

## **DO IT YOURSELF LOAN MODIFICATION**

The most important thing to know about doing your own loan modification processing is that it is FREE. Your lender will charge you nothing. And for only the cost of phone calls and perhaps a mailing or two, there are no out of pocket expenses.

Here's how it works:

Gather these documents: (1) two months statements of checking/savings/CD/401k/investment accounts for each member of the family contributing to paying the mortgage loan; (2) two consecutive pay stubs for each member of the family contributing to paying the mortgage loan; (3) the latest two tax returns with W-2s and 1099s; (4) a household budget; (5) a projection of family income for this year; (6) documentation of any extraordinary recent expenses that have added to your mortgage payment difficulties; (7) a letter explaining what the hardship is that forces you to request a loan modification.

Figure out what modification to your loan would be most helpful as well as being acceptable to your lender: reduce the amount of your monthly payments by reducing the interest rate of the loan, extending the repayment period of the loan, preventing an interest rate from adjusting upward, reducing the principal balance owed, eliminating a negative amortization term, adding delinquent payments to the balance, or any combination.

Figure out the true market value of your home.

Locate your lender's department for handling loan modifications.

The telephone number on your mortgage statement is usually not that department. But it is a starting point. You may be transferred to several other departments until you find the right one.

Be sure you get the direct dial number from them because there will be many calls you will need to make during this modification process. Some lenders will not give out this number, so you will have to go through this transferring each time.

With so many loan modifications being requested these days, you may be put on hold for up to a half hour. Telephone connections sometimes break during the wait, so you may have to start over.

Discuss with the processor the advantages and disadvantages of the Home Affordability Program (the Obama Plan) and their standard plan.

Decide which submission you are making and get their procedures for making the submission.

They may have their own submission forms. These sometimes are available online. Otherwise, you will have to wait for their mailing.

Find out when they expect your submission to be assigned to a Negotiator.

Submit the forms as requested.

Some lenders require hard-copy mailing. In this case make copies of all the documents. Send it certified, return receipt. You want positive confirmation of who at the lender received the package.

Some will require scanned copies emailed to them. Some will require faxing.

Three working days after emailing or faxing, or two days after confirmation of hard-copy mail having been received, call them to confirm that your submission is in their system.

You may have to do this several times, depending upon how busy they are.

If they tell you it is in their system, then four weeks before the date they told you a Negotiator would be assigned, call again to ask if it has been assigned to a Negotiator.

Sometimes it is assigned earlier.

Sometimes they “lose” submissions. If so, find out the procedure for the fastest resubmission and placement in their queue. Inform them of your proof of their receiving your submission, and of your previous phone calls. Be firm yet pleading. DO NOT SHOW ANGER – that will get you placed on the bottom of the queue.

If it is near the assignment date but they don’t expect to meet that date, express your frustration. DO NOT SHOW ANGER – that will get you placed on the bottom of the queue.

Once your case has been assigned, periodically call to check the status of the processing. But do not overcall – you will irritate the Negotiator and he/she will place you at the end of the queue.

When you speak to the Negotiator you will probably by that time have an answer.

It may be a good deal for you. Accept it and follow their instructions.

It may be a bad deal or it may be rejected. Begin your negotiating discussions now and discuss the alternatives. Find out what in your submission caused this result. Discuss what changes in your family finances you might be able to make that would allow you to resubmit your request.

If it was a Home Affordable Program submission, you get no second chances.

#### GENERAL CONCERNS:

Your lender generally is under no legal obligation to modify your loan. Lenders may also have inadequate staffing to handle the increasing number of modification requests without frequent borrower follow-up. They, being human, may respond negatively to the impression that they are being pressured with too many phone calls from the borrower.

Banks and lenders are typically very intimidating. They want as much money from you as quickly as possible. They may offer you a modification that is good for them, not for you. BE CAREFUL! They really don’t have your home and family concerns as their concern. You will be fortunate to find a Negotiator who is concerned about you.

They also will leave you on hold for endless amounts of time and pass you from one department to another and then back again. In some cases it is done to discourage you from modifying your loan. This is very frustrating.

Also, lenders seldom call you back when they say they will, and once you submit your paperwork you may spend hours trying to track down someone to help without starting over and over again. The lenders are overwhelmed with the volume of calls and paperwork. They generally prioritize their potential losses by how close you are to foreclosure of your home.

#### IF YOU CHOOSE PROFESSIONAL HELP RATHER THAN DOING IT YOURSELF

Loan Modification work is time-intensive and requires specialized negotiating skills and the knowledge of lender procedures and regulations to be effective. For this reason, professional help is not free.

Lenders work to maximize THEIR profit. We work to get YOU the best deal possible. We have helped many homeowners like you to lower their mortgage payments - using our 17 years of mortgage loan and negotiating experience and our association with a highly experienced staff of loan modification attorneys.

No Loan Modification professional is able to guarantee success, or any particular result. In the end, the lender is in complete control of the process. Yet, our success rate is high. While not typical, we recently negotiated the following modification for one of our clients:

Lowering the current 6.75% loan down to 2% for 5 years  
Then 3% for one year  
Then 4% for one year  
Then 5% for the remainder of the loan

In 60 to 90 days we may be able to:

- Lower Your Monthly Payment
- Have Your Late Fees and Past Due Amounts Waived
- Lower Your Existing Loan Balance
- Stop Foreclosure Procedures
- Reinstate Your Loan if Foreclosure Proceedings have started

Our services are available to you no matter where in the U.S. you live.

Our consultation is free, our advice is priceless.

Call Mack

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