



RECONNECT CORNER

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PROGRAM LINKS

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Spring Into Homeownership

VA loans provide great opportunities for those who are qualified to become a homeowner. Although a VA loan may not be your only loan option, it's one worth looking into because of the great benefits it can provide.

Many banks and mortgage companies can offer VA loans. If you're looking to start the home buying process, we recommend shopping with at least three lenders. You may want to start with a company you already have a relationship with, like your bank or credit union.

If you choose a VA loan it's likely you'll be offered more favorable terms, compared to other loan products you may be qualified for.

Key benefits of using a VA loan include:

- Lower interest rates, compared to average
- Fewer closing costs
- Little to no down payment in most situations
- No PMI (private mortgage insurance)

If you are considering a VA loan, visit the VA website to [download a free buyer's guide today!](#)

Already a Homeowner and Struggling to Make Payments?

If you're already a homeowner, but are having trouble making payments, there may be options to help you, but time is of the essence. If you have a VA loan, call a VA loan technician at 877-827-3702 or contact a housing counseling agency for assistance. You can find a list of housing counseling agencies in your area at Find a Housing Counselor - HUD Exchange or contact MMI for foreclosure prevention housing counseling. *(continued on next page)*

Generally, in most situations you may have several options available:

- **Repayment:** The past due amount is paid over time and added to your current mortgage payment, until the past due balance is resolved.
- **Forbearance:** Monthly payments may be suspended or temporarily reduced, and the full past due amount will be due at the end of the forbearance time period.
- **Loan Modification:** The terms of your loan may be changed, most often the loan term or interest rate.
- **Extra time to sell:** Additional time may be provided to sell a home if you chose to leave.
- **Short sale:** You may be able to sell the property for less than what is owed on the mortgage.
- **Deed in lieu:** This is the transfer of ownership to the mortgage company.

In all cases, your lender must be the one to offer you the option and you must agree. Some of these options will be less damaging to your credit than others, so it's important to fully understand all available options and how each may affect you going forward. Armed with this education, you'll be better positioned to choose the best option for your long-term success as a homeowner.

Beware of Mortgage Assistance Scams

If it's the first time you're having difficulty making your mortgage payment, the assistance process can seem unclear. Being aware of key facts and common scams can help protect you from scammers. First, it's important to know that **ONLY** your lender can offer you payment assistance or 'workout' options so organizations that "guarantee" you a modification or workout option should raise a red flag. Also, never make a mortgage payment to an organization other than your lender.



Some common scams to look out for are lease-back or repurchase scams, partial interest bankruptcy scams, refinancing scams, internet and phone scams, and phantom help scams. Let's take a closer look at fact versus fiction for some common assistance scams:

- **Lease-back or repurchase scams:** You're asked to "temporarily" sign the deed of your home over to another party in exchange for agreement to pay off your delinquent mortgage and possibly some other debt.

FICTION	FACT
You can stay in the home as a renter	You could be evicted
You can buy the house back	There is no obligation to sell the home back to you

- **Partial interest bankruptcy scams:** You're advised to start making your payment to a 3rd party and give up part of the interest in your home. The scammer will then file bankruptcy as a partial owner (without telling you). The goal of this is to stop the foreclosure temporarily to prolong their ability to collect money.

FICTION	FACT
We will make your payment	They will keep the money
We will obtain additional financing	They will file bankruptcy as a partial owner

FOR MORE INFORMATION

recon.mmiuniversity.org

Clearpoint.org/Reconnect

MSCCN

msccn.org

NCHV

nchv.org

TAPS

taps.org

OPERATION HOMEFRONT

operationhomefront.org

AMERICA'S WARRIOR PARTNERSHIP

americaswarriorpartnership.org

VETSEDU

vetsedu.org

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- **Refinancing scams:** You receive an offer to refinance your loan as a foreclosure rescue. You then receive new loan documents that are not what they appear. If you sign them, you will transfer your deed and lose all ownership of the home.

FICTION	FACT
The loan documents you receive are new and legitimate	Documents transfer your deed and you lose ownership of the home
Your payments will be more affordable	You will be evicted

- **Internet & phone scams:** You apply for a new loan program that is offering great terms. Your loan will usually be instantly accepted. As part of the "loan application" you will provide information, like your social security number, that will make you very vulnerable if provided to the wrong organization.

FICTION	FACT
You will get a lower interest rate	You are providing sensitive information to a thief or scammer
You are applying for a new loan	The home is still at risk of foreclosure and your identity is also at risk

You can read more about common foreclosure scams at [foreclosurescam.pdf \(fdic.gov\)](#) and here are some warning signs and tips to help you avoid being a victim.



Foreclosure Scam Warning Signs:

1. Ask for money
2. Promise to save your home
3. Advise you to cut off communication with your lender
4. Ask you to stop making mortgage payments
5. Ask you to send money to a 3rd party (other than your lender)
6. Advises you to transfer ownership
7. Don't put anything in writing
8. Ask you to sign blank documents



If you think you have been a victim of a scam, follow these four steps:

1. Contact police & file a report
2. Contact state attorney general
3. Contact local adult protective services agency, if applicable
4. Submit a complaint with the [Federal trade commission](#)

You can also find free legal services at [FindLegalHelp.org \(americanbar.org\)](#) or visit the [Consumer Financial Protection Bureau](#) for more information and tips for filing a complaint.