special Forbearance: Your lender may be able to arrange a repayment plan based on your financial situation and may even provide for a temporary reduction or suspension of your payments. You may qualify for this if you have experienced a reduction in income or an increase in living expenses. You must furnish information to your lender to show that you will be able to meet the requirements of the new payment plan.

Mortgage Modification: You may be able to refinance the debt and/or extend the term of your mortgage loan. You may even qualify for a lower interest rate or reduced principal. This may help you catch up by reducing the monthly payments to a more affordable level. You may qualify if you have recovered from a financial problem and can afford the new payment amount.

Partial Claim: Your lender may be able to work with you to obtain a one-time payment from the FHA Insurance fund to bring your mortgage current.

You may qualify if:

1. Your loan is at least 4 months delinquent but no more than 12 months delinquent;
2. You are able to begin making full mortgage payments.

When your lender files a Partial Claim, the US Department of Housing and Urban Development will pay your lender the amount necessary to bring your mortgage current.

You must execute a Promissory Note, and a Lien will be placed on your property until the Promissory Note is paid in full.

The Promissory Note is interest-free and is due when you pay off the first mortgage or when you sell the property.

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Pre-foreclosure Sale: You should first try to sell your home for as much as possible in order to satisfy the lender as well as your own economic interests. However, sometimes your home will not sell for enough money to accomplish both of these goals. A short sale allows you to avoid foreclosure by selling your property for an amount less than the amount necessary to pay off your mortgage loan.

You may qualify if:

1. The loan is at least 2 months delinquent;
2. You are able to sell your house within 3 to 5 months; and
3. The appraisal (that your lender will obtain) shows that the “as is” value of your home meets HUD program guidelines.

Deed-in-lieu of foreclosure: As a last resort, you may be able to voluntarily “give back” your property to the lender. This won’t save your house but is not as damaging to your credit rating.

You may qualify if:

1. You are in default and don’t qualify for any other options;
2. Your attempts at selling the house before foreclosure were unsuccessful; and
3. You don’t have another FHA mortgage in default.

3. Who can help me negotiate with my lender?

A HUD-approved non-profit housing counseling agency will first help you prepare a realistic budget so that you can decide whether you can afford to keep your home. They will know if community resources are available to help you. They also are experienced in communicating with lenders. They will determine where you are in the delinquency process and what work out options are available.

By visiting www.hud.gov or by calling 800-569-4287, you can find the nearest HUD-approved housing counseling agency.

4. Should I consider refinancing?

Being able to refinance your loan depends on several things. If you are already delinquent on your present mortgage, your credit rating will be adversely affected. This could prevent you from getting a new mortgage at a reasonable interest rate. In addition, you may not be able to afford the fees and points that most lenders charge, especially if you have little or no equity in your home. If you do want to refinance, shop around for the best rate and terms possible and beware of predatory lenders. Go to <http://www.dontborrowtrouble.com/> for information about predatory lending.

The Ohio Housing Finance Agency has a refinancing program that features a reasonable fixed rate. Additional details may be obtained at www.ohiohome.org.

FHASecure is a refinancing option that gives credit-worthy homeowners, who were making timely mortgage payments before their loans reset but are now in default, a second chance. To find a FHA approved lender call 1-800-CALL-FHA or Google faq.fha.gov for on-line help.

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5. **What should I do if I get a foreclosure notice?**

You have 28 days from the date you receive the foreclosure complaint to file an answer with the court and with your lender's attorney. An answer may be styled in a legal format or in letter form. This is an important step to protecting your legal interests.

OPEN YOUR MAIL. Chief Justice Thomas Moyer is encouraging all common pleas court judges to develop mediation programs that enable borrowers and lenders to work out settlements that might save your home. The courts that adopt mediation programs will communicate with you through the mail.

CALL YOUR LENDER right away to discuss alternatives to foreclosure. Keep in mind that you will have to pay the lender's legal expenses as well as your past due mortgage payments and penalties. Also, once your loan is in foreclosure, you will receive multiple communications from people who will tell you that they can help you keep your house. Be cautious. Most of the time, these self-proclaimed specialists charge a hefty fee for services that are worthless or that you can perform for yourself just by calling your lender's Loss Mitigation Department or by calling a HUD-approved housing counselor.

6. **How long does a foreclosure take?**

The legal proceedings may take anywhere from 6 months to 1 year or more.

7. **Where do I go to find help?**

Call 211 or a United Way-funded information and referral service.
Or call the national helpline at 1-888-995-HOPE (4673).

Online help is available from HUD at <http://www.hud.gov/> or call 1-800-569-4287

Other resources, listed by county, can be found at <http://www.yourmoneynowonline.org>.

8. **Can I retain my house after it goes to Sheriff's Sale?**

You may retain ownership of your home (and continue to live in it) up until the time that the confirmation of sale has been filed with the court.

9. **When do I actually have to leave the house?**

You should be prepared to vacate the property once the foreclosure sale has been confirmed – usually 30 to 60 days after the foreclosure sale.

If you choose not to vacate the property, an eviction notice will be placed on your door informing you of the date you will be evicted by the Sheriff. Your personal belongings will be placed outside your home and eventually removed. If you have not made alternative living arrangements, a HUD-approved nonprofit housing counseling agency can refer you to community services in your area.

10. **Where can I file a complaint if I believe I have been a victim of predatory lending?**

Complaints regarding predatory lending can be filed with the Ohio Attorney General's Office at 1-800-282-0515 or <http://www.ag.state.oh.us/>.



Mortgage Servicing

Loss Mitigation Contacts

Fifty percent of foreclosures can be prevented by calling your Mortgage Company, **and** asking to speak to someone in the “**Loss Mitigation Department.**” If your lender is not listed below, call the number listed on your mortgage statement and ask to speak with someone in the Loss Mitigation Department about a repayment plan, loan modification, forbearance agreement, partial claim or loan assumption.

Servicer	Phone
ABM AMRO Mortgage	800-783-8900
AmTrust Bank (fka Ohio Savings Bank)	888-696-4444
Beneficial	800-333-5848
Charter One	800-234-6002
Chase	800-446-8939
CitiFinancial Mortgage	800-753-3673
Citimortgage	800-283-7918
Countrywide	800-262-4218
Deutsche Bank National	Call Number on Mortgage Statement
Fifth Third Bank	800-375-1745, Option 3
First Merit Bank	888-728-9931
GMAC Mortgage	800-850-4622
HSBC Mortgage	800-338-6441
Huntington National Bank	800-323-4695
Key Bank	800-422-2442
LaSalle National Bank	800-783-8900
Mortgage Electronic Registration Systems	888-679-6377
National City	800-367-9305, Ext. 53221
Ocwen Federal Bank	800-746-2936
Option One	866-711-1962
Saxon	800-665-7367
Select Portfolio Servicing	888-818-6032
SkyBank	800-290-3359
Third Federal Savings	888-844-7333
US Bank	800-365-7900
Wachovia Bank of Delaware	866-642-8608
Washington Mutual	866-926-8937
Wells Fargo	877-216-8448