



WARNING SIGNS & STEPS TO TAKE WHEN FACING FORECLOSURE

A growing number of families struggle with excessive financial obligations – you are not alone. There are many unexpected life changes that can impact your finances and can contribute to foreclosure:

- Loss of employment or reduction in hours
- Major illness or injury
- Divorce or separation
- Death of a spouse
- Increase in your mortgage payment

Steps to Take if You're Facing Foreclosure

Many homeowners are able to find alternatives to foreclosure by negotiating with their lenders, often with the help of foreclosure counselors or mediation services. As soon as you think you will miss a payment or if you have missed a payment, we encourage you to contact your lender immediately. If you need more guidance, contact Take Root Milwaukee at 414-921-4149 or via our online form at www.takerootmilwaukee.org.

These agencies can provide you with confidential assistance if you are worried about foreclosure:

- ❑ **GreenPath Financial Wellness:** 877-290-6974 or www.greenpath.com
- ❑ **Housing Resources Inc. (HRI):** 414-461-6330 or www.hri-wi.org
- ❑ **Mediate Milwaukee:** 414-939-8800 or www.mediatemilwaukee.com

TIPS:

- **Answer the phone, read your mail and don't ignore the problem.** Avoiding your lender won't make the problem go away, and may make it worse. Your lender may be able to help you so pay attention to any communications you receive from them. If you are facing foreclosure you have a limited amount of time to take advantage of certain rights and actions that may help you keep your home.
- **Contact a nonprofit housing counselor.** Be honest and explain whether your financial problems are temporary or long term. They will provide information on all of your options, and can also facilitate communication between lenders and borrowers. All assistance is confidential and provided to you free of charge.
- **Assess your situation and be realistic.** If your financial problems are temporary, your lender may be able to offer a forbearance or repayment plan until you get back on your feet. But if your mortgage is truly beyond your means, consider selling your home and purchasing a less expensive one, or renting for a while to preserve your finances.
- **Protect your finances and wealth.** Recognize that you may have significant equity in your property, and it is in your best interest to preserve it, as well as your personal finances and credit. Have a good understanding of your other monthly obligations to ensure you can follow through with the solution your lender ultimately provides.
- **Consider all options.** There are experts who can assist you with this, for little to no charge. Your lender may be able to help you avoid foreclosure by agreeing to mediation, a modification, assumption or short payoff. Lenders lose money in the foreclosure process, so it is in their best interest to work with you to avoid foreclosure if possible. You may also consider selling your home.
- **Stay in your home.** In order to qualify for assistance, you are often required to be living in your home. Be sure to talk to a nonprofit housing counselor and your lender before you think about moving. If you move too soon, you may still be legally liable for accidents, taxes and repairs on the property.
- **Beware of "rescue" scams.** Be wary of people who want to profit from your misfortune by offering to negotiate with your lender on your behalf for a fee. Make sure any assistance you receive is carried out by a reputable organization or trusted advisor. Nonprofit housing counselors and your lender do not charge fees for modifying your loan.