



PROGRAM HR3648

America's Free, Non-Governmental Foreclosure Option

How to Avoid Public Foreclosure

A Homeowner Guide to Eliminate Mortgage Debt and
Rescue Your Credit Rating Through Program HR 3648

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Introduction

Owning a home is a big part of the American dream. It is a place where you can put down roots, raise a family, and create a lifetime of memories.

But in today's difficult economy, homeowners face more challenges than ever before. It is not only more difficult to finance a home, it is rapidly becoming more difficult to keep up with payments and stay in your home.



More and more homeowners from every income level now realize that their dream has turned into a nightmare. Mounting debt, job losses, falling home values, and other widespread economic factors have combined to create a no-win situation. And most people have no idea where to turn for help.

In this guide, we will take a look at why foreclosure is a growing problem in America. And we will show you what the Federal Government has done to pave the way for a new program that may enable you to get out from under your mortgage debt and minimize the impact to your credit rating.

Whether you fear foreclosure or whether you are already in the foreclosure process, help may be just one phone call away.

Why Foreclosure Has Become So Common

For years, most people assumed that foreclosure only happened to the “other guy.” And in truth, foreclosure was a rare problem.

Today, foreclosure is happening to people at every economic level. In fact, many middle class families, who otherwise pay their bills and manage their money carefully, are shocked to discover that they may be forced to go through foreclosure and lose their good credit rating.

Why is this happening?

While it is true that a few homeowners have taken on more home than they can afford, in most cases, the struggling economy has created the problem.

For one thing, American jobs have been going overseas for many years. Cheap labor in other countries encourages U.S. companies to export their work force, including management and middle management positions. Layoffs, forced retirements, and salary cutbacks can play havoc with your budget and turn a previously affordable home into a financial liability. If you are a two-earner family, you can be devastated when one person loses a job.

Another problem is that, if you financed your home with an adjustable rate mortgage (ARM), you may now be watching your loan rate rise, along with your monthly payment. You may not have expected to stay in your home long enough for this to be a problem, but since the housing market has slowed and buyers are hard to find, you are left with high mortgage payments you cannot afford.

Then there are unfortunate situations, such as divorce or injuries on the job which often create financial hardship. In the case of an injury, you could be out of work for weeks or months with little or no pay.

To make matters worse, lenders seldom have programs in place to help their customers. They may have gladly collected a fortune in interest, but when you miss just a few payments, they will begin the foreclosure process without hesitation.

Your Lender May Not Be Able to Help

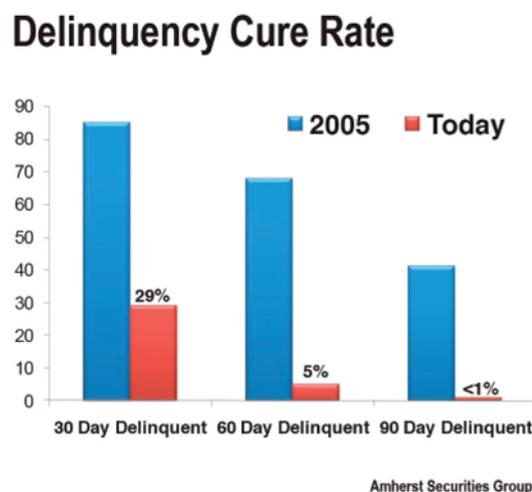
When you have financial difficulty, your first reaction may be to refinance your home or make an adjustment in your loan, often called a “loan modification.” That sounds good in theory, but in today’s economy, there are serious problems with this idea.

The reality is that lenders are not in the business of losing money, so they are not set up to help you when you are in a tight financial spot. And to be fair, most people who face foreclosure today have other financial issues, such as credit card debt or medical bills, or they have just lost a job and lack the income to qualify for a new or modified loan.

Sometimes even when you are talking to your lender, you can get bad advice that will make your situation worse. For example, your lender may tell you that you can modify your loan, but only after you are 60 days late on your payments. So you stop making payments, get far behind, then something unexpected happens that forces your lender to foreclose.

There is a lot of bad information about loan modifications out there. While it is possible to be approved for a loan mod, the statistics show it may not be realistic.

Look at the chart below. This chart compares the situation in 2005 to today. In 2005, if you were 30 days behind on your mortgage payment, you had a better than 80% chance of “curing” your situation and keeping your home. Today, your chances are down to 29%. Once you get 60 days behind, your chances fall to less than 5%.



A New Federal Law Brings Relief

In response to the growing economic crisis and millions of foreclosures, the U.S. Congress passed H.R. 3648, “The Mortgage Forgiveness Debt Relief Act.”

This law took effect in December, 2007, and has been extended to December 31, 2012 under the Emergency Economic Stabilization Act.

This new law makes it possible for lenders to forgive a portion of your mortgage debt without creating a federal tax liability for you.

Under normal circumstances, if a lender forgives a debt, the government sees that forgiven amount as personal income. Therefore, it is taxed. For example, if you owe \$100,000 on your loan and the lender forgives \$50,000 of that debt, you must add that \$50,000 to your personal income and pay taxes on it.

H.R. 3648 lays the groundwork for you to get your debt under control without a federal tax penalty. So if you are at least 30 days behind on your mortgage payment, your lender can forgive a significant portion of your debt IF you go through the correct process. Admittedly, the process can be complicated, and that is where Program HR 3648 steps in.



Program HR 3648: Avoiding Public Foreclosure

Program HR 3648 is a privately sponsored, nationwide initiative to reach out to homeowners who are struggling with their mortgage payments. It provides you with the information, guidance, and services required to avoid foreclosure and minimize the impact on your credit rating under the new rules enacted under The Mortgage Forgiveness Debt Relief Act.

Certified Program HR 3648 Specialists (CPSs) volunteer their time to assist as many homeowners as possible. All services provided by Program HR 3648 are free for every homeowner. There are no costs or fees of any kind for these services.

The program is structured on the county level, so you can work personally with a local CPS. The process has been made as easy as possible. You just call the CPS assigned to your area and arrange an appointment. The Specialist will come to your home, explain how the program works, outline your options, and answer your questions.

If you qualify for the program, you and your CPS can mutually decide on the option that is best for you. If you choose to do a short sale, your CPS will take care of all the details.

Again, ALL services, consultation, and information are free. You will not be asked to pay anything for the program's services before, during, or after your problem has been resolved.

Options Available to You

Every homeowner is different, and the options available to avoid foreclosure will depend on your particular situation.

Forbearance

Your mortgage lender may allow you to reduce or stop payments temporarily. By doing this, you have time to pay off other bills, save money, or perhaps get a new job or a promotion with a raise. However, there is a catch. When you begin making payments again, you must submit your regular monthly payment plus an extra amount each month until you are up-to-date on your payments. That means your monthly payments will increase.

Loan Modification

If you can make current payments, but cannot catch up on late payments, your lender may agree to change the terms of the loan. They might add the missing payments to the total loan balance, lower your interest rate, turn your adjustable rate into a fixed rate, or extend the length of your loan.

Unfortunately, most people do not qualify for a loan modification because of existing car payments, student loans, medical bills, credit card debt, or other financial obligations.

Deed-in-Lieu of Foreclosure

If you cannot catch up on your payments or sell your home in a reasonable amount of time, you might be able to transfer the deed to the lender to avoid foreclosure and protect your credit rating. Instead of waiting 5-7 years for your credit to recover, you could revive your credit rating within 4 year and qualify to finance a new home.

Short Sale

For many homeowners, especially those 30 to 60 days behind on payments, the short sale is the most practical option to avoid foreclosure. In a short sale, you are proactive as you sell your home, and the lender agrees to accept less than the amount you owe. In some cases, this means you will erase your entire debt and could rebuild your credit rating in just 2 years (instead of the usual 5-7 in a foreclosure). So in about 2 years, you could qualify for a new home loan.



Beware Foreclosure Rescue Scams

Sadly, the desperation many homeowners feel today has spawned a number of moneymaking scams. It is important for you to recognize these scams so you can protect yourself.

If you are looking for help to prevent foreclosure, avoid any business that:

- Guarantees to stop the foreclosure process no matter what your circumstances.
- Instructs you to not contact your lender, lawyer, or credit or housing counselor.
- Asks you to pay a fee before providing any services.
- Accepts payment only by cashier's check or wire transfer.
- Encourages you to lease your home so you can buy it back over time.
- Tells you to make your mortgage payments directly to them, rather than your lender.
- Tells you to transfer your property deed or title to them without discussing other options.
- Offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale.
- Offers to fill out paperwork for you.
- Pressures you to sign paperwork that you have not read or do not understand.

Frequently Asked Questions

Is Program HR 3648 a government program?

Program HR 3648 is a privately sponsored, nationwide initiative to reach out to homeowners who are struggling with their mortgage payments. It provides information, guidance, and services required to avoid foreclosure and to minimize the negative effect on your credit rating.

Is the program really free?

Yes. All information, guidance, and services are free to all homeowners who qualify for the program. There are no costs or fees of any kind.

Do I qualify?

If you are at least 30 days behind on your mortgage payments and you believe you will not be able to catch up, you probably qualify for Program HR 3648. Your Certified Program HR 3648 Specialist will ask you a series of questions to make sure.

I am getting a lot of mail about stopping foreclosure. Are these scams?

Some of them might be scams. Beware of anyone claiming that they can stop foreclosure no matter what your situation or who asks you to pay a fee before they do any work for you. You are free to work with anyone you wish, but if you have any doubts, please contact your local Certified Program HR 3648 Specialist for advice.

What are my options under Program HR 3648?

It is possible that you can get your lender to let you postpone payments temporarily, modify the terms of your loan, transfer your deed to the lender, or do a short sale. The best option depends on your particular situation.

Can I save my home?

It may be possible for you to save your home. But there are no guarantees. Your overall financial situation and credit rating are by far the most important factors to consider. If you are 60 days or more behind on your payments, you will probably have to consider other options.

Who should I talk to?

To discuss how to avoid foreclosure and rescue your credit rating, contact your local Certified Program HR 3648 Specialist. A Specialist has been assigned to your county and has been trained to discuss your options and help you solve your problem.

Your Next Step

If you are at least 30 days behind on your mortgage payments, call your local Certified Program HR 3648 Specialist (CPS) as soon as possible. The sooner you call the more options you will have available to you. Every day that passes makes it less likely that you will be able to avoid foreclosure and minimize the damage to your credit rating.



A CPS has been assigned to your area and instructed to reach out to local homeowners. If you receive a letter from your local CPS, call to make an appointment and discuss your options. You may also find a local Specialist at www.ProgramHR3648.org.

Please prepare a list of questions for your CPS. Write them down so that when you meet, you can get all the answers you need and resolve all issues immediately. Time is working against you when you face foreclosure.

Also please consider that our Specialists are volunteers and have a limited number of hours to devote to Program HR 3648. They handle as many homeowners as possible, but it is up to you to schedule your meeting and take advantage of this free program.

Contact your local Certified Program HR 3648 Specialist immediately.

**Your local <County> Representative is <your name> at <your number>
Email: <your email address>**

**If for any reason you wish to call Program HR 3648's National Help Center, you can reach us at:
1-800-915-1988**

IMPORTANT GOVERNMENT DISCLOSURE: You may stop doing business with us at any time. You may accept or reject the offer of short sale assistance we obtain from your lender (or servicer). The Program HR 3648 Certified Program Specialist is not associated with the government, and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan. If you stop paying your mortgage, you could lose your home and damage your credit.

Program HR 3648 - America's Free, Non-Governmental Foreclosure Option - Mortgage Foregiveness Debt Relief for Homeowners
For more information, visit www.ProgramHR3648.org