

## What are some reputable and free resources that I can turn to for housing counseling?

There are numerous reputable agencies that provide free housing counseling. When searching for a counseling agency, it is a good idea to select one that is HUD-approved/certified. You do not necessarily need an attorney for help and should not have to pay for housing counseling. Below is a list of free and reputable resources:

**The U.S. Department of Housing and Urban Development (HUD) HUD Approved Housing Counseling Agency Director**

[www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm](http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm)

**HUD's Making Homes Affordable Program**

[www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov) or call 888-995-4673

**Federal Deposit Insurance Corporation**

[www.fdic.gov/consumers/loans/prevention/toolkit.html](http://www.fdic.gov/consumers/loans/prevention/toolkit.html)

**National Coalition for Asian Pacific American Community Development (National CAPACD)**

[www.nationalcapacd.org](http://www.nationalcapacd.org) or call 202-223-2442

**Homeownership Preservation Foundation and NeighborWorks –** [www.995hope.org](http://www.995hope.org)

[www.nw.org/ForeclosureSolutions](http://www.nw.org/ForeclosureSolutions)  
or call 1-888-995-4673

**National Community Reinvestment Coalition's National Homeownership Sustainability Fund**

[www.fairlending.com](http://www.fairlending.com) or call 202-628-8866

**Center for Responsible Lending**

[www.responsiblelending.org/mortgage-lending](http://www.responsiblelending.org/mortgage-lending)  
or call 919-313-8500

**Freddie Mac** [www.freddiemac.com/avoidforeclosure](http://www.freddiemac.com/avoidforeclosure)

For a list of foreclosure prevention workshops:

[www.freddiemac.com/avoidforeclosure/workshops.html](http://www.freddiemac.com/avoidforeclosure/workshops.html)

## About Chhaya CDC and SAALT

Chhaya CDC is a non-profit organization located in Queens, NY whose mission is to create more stable and sustainable communities by increasing civic participation and addressing the unique housing and community development needs of South Asian Americans, new immigrants and their neighbors.

For more information, visit [www.chhayacdc.org](http://www.chhayacdc.org) or call (718) 478 – 3848.

SAALT is a national nonpartisan non-profit organization whose mission is to elevate the voices and perspectives of South Asian individuals and organizations to build a more just and inclusive society.

For more information, visit [www.saalt.org](http://www.saalt.org) or call (301) 270 – 1855.

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## Your Home, Your Family, Your Security: A Guide for the South Asian Community



### Are you having difficulty making payments on your home? If so, you are not alone.

Because of the economic downturn, an increasing number of South Asians are facing challenges in meeting their financial obligations. Many risk facing foreclosure and losing their homes. Fortunately, there are options and resources available that can help you. This brochure answers basic questions about foreclosures and includes organizations that you can turn to for assistance.

Developed by Chhaya CDC and South Asian  
Americans Leading Together (SAALT)



# MORTGAGE

## What is a “mortgage”?

In order to buy a home, most individuals borrow money from a bank (or other lender) and pay back the loan through regular payments. In such a “mortgage” arrangement, if the homebuyer cannot pay back the loan according to the terms of the agreement, the lender can take over the home.

## What is a “foreclosure”?

If you cannot meet the terms of your mortgage agreement, such as making payments on time, the home may be foreclosed. Foreclosure is a legal process where the lender takes ownership of your home (repossession). During a foreclosure, the homeowner usually moves out and the lender tries to sell the home. It is important to note that how foreclosure works and laws governing it vary from state to state.

## Why should I be concerned about foreclosure?

In addition to forcing you out of your home, foreclosure damages your credit history which can hurt your ability to get future loans, credit cards, rental apartments, and even employment.

## It is difficult for me to make my mortgage payments. How can I avoid foreclosure?

If you are having difficulty or expect to have difficulty in paying your mortgage bills, there are several steps you can take:

**Seek housing counseling from government agencies and credible community organizations:** Various organizations can help you reevaluate your expenses and income, let you know what your repayment options are, and inform you of your rights. Be sure that you contact reputable organizations (such as the resources listed below) and avoid foreclosure assistance scams.

**Stay in your home for now:** Unless you have been ordered by a court to leave your property, it is important to stay in your home. If you leave before being ordered to do so, you may not qualify for certain types of foreclosure assistance.

**Talk to your lender:** Lenders are often willing to work with you to adjust your payment plan and loan terms so that you keep your home. Do **not** ignore mail or phone calls from your lender as that may only make the problem worse.

## What options do I have if I’m having difficulty making my payments on time?

Below are several options to consider. Several of these options must be done with your lender’s approval, so **be sure to first talk to a housing counselor** to see which makes the most sense for you.

- Lowering to a more affordable monthly payment (for example, Loan Modification; Principal Forbearance; Loan Forgiveness, etc.)
- Setting up a different repayment plan for payments you already missed
- Delaying payment (Forbearance) or skipping payment temporarily and then paying a lump sum (Reinstatement)
- Selling your home and having your lender accept the sale price as full payment of the remaining part of your loan (Pre-foreclosure/Short sale)
- Transferring the deed of your home to your lender

## What happens if my home has already been foreclosed?

If your home has been foreclosed, your lender may take over your home, force you to move out, and attempt to sell it. If the foreclosed home sells for less than what you owe on the home, you may still owe the lender additional money and a court-ordered judgment may be taken against you.



## I have heard of “foreclosure rescue scams.” What are they and what should I look out for?

Many companies may say that they can help you avoid a foreclosure, but some may actually be trying to trick you out of money and possibly your home. Watch out for the following signs of foreclosure scams:

- Charging you money for housing counseling or loan modification assistance
- Promising that someone else will pay the mortgage on your behalf
- Requiring you to pay your mortgage to someone other than your lender
- Pressuring you to take any action
- Asking that you sign blank forms, false statements, or complicated documents you do not understand
- Being approached either in person or over the phone by someone claiming to help rescue your mortgage
- Temporarily signing the deed to your home to a new borrower
- Being asked to sign over your tax refund or any public benefits you receive
- Asking you to lie about your income and financial difficulties
- Offer a guaranteed loan modification