



Solutions for Facing Foreclosure

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A number of people in our community are struggling with their home mortgages for a variety of reasons. It is not surprising given the dramatic drop in the median price for a home in Bend in the last two years and a rise in unemployment in the area. The relief available seems confusing, if not out-of-reach, but many lenders are open to negotiating solutions. I have recently witnessed lenders make incredible concessions on loans and I have seen loan servicers offer creative solutions designed to facilitate deed- in-lieu of foreclosure agreements.

President Obama's newly released Homeowner Affordability and Stability Plan aims to provide relief, but not to everyone as it is limited to loans held or securitized by Fannie Mae or Freddie Mac and requires that the "new" loan does not exceed 105% of the current value of the property. Current value is a downward moving target these days and therein lies the problem that the Plan will be most challenged to address. More program details should be available on March 4.

Homeowners should be aware of scam artists holding themselves out as foreclosure prevention specialists who charge outrageous fees for very little work. Legal counsel may or may not be appropriate or necessary depending on the situation. If you or someone you know needs advice on residential foreclosure options, a good place to start is a free, HUD-approved housing counseling agency such as the Redmond Homeownership Center at NeighborImpact (548-2380 ext. 138) or the CCCS of Mid-Oregon (800-308-2227). One may also call NeighborWorks® Center for Foreclosure Solutions at 888-995-HOPE. If you have a mortgage through the Federal Housing Administration (FHA) or Veterans Administration (VA), you may have other foreclosure alternatives and should contact the FHA (www.fha.gov).

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