Sample Foreclosure Prevention Counseling Forms

Form 1: Foreclosure Prevention Intake Form
This form is designed to be filled in by a counselor based on information supplied by the homeowner. The form provides a complete overview of a homeowner’s finances in order to help a counselor determine which foreclosure prevention strategies are possible. The form is also available on the CD-Rom accompanying this handbook.

Form 2: Foreclosure Prevention Counseling Checklist
The purpose of this case-tracking checklist for default and delinquency counseling is to keep track of deadlines and actions necessary to achieve a successful mortgage loan workout. This form is also available on the CD-Rom accompanying this handbook.

Form 3: Sample Authorization to Release Information
In order to present a client’s full range of foreclosure prevention options, a counselor generally must obtain information about the amount of money the loan servicer claims due. Due to valid privacy concerns for borrowers, very few servicers will release information to a counselor without written authorization from the borrower. This appendix contains a sample client authorization form. Generally, a form of this type is sent by facsimile to the loan servicer with Form 4, below, requesting necessary information. Both forms are found on the CD-Rom accompanying this handbook.

Form 4: Sample Request for Information from Loan Servicer
This sample form is useful for obtaining necessary information from a loan servicer about the status of a client’s loan. The information provided on this form helps determine the amounts that the servicer believes are needed to cure or pay-off the loan. In some cases, obtaining this information will crystallize a dispute the borrower may have concerning the amount due on the loan. This form is also available on the CD-Rom accompanying this handbook.

Form 5: Sample Qualified Written Request Under RESPA
This is a sample “qualified written request” for information under the Real Estate Settlement Procedures Act (RESPA). A section of RESPA, 12 U.S.C. § 2605, provides a procedure
and a remedy to obtain information from a loan servicer that fails to provide it under a more informal request. This sample is also found on the CD-Rom accompanying this handbook.

Form 6: Homeowner’s Checklist for Avoiding Foreclosure

This is a checklist for homeowners in financial distress. It provides general suggestions and ideas on how to prepare for and work through tough times. This is also available on the CD-Rom accompanying this handbook.

You may not be having financial trouble now, but many people do have money problems at some point in their lives. The best way to avoid foreclosure is to make your mortgage the first bill that you pay each month. However, that is not always possible. The following pages provide general suggestions and ideas as to how you can prepare for and work through tough times. NOTE: This checklist is not comprehensive and is not intended to provide legal advice. If you need legal advice, you should speak with a lawyer.
FORM 1: FORECLOSURE PREVENTION INTAKE FORM

I. CLIENT INFORMATION

Date: _________

Name(s) ____________________________________________________________________________
Address ____________________________________________________________________________
Home Phone ________________________________________________________________________
Work Phone ________________________________________________________________________
Best Times to Reach __________________________________________________________________
Marital Status _________________________________________________________________
Spouse (if any) ______________________________________________________________________
Children (names and ages) _____________________________________________________________
Others in Household: _________________________________________________________________

II. INFORMATION ABOUT HOME BEING FORECLOSED

Address of Property (if different from above) ______________________________________________
Names of all Co-owners w/ Address (if different) ___________________________________________
Year Purchased ______________________________________________________________________
Original Purchase Price _______________________________________________________________
Estimate of Current Value _____________________________________________________________
Number of Rooms ___________________________________________________________________
Owner Occupant?
   At purchase? Yes ___ No ___
   Now? Yes ___ No ___
Multi-Family Home? Yes ___ No ___
   Name of tenants _________________________________________________________________
   Rent received _________________________________________________________________
Condition Exc ___ Good ___ Fair ___ Poor ___
Major repairs needed
   Describe: ______________________________________________________________________

Number of Mortgages _______________________________________________________________
Other Liens _________________________________________________________________

Notes:
III. MORTGAGE

Please note: some information about the mortgage may be obtained after a review of the client’s records.

Type of Mortgage
- Purchase Money ___
- Refinance ___
- Home Equity Loan ___
- Debt Consolidation ___
- Other ___

Year of Mortgage ____________________________________________________________________

Original Amount ____________________________________________________________________

Has client brought original loan papers Yes ___ No ___

Current Lender or Servicer ___________________________________________________________

Address of Current Lender or Servicer ________________________________________________

Phone: ____________
Fax: ____________
Contact Person _________________________________________________________________

Loan Account Number ______________________________________________________________

Investor/Insurer
- FHA Insured ___
- VA ___
- RHS ___
- Fannie Mae ___
- Freddie Mac ___
- PMI __________________
- Other __________________

Term of mortgage (in months) _________________________________________________________

Interest Rate ________________________________________________________________________

Principal and Interest Payment (monthly) ______________________________________________

Tax and Insurance Payment (monthly) ___________________________________________________

Total Monthly Payment _______________________________________________________________

Months Behind ______________________________________________________________________

Total Arrears Including Costs __________________________________________________________

Current Principal Balance _____________________________________________________________

Payoff Amount ______________________________________________________________________

Is Client in Default?   Yes ___   No ___

Status/Amount of Monthly Payment

Reason for Default

Client’s Statement of Objectives and Plan
Other Mortgages and Liens
Yes ___  No ___

Notes:

**IMPORTANT NOTE:** If there are other mortgages, obtain information for each using the questions on the form above.

## IV. HOUSEHOLD FINANCIAL INFORMATION

### INCOME BUDGET FOR HOUSEHOLD

<table>
<thead>
<tr>
<th>SOURCE OF INCOME</th>
<th>LAST MO. ACTUAL</th>
<th>THIS MO. EXPECTED</th>
<th>THIS MO. ACTUAL</th>
<th>ADJUSTED MONTHLY</th>
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<tr>
<td>Employment</td>
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<td>Child Support/Alimony</td>
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<td>Pension</td>
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<td>Interest</td>
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<td>Dividends</td>
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<td>Trust Payments</td>
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<td>Rents Received</td>
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<td>Other (List)</td>
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**TOTAL (MONTHLY)**

| $     | $     | $     | $     |

NOTES/ANTICIPATED CHANGES:
## EXPENSE BUDGET FOR HOUSEHOLD

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<th>TYPE OF EXPENSE</th>
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Other Important Debt Issues:

Wage Garnishments   Yes___ No___
Pending Court Cases  Yes___ No___
Pending Utility Shut-offs  Yes___ No___
Car Loan Defaults or Repossessions Tax Debts  Yes___ No___
Student Loan Debts Yes___ No___

Other:

Notes/Anticipated Changes:

Describe Assets and Other Resources:

Savings Yes___ No___ Amount $______
Court Cases Pending Against Others Yes___ No___ Value $______
Anticipated Tax Refunds Yes___ No___ Amount $______
Assets Which Can Be Sold Yes___ No___ Value $______
Pension or Retirement Funds Yes___ No___ Value $______

Other Assets and Notes:

INCOME AND EXPENSE TOTALS

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<tr>
<th></th>
<th>Last Mo. Actual</th>
<th>This Mo. Expected</th>
<th>This Mo. Actual</th>
<th>Adjusted Expected</th>
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<td><strong>A. Total Projected Monthly Income</strong></td>
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<td><strong>B. Total Projected Monthly Expenses</strong></td>
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<td>Excess Income or Shortfall (A minus B)</td>
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</table>

Notes:
V. OTHER INFORMATION

1. Have client(s) made an effort to arrange a workout on their own? What result?

2. Has the client filed bankruptcy? If so when? Current status of case if still pending? If bankruptcy is over, what result?

3. Other issues which came up during interview.

4. Questions and open issues that must be resolved.
## FORM 2: FORECLOSURE PREVENTION COUNSELING CHECKLIST

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<th>TASK</th>
<th>TASK DATE</th>
<th>COMMENTS</th>
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<td>Initial Interview</td>
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<td><strong>Foreclosure Status</strong></td>
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<td>Sale Date (if scheduled)</td>
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<td>Other Deadlines Pending</td>
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<td>Release Form Signed</td>
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<tr>
<td>Request Info. from Servicer</td>
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<tr>
<td>Receive Info. from Servicer</td>
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<td>Budget Complete</td>
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<td>Pay Stubs Received</td>
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<td>Supporting Document Rcvd.</td>
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<td>Hardship Letter</td>
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<td>Options Counseling Complete</td>
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<td>Init. Resp. from Servicer</td>
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<td>Final Response</td>
<td>___ Approved</td>
<td>___ Denied</td>
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<td>Case Closed</td>
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</table>
TO: Handout Mortgage Co
   [Address]
   Attention: Loss Mitigation Department

RE: Account No: 1234567
   Borrowers: Sam and Sally Consumer
   Prop. Address: [Address]

AUTHORIZATION TO RELEASE INFORMATION

Dear Sir or Madam:

We are working with the Neighborhood House Counseling Service (a HUD certified counseling agency) on a plan to resolve our mortgage delinquency. We hereby authorize you to release any and all information concerning our account to the Neighborhood House Counseling Service at their request.

We further authorize you to discuss our case with Barry Booth or Beverly Bonder. They are working to help us address our financial problems and to propose a loss mitigation plan which is within your guidelines.

At present, we request that you fill out the request for loan information which accompanies this letter. Please return it to Beverly Bonder by fax (555-345-8768) no later than Friday, February 28, 2006. You may release additional information to the Neighborhood House Counseling Service in the future without further authorization.

Thank you taking the time to deal with this request.

Very truly yours,

Sam and Sally Consumer
Phone: [Phone Number]
FORM 4: SAMPLE REQUEST FOR INFORMATION FROM LOAN SERVICER

Borrower(s) ______________________________ Loan #: __________________
Address ____________________________________________________________________________

Pursuant to the attached authorization by the borrower, please supply the following information about the above referenced account. The information will be used to help the borrower propose a loss mitigation plan, if possible.

Mortgage Investor: ___________________________________________________________________
Investor Loan #: _____________________________________________________________________
Mortgage Insurance Company: _________________________________________________________

Loan Payment Info:
Current Interest Rate: _________
Monthly Principal & Interest Payment: _________
Monthly Escrow Payment: _________
Total Monthly Mortgage Payment: _________

Amount of Arrears:
Due for (Earliest unpaid installment): _________
Late Charges Due: _________
Foreclosure Fees & Costs Due: (itemize all charges) _________
Other Unpaid Charges: _________
Balance in Suspense Account: _________
TOTAL ARREARS (as of _________) $_________

Total Balance Due on Loan:
Unpaid Principal Balance: _________
Past Due Interest: _________
Unpaid Escrow: _________
TOTAL AMOUNT DUE ON LOAN (PAY-OFF) (as of _________) $_________
Per Diem Interest: _________
Date of Most Recent BPO/Appraisal: _________ Value: _________
Other Comments:

FORECLOSURE STATUS: _________________

SALE DATE (IF SCHEDULED): ________________
FORM 5: SAMPLE QUALIFIED WRITTEN REQUEST UNDER RESPA

Joe & Sally Consumer

[Address]

January 1, 2006

VIA CERTIFIED MAIL
USA Federal Bank, FSB
[Address]

Attn: Mortgage Loan Accounting Department

Re: Loan # 99999999
Joe and Sally Consumer
[Address]

Dear Sir or Madam:

USA Federal Bank, FSB is the servicer of our mortgage loan at the above address. We dispute the amount that is owed according to the Monthly Billing Statement and request that you send us information about the fees, costs and escrow accounting on our loan. This is a “qualified written request” pursuant to the Real Estate Settlement and Procedures Act (section 2605(e)).

Specifically, we are requesting an itemization of the following:

1. A complete payment history, including but not limited to the dates and amounts of all the payments we have made on the loan to date;
2. A breakdown of the amount of claimed arrears or delinquencies, including an itemization of all fees charged to the account;
3. An explanation of how the amount due on the Monthly Billing Statement ($1,000) was calculated and an explanation of why this amount was increased to $2,000 on August 1, 2005;
4. The payment dates, purpose of payment and recipient of any and all foreclosure fees and costs that have been charged to our account;
5. The payment dates, purpose of payment and recipient of all escrow items charged to our account since [date USA Federal Bank took over the servicing];
6. A breakdown of the current escrow charge showing how it is calculated and the reasons for any increase within the last 24 months; and
7. A copy of any annual escrow statements and notices of a shortage, deficiency or surplus, sent to us within the last three (3) years.

Thank you for taking the time to acknowledge and answer this request as required by the Real Estate Settlement and Procedures Act (section 2605(e)).

Very truly yours,

Joe & Sally Consumer
FORM 6: HOMEOWNER’S CHECKLIST FOR AVOIDING FORECLOSURE

Before Trouble Starts
Start a file, in a safe place, for records relating to your home
■ Purchase and sale agreement
■ Mortgage application
■ Closing documents
■ Property tax bills
■ Property insurance information
■ Letters you receive from and copies of letters you mail to the bank

Use checks or money orders to pay bills
■ Do not send cash
■ Do not use credit cards
■ Keep a record of all payments (date paid and check number)
■ Correct errors quickly

Pay high priority bills first
■ Food
■ Mortgage
■ Utilities (heat, hot water, electricity, gas)
■ Do not pay credit cards or other unsecured debts before the mortgage

When Things Start to Feel Tight
Where is the money going?
■ Create a budget that shows your current income and expenses
■ Review every item on your budget
■ Prepare a revised, realistic budget that you can live with until your circumstances improve

Increase your income
■ Collect federal and state benefits if you are eligible
■ Claim the earned income tax credit if you are eligible
■ Stop all voluntary deductions being taken out of your paycheck
■ Consider selling unnecessary property to raise money

Reduce your expenses
■ Review every expense for potential savings—reduce or eliminate unnecessary expenses
■ Pay only for the type of phone service you need
■ Cancel cable television service temporarily
■ Identify ways to conserve on energy and other utilities
■ Participate in a home weatherization program
■ Review your homeowner's and auto insurance policies and shop around
■ Claim the owner-occupant property tax exemption and others for which you are eligible

Other Considerations
■ Contact your mortgage servicer at the first sign of trouble
■ Ask your utility company for budget billing so you can pay the same amount each month
■ If you are behind on your utility bills, start an affordable repayment plan
After Falling Behind

Identify the problem

■ What caused your current situation (job loss, illness, divorce, decreased income)
■ How long do you expect your difficulty to last
■ What specific type of help do you need
■ How much can you afford to pay toward your mortgage

Communicate

■ Speak with your bank’s delinquent loan or loss mitigation specialist
■ Explain your situation
■ Ask for a mortgage workout package
■ Keep a phone log that shows the date and time of your call, who you spoke to, the person’s phone number, and what was said
■ Follow up your phone call with a letter and keep a copy for yourself
■ Send all letters by certified mail and keep the receipt

Pay what you can and save the rest

■ Send to the bank as much of the mortgage payment as possible
■ If the bank returns your payment, save the money and do not spend it on other bills

Know your options

There are many ways the bank can help you if you fall behind on your mortgage. Which one you choose/need and what the bank allows will depend on your individual situation.

Reinstatement: You give the bank all of the back payments you owe and start making your regular monthly payment. With a partial reinstatement you pay at least one-half of the back-payments first and agree to a repayment plan for the rest of what you owe.

Repayment Plan: You make the regular mortgage payment plus an additional amount toward the back-payments until you are caught up (usually no longer than 12 months). If the bank sets up a repayment plan for you, make sure it is reasonable. Do not agree to a plan that will not work for you.

Forbearance: The bank agrees that for a limited period of time it will accept a lower monthly payment or no monthly payment. At the end of the forbearance agreement you must bring the account current.

Modification: The bank agrees to change one or more terms of the mortgage. Possible changes include: reducing the interest rate; extending the term of the mortgage; and adding the arrears to the unpaid principal balance of your loan.

Short Sale: The bank may let you sell the home even if you owe more than the property is worth and agree to accept the lesser amount as payment in full. You must have a buyer and a signed purchase and sale agreement. Anyone else who has a lien on the property and the private mortgage insurer, if there is one, must also agree to the short sale.

Refinance: You take out a new mortgage to pay off the old mortgage. Sometimes it makes sense to refinance. You should contact a legitimate lender and proceed carefully. Beware of large fees and high interest rates.

Deed in Lieu: You cannot afford to keep the home and you give the house back to the bank. Do not ask for a deed in lieu when you have equity in the property or when a short sale is possible. The bank will not accept a deed in lieu if there are other mortgages or liens on the property.
Documentation for a workout (requirements may vary from bank to bank)

- Signed and dated letter that briefly explains what happened
- Documentation of your hardship (doctor’s letters, etc.)
- One month worth of pay stubs or other proof of income
- Two most recent signed federal tax returns and W2s (3 years if self-employed)
- An accurate budget showing all of your monthly income and expenses
- A list of your assets (cars, bank accounts, etc.)
- A list of your liabilities (mortgages, loans, liens, other outstanding debts)
- This package must be complete before the bank will review it
- Keep copies for your file

Other Things to Know

Talk to a lawyer or counselor experienced in default and delinquency counseling

- If you cannot reach a solution with your bank
- If you disagree with the amount the bank says you owe
- If you wish to consider filing bankruptcy

Foreclosures move very quickly

- Keep track of deadlines
- Do not wait until the last minute to get help
- Your rights will be cut off once the foreclosure sale takes place

Foreclosures are public

- Foreclosure notices appear in newspapers and court records
- Some people may try to take advantage of you by offering a “quick fix”
- Carefully review offers to refinance or consolidate your credit card debts with your mortgage as this may make matters worse
- Avoid “deals” with high interest rates and large fees
- Do not agree to sell your home to someone who claims they will lease it back to you
- Talk to a lawyer or counselor before you sign anything

Where to go for help

- Your local non-profit housing organization
- Your mortgage company
- The U.S. Department of Housing and Urban Development (HUD)

Resource List

Name and phone number of housing agency

(To locate a HUD certified counseling agency near you, search www.hudhcc.org/agencies.html. Or try the main HUD site at www.hud.gov. Or call HUD at 1-800-569-4287)

Contact Name and phone number at mortgage lender

The book NCLC Guide to Surviving Debt is available from National Consumer Law Center, 77 Summer Street, 10th Floor, Boston, MA 02110 or 617-542-9595 for the publications department, order on-line at www.consumerlaw.org, or ask at your local bookstore. This book covers practical strategies for managing debt problems, preventing foreclosures, and other consumer credit issues. Additional useful information may be found at www.consumerlaw.org.