

Housing Crisis

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Responsible action must be taken now to bring relief to struggling homeowners and preserve the American dream of homeownership.

Rep. Doris Matsui Introduces Home Retention and Economic Stabilization Act

Will Provide Relief to Sacramento Homeowners

Rep. Doris Matsui (CA-05) introduced the Home Retention and Economic Stabilization Act in the U.S. House of Representatives. This timely and necessary legislation will provide responsible relief to homeowners struggling to find solutions to their high-interest, untraditional mortgages.

"This year, I have met with many Sacramento area families who are struggling with their mortgages in today's volatile economy. I believe that we must preserve the American dream of homeownership, and help hard-working Americans to weather these uncertain economic times," said Rep. Matsui.

With the record number of defaults and foreclosure activity, the mortgage industry has become overwhelmed. As a result, borrowers who want to renegotiate their loans are not being properly assisted in a timely fashion and are essentially running against the clock to save their homes.

Furthermore, Sacramento ranks amongst the top cities in the nation in the amount of foreclosures happening everyday. Across the state, one in 20 homes is projected to experience foreclosure over the next two years, and three of the top five counties in the nation for foreclosures are in California: Sacramento, Riverside, and Modesto Counties. This summer, Los Angeles County is forecasted to be particularly hard-hit by the ongoing mortgage crisis.

"We need to bring immediate and responsible relief to both homeowners and lenders. Homeowners need to be

reassured that they will be able to stay in their homes for years to come. We must calm the turbulent waters of the mortgage industry, and give financial institutions confidence in offering lending services in the future," said Rep. Matsui.

The Home Retention and Economic Stabilization Act will call for a temporary "time out" and provide stability to prevent more hard-working Americans from falling further into foreclosure activities. Specifically, this bill would give certain primary residents, who are in good standing and fall within a specific income cap, the right to defer foreclosure activity for up to nine months on certain adjustable rate mortgages. During the deferment period, eligible homeowners would be required to continue making the minimum monthly payment that was owed during the introductory period of their mortgage. By doing so, this bill preaches personal responsibility.

This bill would also require the mortgage holder/servicer to provide a detailed notification letter to homeowners 120 days prior to any adjustment to their mortgage. The notification would include, among other items, a good faith estimate of the amount of the monthly payment that will apply after mortgage reset and a list of alternatives consumers may pursue.

Lastly, this proposal would authorize \$200 million housing counseling assistance. The funding will go through the Neighborhood Reinvestment Corporation to be allocated to states and areas impacted the most by foreclosures.

"We cannot sit idly by while our neighbors fall victim to the mortgage crisis. Sacramento has been particularly hard-hit by the housing crisis. My intention is to find responsible relief for homeowners to find viable solutions to their financial challenges," said Rep. Matsui.

"I will continue to work to find solutions to help Americans handle the housing crisis, rising costs of everyday items, and skyrocketing price of gas. By moving forward with these solutions now, we can ensure a better, more stable America in the future," said Rep. Matsui.

Click the image above to see Rep. Matsui speak on the Housing Crisis

Tips for Avoiding Foreclosure

Are you having trouble keeping up with your mortgage payments? Have you received a notice from your lender asking you to contact them?

Don't ignore the letters from your lender
Contact your lender immediately
Contact a HUD-approved Housing Counseling Agency
Toll FREE (800) 569-4287
TTY (800) 877-8339

If you are unable to make your mortgage payment:

1. Don't ignore the problem.

The further behind you become, the harder it will be to reinstate your loan and the more likely that you will lose your house.

2. Contact your lender as soon as you realize that you have a problem.

Lenders do not want your house. They have options to help borrowers through difficult financial times.

3. Open and respond to all mail from your lender.

The first notices you receive will offer good information about foreclosure prevention options that can help you weather financial problems. Later mail may include important notice of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.

4. Know your mortgage rights.

Find your loan documents and read them so you know what your lender may do if you can't make your payments. Learn about the foreclosure laws and timeframes in your state (as every state is different) by contacting the State Government Housing Office.

5. Understand foreclosure prevention options.

Valuable information about foreclosure prevention (also called loss mitigation) options can be found on the internet at portal.hud.gov/portal/page?_pageid=33,717348&_dad=portal&_schema=PORTAL .

6. Contact a HUD-approved housing counselor.

The U.S. Department of Housing and Urban Development (HUD) funds free or very low cost housing counseling nationwide. Housing counselors can help you understand the law and your options, organize your finances and represent you in negotiations with your lender if you need this assistance. Find a HUD-approved housing counselor near you or call

(800) 569-4287 or TTY (800) 877-8339.

7. Prioritize your spending.

After healthcare, keeping your house should be your first priority. Review your finances and see where you can cut spending in order to make your mortgage payment. Look for optional expenses-cable TV, memberships, entertainment-that you can eliminate. Delay payments on credit cards and other "unsecured" debt until you have paid your mortgage.

8. Use your assets.

Do you have assets-a second car, jewelry, a whole life insurance policy-that you can sell for cash to help reinstate your loan? Can anyone in your household get an extra job to bring in additional income? Even if these efforts don't significantly increase your available cash or your income, they demonstrate to your lender that you are willing to make sacrifices to keep your home.

9. Avoid foreclosure prevention companies.

You don't need to pay fees for foreclosure prevention help-use that money to pay the mortgage instead. Many for-profit companies will contact you promising to negotiate with your lender. While these may be legitimate businesses, they will charge you a hefty fee (often two or three month's mortgage payment) for information and services your lender or a HUD approved housing counselor will provide free if you contact them.

10. Don't lose your house to foreclosure recovery scams!

If any firm claims they can stop your foreclosure immediately 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! Never sign a legal document without reading and understanding all the terms and getting professional advice from an attorney, a trusted real estate professional, or a HUD approved housing counselor.

Resources and Helpful Links:

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If you fear you are at risk of losing your home, find helpful hints from the U.S. Department of Housing and Urban Development (HUD) by clicking [here](#)

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[Click here to find a housing counselor](#)

