

16 N. Court St.  
Bowling Green, MO. 63334

## Foreclosure Intervention & Loan Modification Counseling Service

NECAC provides this free service to any homeowner in the state of Missouri. The service provides a knowledgeable foreclosure counselor to negotiate on your behalf with your current mortgage lender. Our counselor gather information from you, the client, and evaluates the current and projected financial situation, paying particular attention to the client's ability to repay the mortgage. Once the counselor and the client have determined the best course of action, a plan is developed and put into action. The plan can be one or a combination of any the following:

\* **Repayment Plan** – Negotiating with the client and the lender to find an acceptable repayment schedule designed to repay the amount past due. This plan usually will be limited to a fixed period of time usually ranging from 3-9 months.

\* **Loan Modification** – Modifying the existing loan terms. This can include any, or all, of the following;

**Recapture** - This is a request that the lender recapture any amount currently due or past due. (Recapture is to put the current due or past due amount back into the current mortgage balance.

**Interest Rate Reduction** – This is used to reduce an interest rate that may be artificially high due to market conditions. This is also used to move a client from an adjustable rate mortgage to a fixed rate mortgage, thereby taking the periodic fluctuations out of monthly mortgage payments due to changes in the lending market.

**Forbearance** – This is used to request a complete, yet temporary, halt to monthly mortgage payments. This is rarely used and is usually reserved for the most severe family Financial crisis's that are short term in nature.

\* **Other option available are:**

\* **Deed in Lieu** – This is used when a client cannot show the ability to repay a mortgage. A Deed in lieu will allow a client to turn a property over to the mortgage company, thereby avoiding the foreclosure process. This option can result in less financial burden to the client and usually is less harmful to the client's credit history.

\* **Property Sale** – This option can help a client get valuable time granted by the lender to sell the property on the open real estate market. This option is particularly appealing to clients that have substantial equity built up in the home due to many years of occupancy.

\* **Short Sale** – This option is similar to the above option with the exception that the current market value and the equity in the home combined is less than that what is owed to the mortgage company. This option can be a benefit to both the client and the

mortgage company because if the mortgage company agrees to allow the sale of the home for less than is owed, the mortgage company will not incur the sometimes very costly expense of a foreclosure and the homeowner is spared the legal and financial implications of a foreclosure.

Should a foreclosure occur the client may have the "Right of Redemption" This option can allow the client to recover a home lost to foreclosure by repaying the entire amount owed to the mortgage holder. Some lenders will consider reinstating a mortgage if a client can bring the mortgage current including all fees incurred by the lender in the foreclosure process. The statutes vary but you may have up 1 year to reacquire their primary residence. Other ways of redemption are acquiring new financing from a different lender or when a person has received a large settlement and / or inheritance. You need to contact an attorney to understand the redemption process.

This information sheet is provided to give you an idea of some of the options that are available to you. It is not intended to be a complete outline of the programs scope. Each lender is different and options vary depending on the type of mortgage the client has. The lender that provided the financing and a list of other factors that each lender may or may not take into consideration. The need for knowledgeable and dedicated counselor is apparent.

Your counselor will work on your behalf to insure that the best option for your situation is what is pursued. It is a time consuming task and knowing you have an advocate to negotiate with the financial institution will ease some of the stress. If you have any questions or are in need of our services please feel free to contact any of our NECAC offices or contact the foreclosure counselors directly at the number listed below.

**J.D. De Shaies**  
**Foreclosure Mitigation Counselor**

**573-324-6622**

**Bonnie Avery**  
**Foreclosure Mitigation Counselor**

**573-324-6622**