

How can I reduce the risk of foreclosure when I purchase or refinance my home?

- **Take Advantage of Pre-Purchase Counseling Offered by Nonprofit Organizations.** Homeowners can avoid trouble later on by making informed decisions while purchasing their homes. Borrowers who are most likely to keep their homes understand their mortgage options and how much they can really afford. Education also helps borrowers identify and avoid unscrupulous sellers or lenders. Studies show that homeowners who have received high-quality education and counseling are 33 percent less likely to be behind in payments at the 90-days past due mark. Another recent study found that borrowers who received counseling have half the default risk as those who did not.
- **Understand the terms of your loans,** especially prepayment penalties and balloon payments.
- **Know your financial picture,** including credit score and capacity to pay a mortgage.
- **Shop around.**

BEWARE OF FORECLOSURE SCAMS:

Some businesses may target you because you are in foreclosure. They will try to steal your home with an offer to “rescue” you. Be suspicious of any offer that requires you to sign a deed unless you are selling your home. Protect yourself.



photo by : Kenn Kiser

- Get promises in writing. Never sign any document unless you read and understood everything in it.
- Ask questions. Is the business licensed? Am I being rushed into a deal? Is the deal too good to be true?
- Talk to an independent counselor at a HUD-approved counseling agency

State of Delaware Contact Numbers:

Delaware State Housing Authority

18 The Green, Dover, DE 19901
(302) 739-4263 or (302) 577-5001
www.destatehousing.com
1-888-363-8808

Office of the State Bank Commissioner

555 E. Loockerman Street, Dover DE 19901
302-739-4235 or (302) 577-6722
www.state.de.us/bank

Office of the Attorney General Consumer Protection Unit

800 N. French St. 5th Floor
Wilmington, DE 19801
(302) 577-8600 or
1-800-220-5454 outside DE
www.state.de.us/attgen

United States Government Resources:

U.S. Department of Housing and Urban Development

www.hud.gov
www.hud.gov/foreclosures/

Federal Trade Commission

1-877-FTC –HELP
www.consumer.gov

MORTGAGE LATE?

Speak up quickly or
risk losing your home.



Call this hotline for an action plan:
1-888-995-HOPE

Made possible in part by the Office of the State Bank Commissioner, the Office of the Attorney General, the Delaware State Housing Authority, NeighborWorks®; the Homeownership Preservation Foundation and the Federation of State Housing Counselors.

What Should I Do if I Miss A Mortgage Payment?

Call for help—it's the most important thing you can do to stop foreclosure.



More than half of homeowners facing foreclosure did not call for help when they fell behind in their mortgage payments.

Call 1-888-995-HOPE for foreclosure prevention counseling:

Through a partnership with the nonprofit Homeownership Preservation Foundation, 1-888-995-HOPE connects you to experienced HUD-certified counselors dedicated to helping homeowners. English- and Spanish-speaking counselors will analyze your situation and set up a plan to help you avoid foreclosure. You'll get advice. No judgments. No cost.



Contact Delaware certified housing counseling agencies:

1. **Neighborhood House, Inc.**
1218 B. Street
Wilmington, DE 19801 • (302) 652-3928
2. **West End Neighborhood House, Inc.**
710 North Lincoln Street
Wilmington, DE • (302) 658-4171
3. **YWCA Delaware**
100 West Street, Suite 515
Wilmington, DE 19801 or
153 E. Chestnut Street,
Newark DE 19713 • (302) 658-7161
4. **First State Community Action Agency, Inc.**
308 North Railroad Ave.
Georgetown, DE 19947 • (302) 856-7761 or
655 South Bay Road, Suite 4J
Dover, DE 19901 • (302) 674-1355 or
19 Lambson Lane, Suite 8,
New Castle DE 19720 • (302) 498-0454
5. **Community Housing, Inc.**
613 Washington Street
Wilmington, DE 19801 • (302) 652-3991
6. **Housing Opportunities of Northern Delaware, Inc.**
100 West 10th Street, Suite 1400
Wilmington, DE 19801 • (302) 429-0794
7. **Hockessin Community Center**
4266 Millcreek Road
Hockessin, DE 19707 • (302) 239-2363

Contact your local NeighborWorks organizations:

Your local NeighborWorks organizations are:

1. **Interfaith Housing Delaware, Inc.**
2 South Augustine Street, Suite B,
Wilmington, DE 19804 • (302) 995-7428 or
20 Patrick Henry Lane
Milford, DE 19963 • (302) 424-4650
2. **NCALL Research, Inc.**
363 Saulsbury Road
Dover, DE 19904 • (302) 678-9400 or
501 Ogletown Road, Room 325
Newark, DE 19711 • (302) 283-7505 or
315 North DuPont Highway, Suite 130
Georgetown, DE 19947 • (302) 855-1370.

Notify the servicer of the loan as soon as you know your payment will be late. You may be presented with the following options:

- **Forbearance** — You may be allowed to delay payments for a short period, with the understanding that another option will be used afterwards to bring the account current.
- **Reinstatement** — When you are behind in your payments but can promise a lump sum to bring payments current by a specific date.
- **Repayment Plan** — If your account is past due, but you can now make payments, the lender may agree to let you catch up by adding a portion of the past due amount to each current monthly payment until your account is current.
- **Modifying Your Mortgage** — The lender may modify your mortgage to extend the length of your loan (or take other steps to reduce your payments). One solution is to add the past due amount into your existing loan, financing it over a long term.
- **Partial Claim** — (If you have FHA loan or paying mortgage insurance) If your mortgage is insured you may qualify for an interest-free loan from your mortgage guarantor to bring your account current. Then repayment of this loan will be delayed.
- **Selling Your Home** — If catching up on payments is not possible, the lender might agree to put foreclosure on hold to give you some time to attempt to sell your home.
- **Property Give-Back** — The lender can allow you to give-back your property—and then forgive the debt. Give-backs do, however, have a negative impact on your credit record, although not as much as a foreclosure. The lender might require that you attempt to sell the house for a specific time period before agreeing to this option, and it might not be possible if there are other liens against the home.