

## *LOAN MODIFICATION: Not So Fast, Not So Easy*

### **Trap**

Brad's Lake Worth home is upside-down. He now owes more than it is worth, and even worse, he is one month behind on his mortgage. In the road median, he saw a sign for a company that claimed they could reduce his mortgage payment, modify his loan and reduce the amount he owed. Brad paid the company \$1,400 up-front to start the process. Now, when he calls the company all he gets are excuses and delays.

### **Tips**

Loan modifications are complex and more difficult to achieve than advertised. Whether a loan can be modified depends on variables including property type, employment status and the company servicing your loan. Mortgage loans are usually sold into investor pools, and the investor plays a big role in whether your loan can be modified. If you are only behind a month or two, a loan modification will probably not be an option. Here are some ways to avoid a loan modification nightmare:

- Loan modification scams use a variety of tactics to find distressed homeowners: public records, the Internet and posters in median strips, to name a few.
- Beware of statements such as "Stop Foreclosure Now!," "We guarantee to stop your foreclosure" or "We have a special relationship with your bank."
- Keep communicating with your loan company. Speak with the Loss Mitigation Department or write a certified letter to your loan company's Chief Officer, and keep a copy of all correspondence for your records.
- Never quit making your mortgage payment, regardless of what you are advised.
- Call the Federal Trade Commission at 877-382-4357 for more options, or go to [www.ftc.gov](http://www.ftc.gov).
- Call the Homeowner Preservation Foundation at 888-995-HOPE, or go to [www.hopenow.com](http://www.hopenow.com).

For more information OR to file a complaint, contact  
Palm Beach County Consumer Affairs at 561-712-6600  
(Boca/Delray 888-852-7362 toll free)  
[www.pbcgov/consumer](http://www.pbcgov/consumer)