



PRO BONO
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Pro Bono Training Online, On Your Time.



Assisting Homeowners after a Disaster

Presented by:

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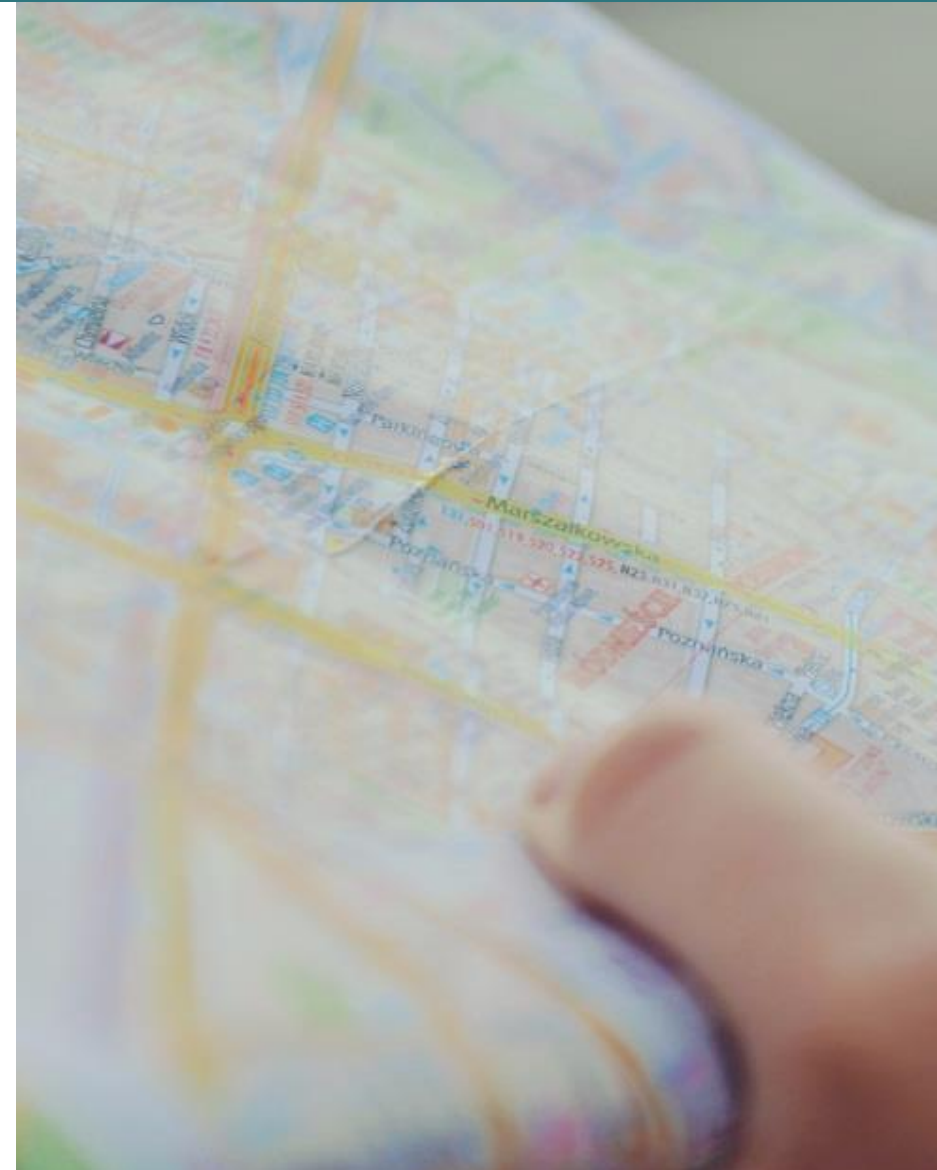
National Housing Law Project

After this learning experience, trainees will:

1. Have a better understanding of the issues homeowners may face after a disaster.
2. Have tools to assist homeowners after a disaster with respect to mortgages, property taxes, and repairs & rebuilding.



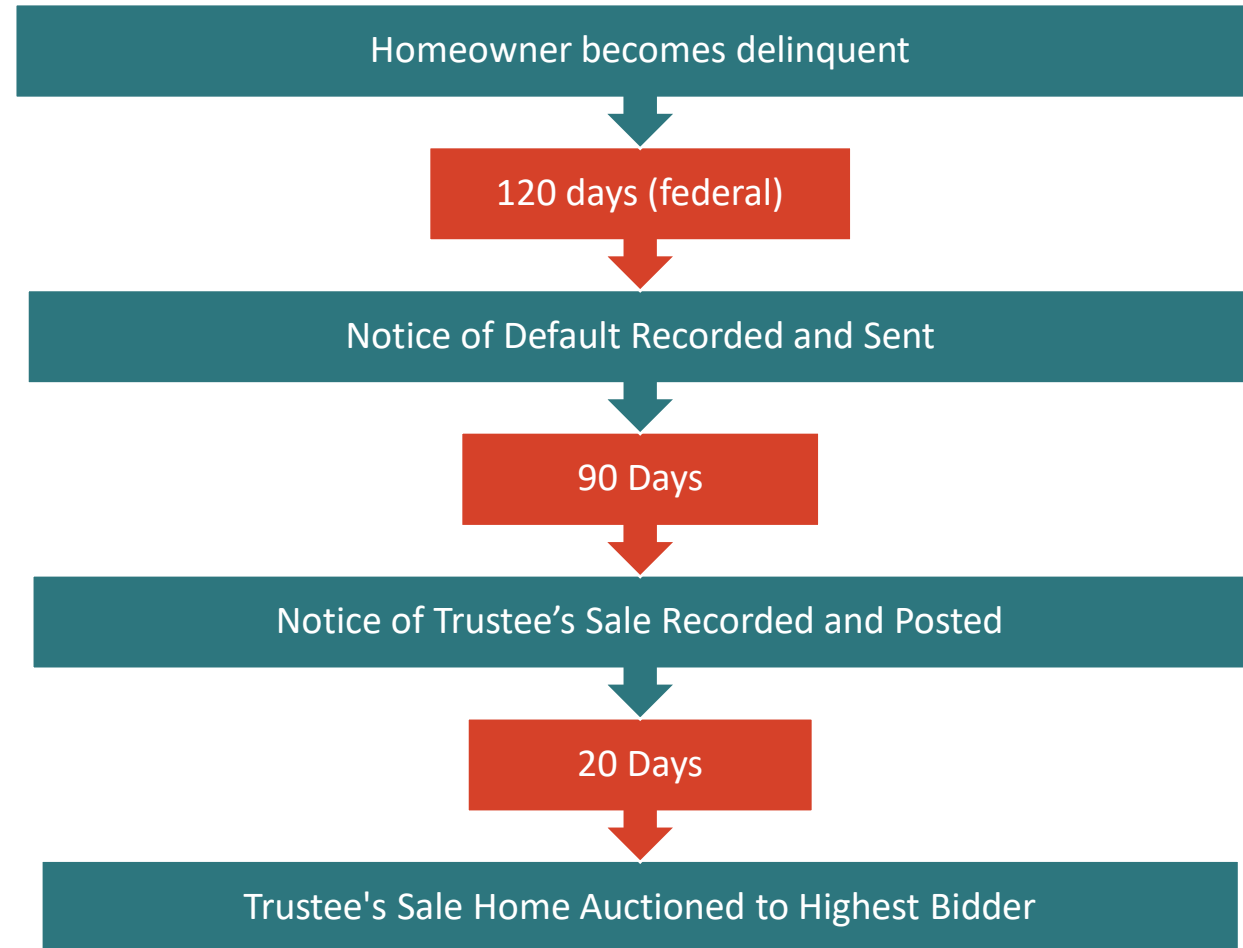
- Overview of non-judicial foreclosure process
- Foreclosure prevention tools and options
- Mortgage relief after a disaster
- Property tax adjustments and deferrals
- Repairs and rebuilding





Overview of Non-Judicial Foreclosure Process

California Non-judicial Foreclosure Timeline





Foreclosure Prevention Tools and Options

Foreclosure Prevention Tools and Options

Moratorium

- Temporary pause on foreclosure activity

Forbearance

- Temporary pause in payments

Loan modification (Disaster-Specific or Standard)

- Modify terms of the loan (interest rate, years left, loan balance) to bring it current and possibly reduce monthly payment

Foreclosure Prevention Tools and Options

Reinstatement

- Repay all arrears in one lump sum

Repayment plan

- Repay all arrears over a set period (usually 3-12 months)

Payoff (possibly using insurance proceeds) = pay all amounts due (arrears + remaining loan balance)

Refinance

- Use a new loan to pay off all amounts due on current loan

Bankruptcy

- Allows for a temporary pause (called a “stay”) to work out a repayment plan or loan modification

Court action (lawsuit)

- May result in a victory or settlement.

Leave the home before Foreclosure

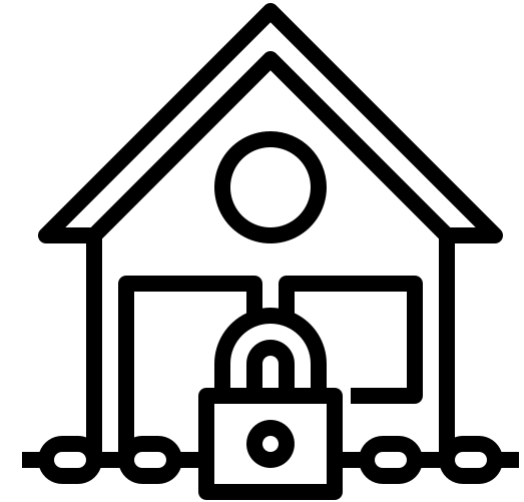
- Regular sale if the house is worth more than homeowner owes
- Short sale if the house is worth less than homeowner owes
- Deed-in-lieu – sign over title to the lender



Mortgage Relief After a Disaster

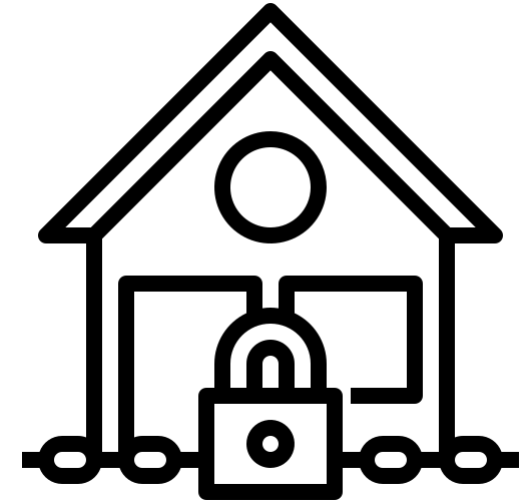
Foreclosure Moratorium Information

- Relief for affected homeowners who were already in default before the disaster is generally 90 days from end date of disaster.
 - Can be extended
- Different from the types of relief available for affected homeowners who go into default post-disaster
- Exact details vary by servicer, lender and/or the person or agency that owns, insures or guarantees the loan



The Loss Mitigation Process – What to Figure Out

- Who is the mortgage servicer?
- What type of loan does your client have?
 - Fannie Mae
 - Freddie Mac
 - Fed Housing Admin (FHA)
 - Veterans Admin (VA)
 - Rural Housing Svc (RHS/RD)
 - Small Biz Admin (SBA)
 - Reverse mortgage
 - Privately owned by servicer or other investor



Early and regular
communication with
mortgage servicer is
CRITICAL

The Loss Mitigation Process – What To Do

Provide updated contact information for the homeowner if relocated



Provide 3rd party authorization as needed



Notify servicer of the homeowner's situation as a result of the disaster



Request copies of mortgage documents as needed

The Loss Mitigation Process – What To Do

Find out what options are available and what steps need to be taken



Initiate a request for relief



Respond to additional servicer requests for information or documents



Monitor servicer's activity on the request before and after approval



Property Tax Adjustments and Deferrals

Property Tax Adjustments and Deferrals

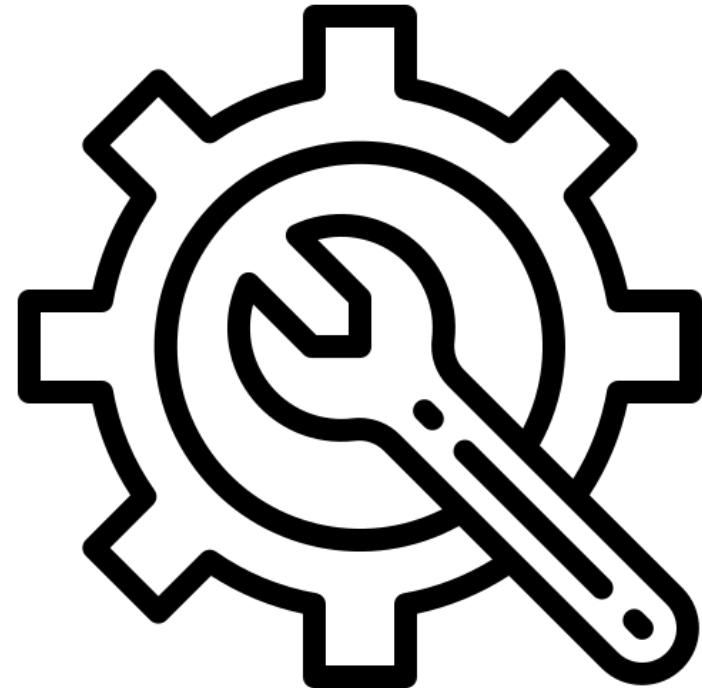
- When a “calamity” causes damage of at least \$10,000 to a property, a homeowner can apply for:
 - Adjustment of assessed value – must file request w/in 12 months
 - Deferral of payment of property tax bill due immediately following the disaster (must request before the tax bill due date; does not apply if escrowed for taxes)
- Forms, procedures and more info available through each county’s assessor’s office.



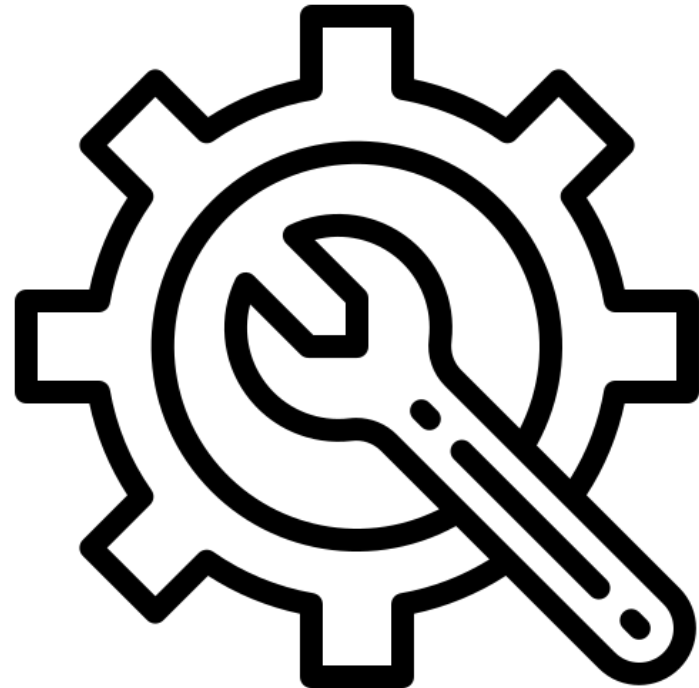


Repairs and Rebuilding

- Resources include:
 - Homeowner's insurance policy
 - FEMA assistance
 - SBA loans
 - State/local assistance



- Insurance – disbursement and use of proceeds
 - Insurer will issue check listing both borrower and lender/servicer as payee
 - Standards – economic feasibility and preservation of the security
 - Different rules for defaulted loans



Consumer Tips:

- National Consumer Law Center resources
- Federal Trade Commission – Consumer Information

Fake offers of state or federal aid:

- Requests for fees or deposits
- Requests for SSN or other personal or financial info

Unlicensed or inexperienced public adjusters

Phony building inspectors

- No ID badge
- Doesn't know your FEMA ID number
- Requests banking or other \$\$ info

Unlicensed, uninsured or otherwise unqualified contractors

- Cash deposits
- Deductible assistance offers

Other red flags

- Door-to-door solicitations and “hard sells”
- Non-local service providers
- No written contract

Be aware of right-to-cancel and anti-gouging laws when hiring contractors and reviewing pricing and estimates



Resources

- National Consumer Law Center – www.nclc.org
 - “Obtaining Mortgage Relief for Victims of Disasters: A Practice Guide for Advocates”
 - “Foreclosures and Mortgage Servicing”
- Continuing Education of the Bar – www.ceb.com
 - “California Mortgages, Deeds of Trust, and Foreclosure Litigation” practice guide
- Consumer Financial Protection Bureau – www.consumerfinance.gov
 - Section on mortgages

- CA Homeowner Bill of Rights (HBOR)
- Federal mortgage servicing regulations
 - Real Estate Settlement and Procedures Act (RESPA)
 - Truth in Lending Act (TILA)
- Further guidance
 - CFPB website: www.consumerfinance.gov
 - CFPB compliance guide (April 2018)



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Thank you for joining us

Have a nice day!