

If you receive a foreclosure notice, don't panic! There are many steps you can take to avoid a foreclosure on your home.

- **Contact your lender**
  - Earlier contact will bring more options
  - Don't ignore the problem!
- **Prioritize your expenses**
  - Housing, food, utilities, transportation are high priorities
  - Credit cards, hospital bills, open accounts with merchants are low priorities
- **Seek counseling**
  - DuPage Homeownership Center (DHOC)
    - [www.dhoc.org](http://www.dhoc.org)
    - 630-260-2500
  - Information on community resources
    - [www.dupagcetr.org](http://www.dupagcetr.org)
    - [www.hud.gov](http://www.hud.gov)

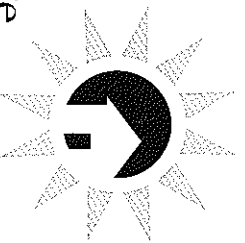
**Watch out for scams!** If any firm claims they can stop your foreclosure immediately and if you sign a document appointing them to act on your behalf, you may well be signing over the title to your property and becoming a renter in your own home!

Source: U.S. Department of Housing and Urban Development

**Help and hope is just a phone call away—at no cost to you.**

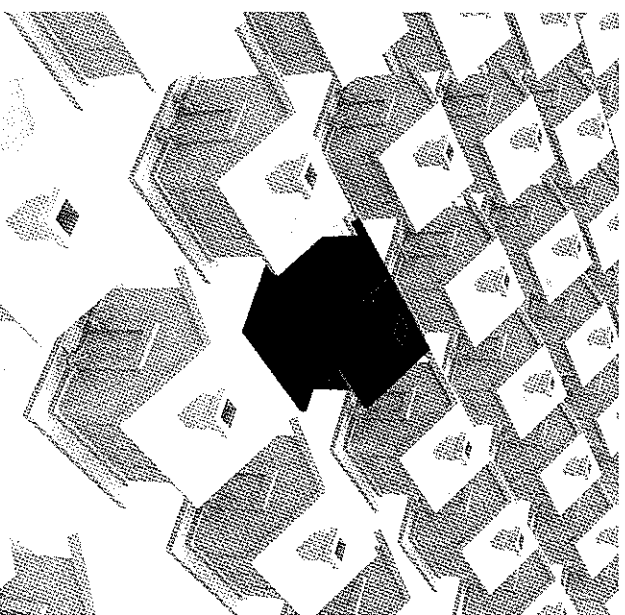
The DuPage Homeownership Center, a HUD-certified nonprofit housing agency, provides free counseling to help homeowners identify realistic solutions to prevent default and foreclosure. If you are behind on your mortgage payments, or are worried about missing a payment in the future, we can help you understand your rights and options.

**Call us at 630-260-2500 or visit [www.dhoc.org](http://www.dhoc.org).**



DuPage  
**Homeownership**  
Center

**Worried About Making Your Monthly Mortgage Payments?**



**Help and Hope is Just a Phone Call Away—At No Cost to You!**

## The Foreclosure Process

1. You fail to make your mortgage payment
2. Your lender sends you a notice informing you of default and of possible loss mitigation options
3. You miss 3<sup>rd</sup> mortgage payment, lender sends notice of default and intent to foreclose
4. Lender's attorney files complaint, intending to foreclose, usually within 30 days
5. You are served with the complaint to foreclose
6. Within 30 days of service, if no answer filed by borrower, motion for default or summary judgment filed
7. Approximately 3 months later judgment of foreclosure entered and sale is scheduled
8. Judicial sale (7 months after service of complaint or 3 months after judgment by court, whichever is later)
9. 15 days later, confirmation of sale by court order
10. Right to possession expires 30 days after confirmation
11. Eviction by Sheriff

*The entire legal process takes on average 9 months*

## Counseling Process at DHOC

*The DuPage Homeownership Center is a non-profit housing counseling agency certified by the U. S. Department of Housing and Urban Development (HUD). Our foreclosure prevention services are free and are available to all DuPage County homeowners.*

- Client calls for appointment with a counselor
- DHOC sends information packet to client and sets appointment
- Client needs copies of:
  - federal tax returns for past 2 years
  - W-2s for past 2 years
  - Year-to-date profit-and-loss statements if self-employed
  - Pay stubs for past 30 days for all household members 18 and over
  - Bank statements for past two months
- Client meets with counselor
  - Credit report is provided to client
  - Financial information is reviewed
  - Options are determined
- Client/counselor follow through with steps for resolution

## Standard Workout Options

- **Reinstatement.** Occurs when you pay the lender the entire past-due amount you owe, plus any late fees or penalties, by an agreed upon date.
- **Repayment plan.** Under this arrangement, you add an additional amount of money to your regular monthly payment until you make up the past-due amount you owe.
- **Forbearance.** A formal agreement with the lender under which your mortgage payments are reduced or suspended for an agreed upon period. At the end of that period, you resume regular payments, and bring the loan current through a lump sum payment or additional partial payments over a number of months (unless the loan has also been modified to make this unnecessary).
- **Loan modification.** Involves permanently changing one or more of the terms of the mortgage to make payments more manageable for you. Modifications include lowering the interest rate, extending the term of the loan, or adding missed payments to the loan balance.
- **Short Sale.** The home is sold for less than the mortgage balance. The lender agrees to a loss.
- **Deed in Lieu.** The lender takes the title to the home and forgives the loan. This is a last resort to foreclosure.