


Connecticut Foreclosure Prevention –

For more information, click on this link:

<http://www.ct.gov/dob/cwp/view.asp?a=2235&q=386114>

 State of Connecticut

 Governor Dannel P. Malloy |


 **CONNECTICUT DEPARTMENT OF BANKING**

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Avoiding Foreclosure



Are you falling behind on your monthly mortgage payment? Have you found yourself delinquent on your loan? Is your adjustable rate mortgage becoming unaffordable because your payments are increasing? You are not alone. Millions of people have trouble with their mortgage every year. But foreclosure can often be prevented. Don't be afraid or embarrassed to ask for help. The following tips may help avoid that result.

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For more information download the following Department of Banking publications:

- [Avoiding Foreclosure Booklet](#) (96 pages, 1.03 MB)
- [Avoiding Foreclosure - Quick Reference](#) (40 pages, 466 KB)
- [Foreclosure Hotline Bulletin](#) (2 pages, 40 KB) **NEW**

Contact the Foreclosure Hotline: 1-877-472-8313

The State of Connecticut Department of Banking Foreclosure Hotline was established on August 24, 2007 in response to the subprime mortgage crisis, and was the third foreclosure hotline created in the country. Connecticut residents who are behind in their mortgage or are facing foreclosure on their homes may call the Foreclosure Hotline toll-free at **1-877-472-8313** to receive advice and guidance regarding their mortgage issues and their foreclosure case status. Our mission is to ensure that we communicate in a timely basis all the state and federal programs that you may qualify for and all the state and federal agencies that may be of assistance to you.

The toll-free hotline, **1-877-472-8313**, is open Monday-Friday 8:00 a.m. to 5:00 p.m. Those who call after hours may leave a message and their call will be returned within two business days.

Attend a Foreclosure Prevention Clinic

Department of Banking staff is participating in monthly Foreclosure Prevention Clinics, sponsored by the Connecticut Fair Housing Center. These free clinics are offered in Hartford, Bridgeport, Norwalk and Stamford. Please follow the links below for the schedule of dates.

- [Hartford - the 3rd Tuesday of each month](#)
- [Bridgeport, Norwalk and Stamford](#)

More information on the clinics, locations, directions, dates, and times is available by contacting the [Connecticut Fair Housing Center](#) at 1-888-247-4401.

Wells Fargo/Wachovia Customers

Wells Fargo Bank is hosting a [free workshop](#) on Tuesday, December 20, 2011 at the Connecticut Convention Center. ([En Espanol](#))

Please note that this is not a state-sponsored event.
We encourage anyone who is a Wells Fargo or Wachovia customer to attend.

Attend a Budget Coaching Program

A partnership among the Workforce Solutions Collaborative of Metro Hartford, Co-opportunity, Inc., and United Way of Central and Northeastern Connecticut, the [Budget Coaching program](#) will help you gain better control of your finances.

In one-on-one sessions with your coach, you will learn how to effectively manage your income, spending, debt, savings, and other relevant money matters.

Contact Your Lender

Act early. [Contact your lender](#) as soon as you find yourself unable to make your monthly payment. Take that first step and make your lender aware of your financial difficulties as soon as you realize you have a problem. You and your lender may discuss reasonable workout options and alternative payment plans. More than one-third of those who take the initiative and seek assistance are successful in finding alternatives to foreclosure.

Banks and financial institutions will often work with delinquent borrowers and find reasonable arrangements rather than foreclosing on the loans immediately.

Don't ignore letters from your lender if you miss payments. It is important to be aware that if you have missed several payments and your loan is in default your lender may start foreclosure unless you can come up with the money to cover all your missed payments, plus any late fees.

This is why it is crucial that you contact your lender as soon as you realize that you will not be able to make your required payment. Most lenders who believe a borrower is acting in good faith will be willing to work with them.

Avoid Foreclosure "Rescue" Scams

People in foreclosure are frequently targeted for "foreclosure rescue scams." Be very careful of non-lawyers who ask you to pay a fee for a counseling service, modification of an existing loan, or foreclosure prevention, or claim to be able to perform a "forensic audit" of your loan documents, **regardless of their promises or claims**. Many out-of-state attorneys target Connecticut residents: **you should never pay attorneys that you do not meet**. For more information, contact the [Department of Banking](#) or visit the following websites: [Prevent Loan Scams](#) and [Loan Modification Scam Alert](#).

In some of these "rescue" scams, a con artist promises to help you save your home, but is actually intent on stealing your home or most of the equity you have accumulated in your home. According to the FTC, the following predatory scams have been reported:

- The foreclosure prevention specialist: The "specialist" really is a phony counselor who charges hefty fees in exchange for making a few phone calls or completing some paperwork that a homeowner could easily do for himself. None of the actions result in saving the home. Turning to a [HUD-approved counselor](#) for assistance is one way to avoid this type of fraud.
- The lease/buy back: Homeowners are deceived into signing over the deed to their home to a scam artist who tells them they will be able to remain in the house as a renter and eventually buy it back. Usually, the terms of this scheme are so demanding that the buy-back becomes impossible, the homeowner gets evicted, and the "rescuer" walks off with most or all of the equity.
- The bait-and-switch: Homeowners think they are signing documents to bring the mortgage current. Instead, they are signing over the deed to their home. Homeowners usually don't know they've been scammed until they get an eviction notice.

Contact a HUD-Approved Housing Counselor

- The U.S. Department of Housing and Urban Development (HUD) maintains a list of approved housing counselors who give advice for free or at a low cost. To find a HUD-approved counselor in your area call 1-800-569-4287 or online to view the [HUD Approved Housing Counseling Agencies in Connecticut](#).

The Connecticut Housing Finance Authority (CHFA) maintains a list of [CHFA-approved housing counselors](#) who give advice for free.

- [Homeowner's HOPE](#), a service of the nonprofit Homeownership Preservation Foundation, and NeighborWorks America, a national nonprofit organization, have established a toll-free hotline to help homeowners avoid foreclosure by providing free advice and support. Callers can receive immediate free counseling from nonprofit, HUD-certified organizations 24 hours a day, 7 days a week. Phone: 1-888-995-HOPE (4673)

[U.S. Department of Housing and Urban Development \(HUD\)](#)
Julie B. Fagan, Field Office Director
Phone: (860) 240-4800

Check out the HUD website, which offers guidance to homeowners on [How to Avoid Foreclosure](#).

Check into Refinancing and Loan Programs

[Connecticut Housing Finance Authority \(CHFA\)](#)
Phone: (860) 721-9501
(877) 571-CHFA (2432)
E-mail: info@chfa.org

CHFA provides mortgage financing at rates below the conventional market to offer affordable alternatives to low- and moderate-income first-time homebuyers in Connecticut.

[CHFA-approved housing counselors](#) provide free services to Connecticut homeowners and can assist in identifying possible solutions to your financial issues, reviewing your budget, and negotiating with your mortgage company to address your mortgage issues, including federal loan modification programs and CHFA mortgage assistance programs. CHFA-approved housing counselors are all "HUD-approved" housing counselors and are trained in handling FHA loans as well as "conventional" loans. They can help you prepare for Foreclosure Mediation and help you submit financial documents to your mortgage company as part of the Mediation process.

CHFA administers the following refinancing and loan programs:

- [CT FAMILIES Program](#) is a mortgage loan refinance program designed to help homeowners who are delinquent or anticipate becoming delinquent and who would benefit from refinancing their mortgage into a more affordable 30-year fixed-rate mortgage.

To apply visit the [CHFA website](#) for information or contact one of the following CT FAMILIES participating lenders:

Freedom Mortgage Corporation - 800-813-9420
Liberty Bank - 888-570-0773
McCue Mortgage - 800-382-0017
First Niagara Bank, N.A. - 800-892-2096
People's United Bank - 800-772-1090
Webster Bank - 888-681-7788

- [Emergency Mortgage Assistance Program \(EMAP\)](#)

EMAP is administered by CHFA to provide emergency mortgage assistance payments to eligible homeowners suffering a financial hardship. Assistance is in the form of a 30-year, fixed rate fully amortizing loan. EMAP is **not** available to borrowers with FHA-insured loans.

A borrower already in foreclosure may qualify for EMAP. If such a borrower (1) does not meet the criteria for CT FAMILIES **AND** (2) has taken the necessary steps to negotiate with their lender directly OR through a face-to-face meeting with a HUD-approved housing counselor **AND** (3) is unsuccessful in resolving their delinquency or default, they may apply for EMAP.

[Making Home Affordable Program](#)

The Making Home Affordable (MHA) Program is also known as the "Obama Plan". There are refinancing and loan modification options with this program, the Home Affordable Refinance Program (HARP) and the Home Affordable Modification Program (HAMP).

- The [Home Affordable Refinance Program](#) (HARP) is available to homeowners who pay their mortgage on time but are not able to refinance to take advantage of today's lower mortgage rates, for example, due to a decrease in the value of their home. You must:
 - be the owner of a one to four unit home,
 - have a mortgage owned or guaranteed by Fannie or Freddie Mac,
 - be current on your mortgage payments, and
 - have the amount owed on the first mortgage about the same or less than the value of the home (have a first mortgage not exceeding 125% of the current market value of your home).

You must also have income sufficient to support the new mortgage payments and can improve the long-term affordability or stability of your loan with the refinance. Banks in Connecticut that offer the HARP are:

Webster Bank: 1-888-681-7788
Bank of America: (203) 350-1181, Mark Torello; 1-800-344-9403 or (203) 245-6500
CitiMortgage: 1-866-558-6345

- The [Home Affordable Modification Program](#) (HAMP) provides eligible borrowers the opportunity to modify their first mortgage loans to make them more affordable. HAMP is available to homeowners struggling to make their monthly mortgage payments, for example, due to an interest rate increase or a decrease in income. Under HAMP, servicers apply a uniform loan modification process to provide eligible borrowers with affordable and sustainable monthly payments for their first lien mortgage loans. Affordability is achieved through the application of interest rate reduction, term extension, principal forbearance, and principal forgiveness. The following applies to the program:
 - your home must be your primary residence;
 - the amount owed on the first mortgage must be equal to or less than \$729,750 (for one unit);
 - you are having trouble paying your mortgage; you obtained your current mortgage before January 1, 2009;
 - the payment on the first mortgage including principal, interest, taxes, insurance, and homeowner's association dues if applicable, is more than 31% of the current gross income.

Call your lender to apply or if they are not a participating lender, ask if they have a comparable "in-house" program. An [updated list of participating lenders](#) is available on the MHA website.

Mortgage Relief Fund

Through the Mortgage Relief Fund Connecticut homeowners can refinance into conventional fixed-rate loans that will better meet their needs. Homeowners can have an adjustable rate or fixed rate mortgage. Homeowners must also be in good standing with their current mortgage but may be experiencing difficulty making payments now and or expect to have greater difficulty making payments when their rate resets. The program is **not** designed for borrowers who are delinquent on their current mortgage or who are facing imminent foreclosure.

The Mortgage Relief Fund is administered by Citizens Bank (1-888-411-1145) and Sovereign Bank (1-800-288-6225) and is available to their existing customers only.

[USDA Rural Housing Service](#)

The U.S. Department of Agriculture Rural Housing Service has loan programs that may be available to refinance your mortgage if you are in threat of foreclosure, have a fixed rate mortgage, and depending on your household income and the location of your residence. Available programs, qualifications, income guidelines and loan limits can be obtained by contacting the Rural Housing Service.

Windham & New London Counties:
Norwich Service Center
238 West Town Street
Norwich, CT 06360
Phone: (860) 859-5218, x. 200 or x. 201

Tolland, Middlesex, Hartford, Litchfield, New Haven & Fairfield Counties:
Windsor Service Center
100 Northfield Drive, 4th floor
Windsor, CT 06095-4729
Phone: (860) 688-7725, x. 130

Consider a Reverse Mortgage

If one or both of the homeowners on the title is over age 62, you may want to consider a reverse mortgage. For more information, read the Federal Trade Commission's fact sheet, [Reverse Mortgages: Get the Facts Before Cashing in on Your Home's Equity](#).

CHFA offers a [reverse annuity mortgage](#) that allows a low-income homeowner who is at least 70 years of age, with a need for long-term care or supportive services, to use the equity in his or her single-family home, condominium or planned unit development to provide a monthly tax-free cash payment or lump sum at the closing. Contact CHFA, at (860) 517-3502 or 1-877-571-2432.

Contact a Community Action Agency

[Community Action Agencies \(CAAs\)](#)

Connecticut's 12 Community Action Agencies (CAAs) help people meet immediate needs through services such as eviction and foreclosure prevention, energy/heating assistance, food pantries, and Weatherization. CAAs also empower people to improve their financial future through employment services, financial literacy training, and other programs.

The [Eviction and Foreclosure Prevention Program](#) (EFPP) provides assistance in paying rent or a grant (\$1,200 maximum) toward a mortgage payment to low-income and moderate-income households who are at risk of becoming homeless or are in imminent danger of eviction or foreclosure. For contact information to access this program, call Infoline at 211.

To locate your local CAA visit the [Connecticut Association for Community Action](#), or call (860)832-9438.

Social Service Programs

2-1-1

211 is a partnership between the State of Connecticut and United Way of Connecticut to provide a single source of information to Connecticut residents to assist them in locating community services, human services and crisis intervention services in your area. Professional call specialists help callers assess their situation and find appropriate services using a comprehensive database of human service resources. You can learn about federal and state assistance programs you may qualify for by completing a short survey using the [2-1-1 Navigator](#).

[Connecticut Department of Social Services \(DSS\)](#)

DSS, the Connecticut Housing Finance Authority, United Way's 2-1-1 Infoline, the U.S. Department of Housing and Urban Development and the U.S. Department of Agriculture – Rural Development are founding sponsors of a free to help people find accessible and affordable rental housing in Connecticut. DSS is a state agency that provides a broad range of services, including housing-related services, offered through [DSS regional offices](#) and through direct grants to municipalities and community-based agencies. DSS, the Connecticut Housing Finance Authority, United Way's 2-1-1 Infoline, the U.S. Department of Housing and Urban Development and the U.S. Department of Agriculture – Rural Development are founding sponsors of a free [housing registry](#) to help people find accessible and affordable rental housing in Connecticut. For information, call 1-877-428-8844 (en español, 1-877-428-8844, ext. 204).

Contact Legal Services

- [Statewide Legal Services](#) is a legal aid telephone hotline program that assists low-income individuals with noncriminal legal matters, including foreclosure. SLS provides free legal advice and referrals for callers qualifying for its services (guidelines include income limits). Contact Statewide Legal Services directly to determine if you meet the income limits to qualify for services. Information is available through the brochure, ["My House is Being Foreclosed. What Can I Do?"](#)

Contact SLS at (860) 344-0380 (Central Connecticut & Middletown area) or 1-800-453-3320 (All other regions).

Contact the Foreclosure Prevention Pro Bono Panel at 1-800-453-3320.

- The Connecticut Fair Housing Center publishes "[Representing Yourself in Foreclosure: A Guide for Connecticut Homeowners](#)," a free manual describing the foreclosure and mediation process for self-represented homeowners.

Department of Banking staff participates in monthly Foreclosure Prevention Clinics, sponsored by the Connecticut Fair Housing Center. These free clinics are offered in Hartford, Bridgeport, Norwalk and Stamford. Please follow the links below for the schedule of dates.

- [Hartford - the 3rd Tuesday of each month](#)
- [Bridgeport, Norwalk and Stamford](#)

- **Judicial Branch Foreclosure Advice Program**
Volunteer attorneys are available to give advice and answer questions about foreclosure every Wednesday morning from 9-11 a.m. through January 25, 2012 at New Haven Superior Court, 235 Church Street, 7th floor. Homeowners facing foreclosure in any judicial district are welcome to attend.
- **Court Service Centers** in certain Superior Court locations provide free printers, fax machines, copiers, phones, and work space for self-represented parties.
- County Bar Associations in Connecticut offer referral services that introduce homeowners to lawyers who can answer questions during an initial half-hour consultation. You can send an email with your questions and availability. Services beyond the initial half-hour fee will be at the attorney's market rate.

[Fairfield County](#) - 203-335-4116 - \$35 fee for 1/2 hour consultation
[Hartford County](#)* - 860-525-6052- \$25 fee for 1/2 hour consultation
[New Haven County](#) - 203-562-5750 - \$35 fee for 1/2 hour consultation
[New London County](#) - 860-889-9384 - \$25 fee for 1/2 hour consultation

* The Hartford County Bar also covers Litchfield, Middlesex, Tolland, and Windham Counties.

- **Consumer Law Project for Elders (CLPE)**
CLPE, a public service of Statewide Legal Services, provides FREE legal assistance to Connecticut seniors 60 and over who have consumer questions or problems, including debt collection, predatory lending and identity theft. They do **not** currently offer foreclosure services.
Phone: 1-800-296-1467

Apply for the Foreclosure Mediation Program

Foreclosure is a court process and you must follow the process carefully to protect your rights. If you have been served with a summons and complaint and cannot hire an attorney to represent you or you do not qualify for free legal assistance, you may represent yourself. The Judicial Department offers [FAQs for persons who wish to represent themselves in court](#), which includes information about filing an Appearance form. Filing an Appearance entitles you to receive all court notices and calendars concerning your foreclosure at the address you provide in the Appearance.

[Foreclosure Mediation Program](#) is a *voluntary* program that was established in 2008, by the Chief Court Administrator in each judicial district to assist homeowners whose one-to-four family, owner-occupied residential property in Connecticut is the subject of a foreclosure action. The homeowner/borrower must file a [Foreclosure Mediation Certificate](#) form (JD-CV-108), and an [Appearance form](#) (JD-CL-12). These forms must be filed not more than fifteen (15) days from the return date on the Summons.

If you have questions about the Foreclosure Mediation Program, please contact Roberta Palmer at 860-263-2734, or email her at Roberta.Palmer@jud.ct.gov.

Contact the Mortgage Crisis Job Training Program

The state-funded [Mortgage Crisis Job Training Program](#) is a project of The WorkPlace, Inc., in partnership with the Connecticut Housing Finance Authority, Capital Workforce Partners, and Connecticut's workforce system. The Program helps homeowners increase their job skills and earning potential. It offers customized employment services, job training scholarships, financial literacy, and credit counseling. For information call 1-866-683-1682.

Contact Veterans Services

The State of Connecticut Department of Veterans' Affairs, [Office of Advocacy and Assistance](#) provides assistance to veterans, their eligible spouses and eligible dependents in obtaining veterans benefits under federal, state and local laws. For more information, contact the Veterans Info Line:
Phone: 1-866-9CT-VETS (1-866-928-8387)

The [Soldiers', Sailors' and Marines' Fund](#) is an agency of the State of Connecticut established to assist needy wartime veterans and their families and is administered by The American Legion. Connecticut veterans requiring assistance may contact a full-time Veterans Aid Investigator to discuss their situation, the assistance that might be available and how to apply. Assistance, which may include help with mortgage interest payments, is provided for temporary periods only.
Phone: 1-800-491-4941

The [U.S. Department of Veterans Affairs Home Loan Guaranty Program](#) assists eligible veterans, active duty personnel, Reserve members and National Guard personnel with purchasing and retaining a home. If you have a VA loan and are having a problem making payments, the program may be able to arrange a repayment plan or other alternative to foreclosure. For home loan counseling, contact the Regional Loan Center for Connecticut at:
Phone: 1-800-827-6311 or 1-800-827-0336

Protect Your Pet

Pets are not only companions, but part of the family. If you are faced with foreclosure and need to move to a location where pets are not allowed, or if you can no longer afford to maintain your pet, please do not abandon your pet. Try to find a friend, co-worker or family member willing to accept your pet into his or her home. If you cannot find a temporary or new home for your pet, there are animal shelters and animal rescue organizations that may be able to help. One of the following organizations may be able to assist you:

[Connecticut Humane Society](#)

Phone: 1-800-452-0114 (Newington Branch)
860-442-8583 (Waterford Branch)
203-227-4137 (Westport Branch)

[SPCA of Connecticut](#)

Phone: 203-445-9978

[No Paws Left Behind, Inc.](#)

Phone: 281-717-0055

www.Petfinder.com (for a listing of pet shelters)

260 Constitution Plaza, Hartford, CT 06103-1800 / Phone: 800-831-7225

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