STEP-BY-STEP GUIDE TO FORECLOSURE PREVENTION RESOURCES

Below is a list of steps for individuals who are having trouble with their mortgages and may face foreclosure. It includes information on the most prominent foreclosure prevention efforts, but is not an exhaustive list or a substitute for housing counseling.

1) Talk to your Lender or Loan Servicer of your Current Loan

Your loan servicer is responsible for collecting your monthly loan payments and crediting your account. Speak to your loan servicer about refinancing options, including the federal programs detailed below, state finance initiatives, and any other loan modifications that are appropriate for your financial circumstances. If you require help in identifying the company that handles your mortgage you can use the online resource of MERS® Servicer ID or its phone-based MERS Servicer Identification System at 1-888-679-6377. If your lender is not cooperative, talk to a legitimate housing counselor and they may be able to help you with your lender. You can also contact the HOPE hotline at 1-888-995-4673 to speak to a housing counselor and ask for assistance in working with your lender (see number #2 below).

2) Talk to a Legitimate Housing Counselor

Housing counselors can help you understand your mortgage options, negotiate with your lender and avoid foreclosure assistance scams. If you have worked with a qualified housing counselor, you should contact them again. If you need help in locating qualified a HUD-approved housing counselor in your area, call HUD's interactive voice response system at 1-800-569-4287. Also, free telephone counseling is available 24/7 from the national HOPE hotline at 1-888-995-4673 or www.hpfonline.org, which connects callers with English- and Spanish-speaking counselors from HUD–approved housing counseling agencies. The hotline is operated by NeighborWorks, a national organization which also awards housing counseling grants. The list of grantees and foreclosure resources can be found on the NeighborWorks website at www.nw.org.

3) Contact State Foreclosure Prevention Programs

Many states through their Housing Finance Agencies have developed programs that offer affordable financial options for troubled homeowners. To find the Housing Finance Agency in your state, go to www.ncsha.org. In addition, several state Attorneys General have taken part in setting up state multi-agency foreclosure prevention task forces that provide financial resources and proactive intervention for homeowners facing or at risk of foreclosure. To locate the Attorney General in your state, go to www.naag.org. For those homeowners who suspect that they have been a victim of fraud, misleading information, or other deceptive practices, they should contact their state Attorney General's office, which investigates complaints and sues lenders and other mortgage originators for alleged illegal behavior.

4) Contact the Federal Government About Federal Foreclosure Assistance Programs

Two federal programs (HOPE for Homeowners and FHA Secure) are designed to help homeowners refinance mortgages and avoid foreclosure. The requirements of these programs are summarized briefly below. For more information, go to www.fha.gov.

HOPE for Homeowners

What it is: The *HOPE for Homeowners* program began October 1, 2008 and ends September 30, 2011. The program is available only to owner occupants who are unable to pay their existing mortgages without adjustments to their current loan and offers 30-year, fixed-rate mortgages insured by HUD's Federal Housing Administration (FHA). The program is voluntary--both the borrower and current lender must agree to participate. Participating lenders will have to write down the existing mortgage to 90 percent of the new appraised value of the home. Borrowers are encouraged to contact their current lender to determine eligibility, but may be eligible if, among other factors: (1) the home is their primary residence, and they have no ownership interest in any other residential property; (2) their existing mortgage was originated on or before January 1, 2008, and they have made at least six payments over the life of the current loan; and (3) as of March 2008, their total monthly mortgage payments due were more than 31 percent of their gross monthly income. The new mortgage will be no more than 90 percent of the new appraised value of the borrower's home. The maximum loan amount is $550,440. The holders of existing mortgage liens must waive all prepayment penalties and late payment fees.

Borrowers seeking help should contact their current lender, an FHA-approved lender, or a housing counselor to apply or learn more about their options. To locate an FHA-approved lender in your area, go to the FHA website at www.fha.gov and enter your city, state and zip code. You can also call HUD's interactive voice response system at 1-800-569-4287 to get the names of HUD approved counseling entities in your state.

FHA Secure

What it is: The *FHA Secure* program began in September 2007 and is currently scheduled to end December 31, 2008. It gives qualified borrowers who have been delinquent on their existing non-FHA adjustable rate mortgages (ARMs), the ability to refinance into a fixed-rate, FHA-insured mortgage. With *FHA Secure*, the lender may offer the borrower a second mortgage to make up the difference between the current value of the home and the amount owed. In addition, if they can afford it, borrowers may be able to roll post reset arrearages into the new mortgage.

Borrowers seeking help should contact their current lender, any other qualified FHA approved lender or a housing counselor. To locate an FHA-approved lender in your area, go to the FHA website at www.fha.gov and enter your city, state and zip code. You can also call HUD's interactive voice response system at 1-800-569-4287 to get the names of HUD approved counseling entities in your state. Loan applications must be submitted by December 31, 2008. Current FHA loan limits apply.