

## **Homeowners Can Avoid Mortgage Problems by Getting Help Early**

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The news these days often contains stories about the personal and community impact of the rising number of home foreclosures. While foreclosure rates have increased in the past year, almost all American home owners are making their mortgage payments on time and are in no danger of losing their homes.

It's important to remember that 37 percent of all single-family homes are owned debt free, without any mortgage, and home owners nationwide have built up more than \$11 trillion in equity that provides a good cushion against any decline in values. In addition, 97 percent of prime borrowers, the bulk of the market, are up-to-date on their mortgage payments. Also, a high number of defaults on loans to date have been among speculators or investors who were looking for quick profits and subsequently walked away from their investments when the housing market cooled.

Something else that usually isn't said is that reaching out for help before foreclosure proceedings began could have helped many of those people stay in their homes.

The worst thing a homeowner can do is ignore the problem when they have trouble making their mortgage payments. According to Mindy A. Bockstein, chairperson and executive director of the New York State Consumer Protection Board, "Research shows that half of the families who fall into foreclosure never called their lender for help."

A variety of counseling options are available to homeowners, free of charge, including the 888-995-HOPE (4673) hotline. Any homeowner in America having trouble paying their mortgage can call the hotline to get budgeting help, a written financial plan or assistance contacting their lender.

The Homeowner's HOPE Hotline is provided by the Homeownership Preservation Foundation (HPF), a nonprofit dedicated to preserving homeownership and preventing

foreclosure. HPF's efforts have the support of major mortgage lending and servicing organizations.

The toll-free number is answered 24 hours a day, seven days a week by counselors approved by the U.S. Department of Housing and Urban Development (HUD). Live online counseling is available through [www.995HOPE.org](http://www.995HOPE.org).

Homeowners who call as soon as they realize they are having problems paying their mortgage increase the likelihood that they will be able to effectively manage mortgage payments and stay in their homes. HPF, according to President and Executive Director Colleen Hernandez, can offer a greater selection of options to address homeowners' individual financial situations the earlier they call.

A national advertising campaign to promote the hotline is bringing more awareness to foreclosure counseling services. Calls to the 888-995-HOPE hotline have doubled every quarter in 2007, with nearly 60,000 being received in the third quarter.

The Builders Association of Northern Nevada offers a list of Foreclosure resources on their website at [www.thebuilders.com](http://www.thebuilders.com).

Homeownership brings many benefits to American families, but it is also a big responsibility. Smart planning and reaching out to the many available resources for help at the first sign of trouble will help you stay in the home you worked so hard to get.