

TOP 10 TIPS TO AVOIDING SCAMS

During 2010, an estimated 4 million households are expected to face the risk of foreclosure. Millions of homeowners will try to reduce their mortgage payments with a loan modification. A new public education campaign helps homeowners find legitimate home foreclosure assistance and avoid loan modification scams.

The national [Loan Modification Scam Alert](#) campaign has put together 10 tips to help homeowners seeking foreclosure prevention assistance:

1. Contact your lender first as soon as you get concerned about paying your mortgage.
2. Determine your options by speaking to your lender's loss mitigation department.
3. Be patient but persistent with your lender, because getting a loan modification takes time.
4. Call the Homeowner's HOPE Hotline at 1-888-995-HOPE. Trained counselors are available 24 hours a day to provide assistance in multiple languages.
5. Connect with a local HUD-approved counseling agency at 1-888-995-HOPE or visit www.LoanScamAlert.org.
6. Be thorough while researching any loan modification programs. Some companies and individuals are out to take advantage of homeowners seeking loan modifications.
7. Avoid anyone who asks for a fee prior to providing any loan modification service, including companies, individuals and even some lawyers.

8. Avoid anyone who guarantees to get your loan modified or stop a foreclosure, because nobody has the power to make this promise.

9. Avoid companies that tell you to stop paying your mortgage and to pay them instead. This is a sure sign of a loan modification scam.

10. REPORT LOAN MODIFICATION OR FORECLOSURE SCAMS at any time by visiting www.LoanScamAlert.org or calling 1-888-995-HOPE (4673) or call Cambridge Neighborhood Apartment Services at 617-491-1545 ext.201 or ext.215.



My husband and I were running a business and we refinanced to keep the business going. But the business didn't work out, we had a lot of debts because of it, and finally closed it in 2009...CNAHS helped us with everything... My husband and I have made a lot of changes, and think we're on a better track to keep our home and live a better life.

- Rosa and Mario Da Silva -



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ANOTHER GRATEFUL CLIENT

I live in the house I grew up in. After my mother's passing in 2003, the house was left to my brother and me, and I bought him out and took on a mortgage. Since then I've had difficulties paying my mortgage, mostly because of living expenses going up. I live in a big old house and I've learned that houses are expensive to maintain, and that the bills keep going up. I had to replace the front porch recently; that was costly but necessary. In 2009, once I realized there was a threat of losing my house to foreclosure, I was scared. I sought out information and came to CNAHS. I walked over that cold March day but never felt the chill in the air because my mind was consumed by my financial troubles.

Once I talked to the counselor and she was aware of what I was going through and the reasons I couldn't pay my mortgage, she reassured me and I left that first meeting with the sense that help would be forthcoming. At that time the government had announced a plan to help homeowners like me having a hard time to modify their mortgages, and I wanted to see if I qualified for help. My expectations were high that my situation would be resolved but I never realized it would take months to get a modification. My mortgage company was shut down by the government, so my papers got transferred to another servicer and we had to start all over again, giving them the same information several times.

In October I learned that I got a Trial Plan modification that reduced my monthly payment from \$2893 to \$1886. I couldn't have been happier. In February 2010, almost a year later, I finally got a permanent modification of the mortgage and my payments will be the same for five years, then gradually increase to a permanent

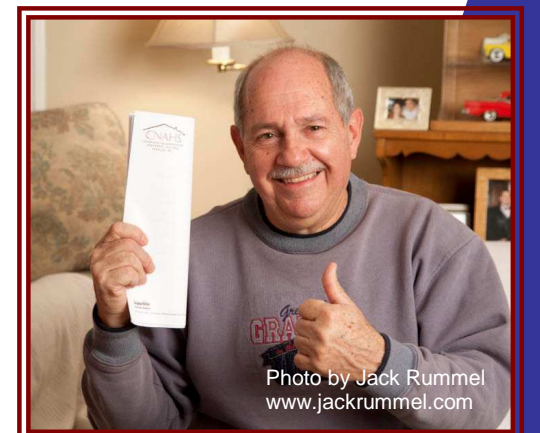


Photo by Jack Rummel
www.jackrummel.com

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A big **THANK YOU** to the Massachusetts Attorney General's office for providing CNAHS a \$50,000 grant! This will truly help make many more things possible.

WE'RE HALFWAY TO OUR 2009 FUNDRAISING GOAL!

Please help us to meet our program fundraising goal! Donate today and help us to continue to help others!

CNAHS:

- Is a nonprofit NeighborWorks agency providing FREE counseling to homeowners in Arlington, Belmont, Cambridge, Somerville and Watertown.
- In 2008 - responded to local need by offering foreclosure counseling to homeowners in Cambridge and four neighboring towns.

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CNAHS Newsletter

Contributing Writers

Jennifer Jonassaint
Ida Keir

Design

Christina Chow

Cambridge Neighborhood Apartment Housing Services, Inc.

280 Franklin Street
Cambridge, MA 02139
Tel. 617-491-1545
Fax. 617-868-1022

E-mail:

info@homeownersrehab.org

Visit us at

www.cambridgenahs.org



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CNAHS is not a law office and does not provide any legal counseling.

LEARNING CORNER

UPCOMING WORKSHOPS

Living Within Your Means

Thursday, March 25, at 6 p.m. (Cost: **FREE**)
Tools to evaluate your current financial situation and how to adjust based on your living situation.
To RSVP, call Iris Sierra at (617) 425-6650 or e-mail workshops@mbhp.org. Space is limited.
Presented by the Boston Home Center.

Credit Smart Boston

Worried that Your Credit is Not Good Enough to Achieve Your Financial Goals?
Attend this **FREE** series of classes to learn everything you need to know about credit!
Each course is 4 sessions long* □□

YOU MUST PRE-REGISTER TO ATTEND!

To find out dates of sessions and Register Online
http://www.cityofboston.gov/dnd/bhc/credit_smart.asp or
Call **(617) 635-HOME (4663)**
Presented by the City of Boston and FreddieMac

*All sessions must be attended for a graduation certificate.



SINKING IN BILLS?
Call CNAHS
(617-491-1545) at
the first sign of
trouble!

Who is CNAHS?

Cambridge Neighborhood Apartment Housing Services, Inc. (CNAHS) is a private non-profit housing corporation working to provide affordable housing in multi-family dwellings.

Since 1983, CNAHS has provided decent, safe, affordable housing through new construction, the acquisition of existing apartment buildings, and by lending rehab financing to private and non-profit owners of multi-family housing. Providing affordable housing is CNAHS' mission, our major distinctive competence, and our primary skill.

In 2008, we rose to meet the challenge of providing free foreclosure prevention counseling to distressed homeowners in Cambridge, and then expanded to the four neighboring towns of Arlington, Belmont, Somerville, and Watertown.

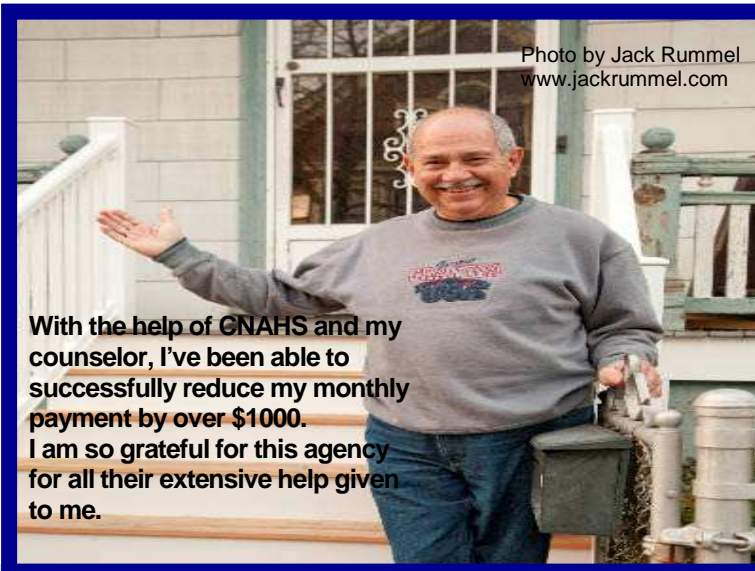


Photo by Jack Rummel
www.jackrummel.com

With the help of GNAHS and my counselor, I've been able to successfully reduce my monthly payment by over \$1000. I am so grateful for this agency for all their extensive help given to me.

GRATEFUL CLIENT...

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interest rate of 4 7/8% after 8 years. There are a lot of things that I used to be frivolous about spending on, but I'm not any more. For example, I spend about half as much on food as I used to, even though prices have gone up, and I'm eating well. I'm much more careful about my spending now. I have a sense of gratitude that I know I can manage my life more economically than before. I can't express enough how grateful I am to this agency, for all their extensive help, professionalism, reassurance and support throughout.

CREDIT CARD CHANGES ARE NOW IN EFFECT!

The second phase of the Credit Card Accountability, Responsibility and Disclosure (CARD) Act went into effect Feb. 22. Massachusetts Attorney General Martha Coakley is reminding consumers the new law provides cardholders with enhanced protections.

"In recent years, consumers have been plagued by problems with credit card companies, from outrageously high interest rates, to sudden unexpected changes in credit limits," said Coakley. "This new law will finally provide many of the much-needed safeguards. It is important that credit card users familiarize themselves with their rights under the CARD Act, and continue to carefully monitor their monthly statements to ensure that credit card companies are playing by the rules."

All credit card holders should be aware that the following changes under the CARD Act are now in effect:

- ◆ **Right to 45-day notice before making any major changes to a consumer's account**
- ◆ **No interest rate increases for the first year**
- ◆ **Restrictions on over-the-limit transactions**
- ◆ **Protections for underage (>21) consumers**
- ◆ **Payments directed to highest interest balance first**
- ◆ **No double-cycle billing**

CAN THE "OBAMA PROGRAM" HELP YOU REDUCE YOUR MORTGAGE?

If you're having a hard time keeping up with mortgage payments due to a reduction in income, medical problems, death in family, or other reasons, help may be available.

Making Home Affordable Modification. The program attempts to standardize mortgage modifications. Rewards for success can be big – a Somerville homeowner CNAHS staff is helping, recently reduced his monthly payment from \$2,893 to \$1,886. There are no fees; arrearages are added to the principal balance.

The goal is to limit your first mortgage housing expenses to 31% of your gross (pre-tax) income. Qualifying expenses include first mortgage principal and interest, taxes, insurance, and condo/HOA dues.

To apply, you have to:

1. Own-occupy a 1-4 unit home, with an unpaid principal balance of \$729,750 (higher for multi-units) and a first mortgage originated before Jan. 1'09
2. Have a payment that is unaffordable due to a financial hardship that you can document.
3. Either be delinquent on your payments or be at risk of "imminent default." So if you have more than 3 months of savings left, you may not qualify.
4. Have a source of income to sustain payments long-term. You can include unemployment, contributions from other household members, rent, etc.

Making Home Affordable Refinancing. To qualify, you must be current on your payments. The program can reduce your interest rate to a market rate. You will normally have to pay fees. The loan has to be owned or guaranteed by Fannie Mae or Freddie Mac and the loan cannot be greater than 125% of the current value of the home.

What if neither of these programs will help?

First and foremost, look honestly at how you can reduce your expenses and increase your income – now!

You might be able to get a "forbearance" – a temporary reduction in payments, or sell your house for less than you owe, or get a different modification from the lender. Foreclosure isn't inevitable, but look for help sooner rather than later.

For more details, please call CNAHS at 617-491-1545!

Details at:

<http://makinghomeaffordable.gov/eligibility.html>

TIPS FOR INCREASING RESOURCES, INCOME & INFORMATION

- Go see a credit counselor.
- Consider renting a room.
- Take a part-time or less-than-ideal job.
- Reduce ALL non-essential expenses.
- **Don't** try to borrow your way out of your situation.
- **Don't** pay someone to help you – they may be a scam artist; there are a lot around.

CNAHS FACTS...

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- Offered in-depth counseling to 38 homeowners; 36% owned multi-family residences. We helped their tenants by helping their owners avoid foreclosure.
- Helped 29% of the homeowners get loan modifications.
- Of loans modified, average payment went from \$2,210 to \$1,475.
- In 2009 - over half (54%) of homeowners counseled were current on their mortgage payments when they first sought our help.
- Focus of homeowner payment problems has shifted from predatory loans to reduced income and unemployment due to the recession.

DON'T WAIT!!

You don't have to be late on your mortgage to get free help.

If you are eligible, our counselors are here to assist you work with your Lender to try to modify your mortgage or evaluate other options.

Our services are FREE!!
Contact CNAHS at 617-491-1545

LATEST NEWS

CNAHS has teamed up with Somerville Community Corporation (SCC), Cambridge Economic Opportunity Committee (CEOC), Watertown Community Housing (WCH) and Housing Corporation of Arlington.

Our sincerest gratitude for sharing their resources, services, and referrals!!