



## Prevention and cure: structuring and restructuring your finances.

### Avoiding Predatory Lending

Don't sign anything that you don't understand. Before signing, have your documents reviewed by a trusted real estate professional.

Shop with multiple lenders and compare costs. Be suspicious of anyone trying to steer you to just one lender.

Don't be fooled into paying too much for a home. Get information about the prices of other homes in the neighborhood.

### DEBT & CREDIT MANAGEMENT

Many nonprofit agencies offer credit counseling services. Get in touch with one today.

### BUDGETING

Now is the time to begin seriously understanding your finances and deciding on the necessary actions you must take to balance your lifestyle and household expenses. Prepare a budget and stick to it – a good idea regardless of your circumstances.

### THINK LONG-TERM

As you make choices, think how they will affect you a year from now. Consolidation loans can help, but make sure you understand all the terms on the contract. Don't dive into a bad loan just to satisfy day-to-day needs.

Avoid the credit card trap – put it away and use it only as a last resort.

### SEEK HELP

Contact your creditor if you can't make your payments. They may be able to rearrange your loan terms or offer payment options, but only if they know your situation as early as possible. The more time your lender has, the more likely they can help and offer advice.

It is in the creditors best interest to help you – repossession or foreclosure is bad for you and bad for a lender. (Your credit rating suffers tremendously, and lenders have historically recovered only a fraction owed through repossession and foreclosure.) Even though not every borrower qualifies for an assistance option with their creditor, seeking assistance early reduces the likelihood of serious consequences.

### Please Attend a Neighborhood Seminar

If you find yourself in a challenging situation, or if you feel you are a victim of predatory lending, please plan to attend the "Foreclosure is NOT an Option" session in your neighborhood. *There should be a flyer inserted in this pamphlet with all of the details.*

Should you decide to attend one of our neighborhood sessions and would like to have a one-on-one meeting with a local professional, please bring your *last mortgage statement* with you.



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COMMUNITY REINVESTMENT INSTITUTE  
ALUMNI ASSOCIATION

# Foreclosure is not an option.

Sponsored by  
**National City**  
Mortgage



The Community Reinvestment Institute Alumni Association of Dayton (CRIAA) and National City

Mortgage have joined in an effort to assist the citizens of the Greater Dayton area in understanding and finding workable solutions to foreclosure. Whether you are facing foreclosure or wanting to understand how your everyday financial practices may affect your ability to avoid it, we are offering you an opportunity to exclude "foreclosure" as an option.

When you experience sudden changes in finances (i.e., unemployment, illness or injury, divorce, or any major unexpected challenges), you

will need to make a decision about the assets you have accumulated. We understand that there are events and circumstances that may cause people to fall behind or consider simply giving it all up. However, before you make any life-changing decisions that might impact you negatively, we want you to know that we are here to help you understand your options. —



## Options to keep your home.

### REPAYMENT PLAN

An agreement where you would resume making your regular monthly payments, in addition to a portion of the past-due payments.



### MODIFICATION

If you can make payments on your loan, but you do not have enough money to bring the account current or you cannot afford the total amount of your current payment, your lender may be able to modify the terms of your original loan to make the payments more affordable.

Under certain circumstances, your lender may be able to reduce your interest rate, extend the term of your loan, or add the delinquent interest amount to the unpaid principal balance.

### PARTIAL CLAIM

If your mortgage is insured, you may qualify for an interest-free loan from your mortgage guarantor in order to make your account current.

### RESCUE LOAN

If you have fallen on hard times due to predatory lending and your credit score has taken a hit, you may qualify for a national loan offer facilitated by CRIAA.

## Options to give up your home.

If in the event an option to keep the home is not feasible, it may still be in your best interest to consider giving up ownership instead of foreclosure. Your lender may allow you to sell your home at fair market value even if it is less than what you owe, allow a qualified buyer to assume your mortgage even if your mortgage states that it is non-assumable, and may even agree to accept title to your property as settlement for the debt if you have had your property listed for a period of time with no activity.

