

# SOME SUGGESTIONS

1. Look for your servicer's contact information. It should be on your mortgage statement or in your mortgage payment book.
2. Contact your servicer right away about foreclosure prevention options.
3. Arrange for free housing counseling near you.
  - HUD 888-995-HOPE(4673)
  - TTY service for the hearing impaired is available at 877-304-9709
  - Also, you can visit:  
[www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov)
4. If you need an attorney or legal assistance, please see the resources below.
  - **Legal Service Alabama:** 866-456-4995
  - **Volunteer Lawyers Program of Alabama**
    - > **Alabama State Bar:** 888-857-8571
    - > **Birmingham VLP:** 205-250-5198
    - > **Madison County VLP:** 256-539-2275
    - > **Mobile VLP:** 251-438-1102
  - **Alabama Legal Help:**  
[www.alabamalegalhelp.org](http://www.alabamalegalhelp.org)
  - **Alabama Commission on Access to Justice:** [www.alabamaatj.org](http://www.alabamaatj.org)
  - **Alabama Hardest Hit:**  
[www.hardesthitalabama.com](http://www.hardesthitalabama.com)

## BEWARE OF SCAMS:

Criminals often target homeowners worried about their mortgages. They charge big fees and promise "guaranteed" or "immediate" results. You end up with nothing in return. Call the Consumer Financial Protection Bureau if you think you may be the target or victim of a scam.

855-411-CFPB (2372) or [www.consumerfinance.gov](http://www.consumerfinance.gov)

## ABOUT THE ACDR

We are a non-profit corporation established by order of the Supreme Court of Alabama in 1994.

For information regarding this program, please contact the Alabama Center for Dispute Resolution

Phone: (334) 356-3802

Email: [assistant@alabamaadr.org](mailto:assistant@alabamaadr.org)

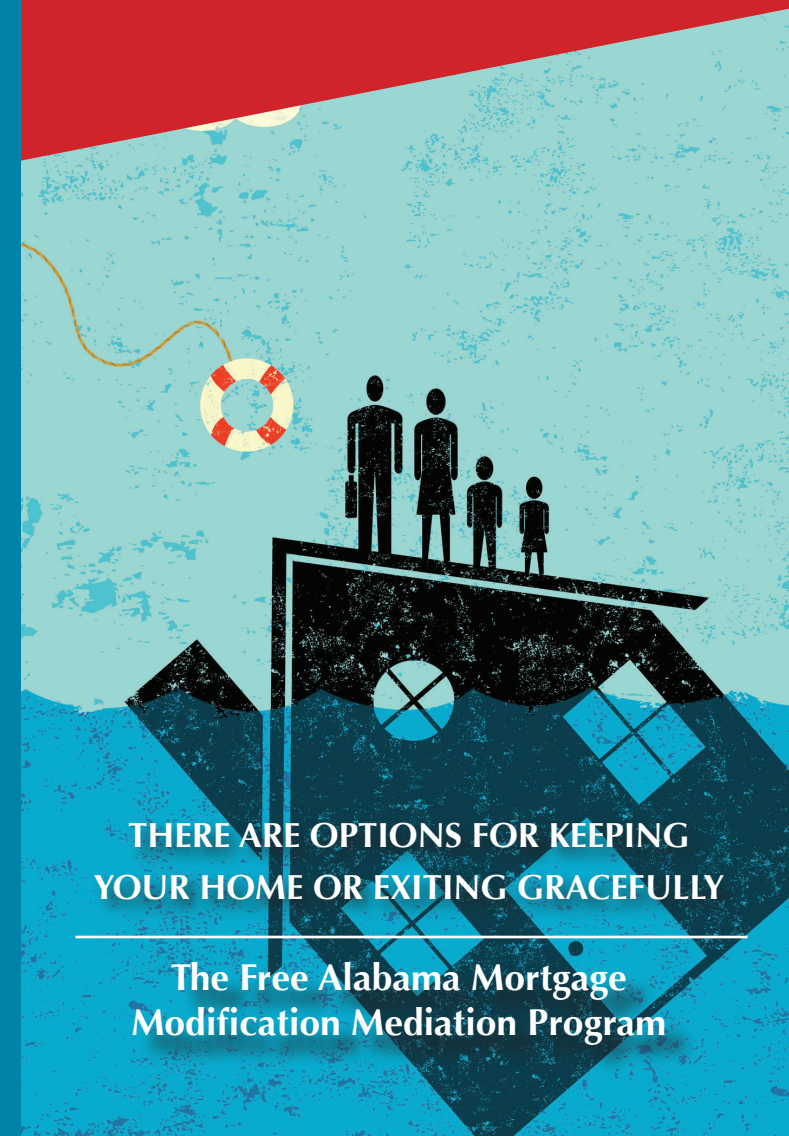
Web: [www.alabamaadr.org](http://www.alabamaadr.org)

[www.alabamamediators.org](http://www.alabamamediators.org)



ALABAMA CENTER FOR DISPUTE RESOLUTION

## FREE MEDIATION TO PREVENT FORECLOSURE



THERE ARE OPTIONS FOR KEEPING YOUR HOME OR EXITING GRACEFULLY

The Free Alabama Mortgage Modification Mediation Program



# ACT RIGHT AWAY

A lot of homeowners just like you have suffered financial setbacks. Your mortgage servicer-the company that receives and processes your payments-likely has a couple of ways to help you reduce or suspend your payments until you get back on your feet.

Don't put it off. The longer you wait, or the further you fall behind on your payments, the harder it will be to create a plan that works for you. In Alabama, the time to act is short.

# FREE MEDIATION



The Alabama Center for Dispute Resolution Inc., offers a FREE foreclosure mortgage modification mediation program to Homeowners.

**For qualifying families, the Center will pay for the cost of mediators to mediate homeowner issues.**

## WHAT IS MORTGAGE MODIFICATION MEDIATION?

This type of mediation is a confidential and voluntary process where you and the servicer may discuss ways to resolve your homeowner issues with an impartial third party called a mediator. Mediation can be an effective intervention tool particularly when used early.

## HOW DO HOMEOWNERS KNOW THEY WANT TO MEDIATE?

Of course, the ideal situation is for the homeowner and the servicer to communicate on their own, but we all know that talking to a servicer can be intimidating, overwhelming or confusing. When communication is difficult or has broken down, this is a time to use mediation.

## WHEN TO MEDIATE?

Mediation can occur any time really, but the best time is pre-foreclosure within the first 90 days after the first missed payment. As of January 14th, 2014, we have new national servicing guidelines setting forth timelines in which both the homeowner/borrower and the servicer must act.

Whether you have a housing counselor, a lawyer, or are on your own, you can ask your servicer, the person who is receiving your mortgage payments, to participate in mediation. Most servicers are incentivized to participate in these types of programs. You may then call the Center and request a list of approved mediators. You then contact the mediator that you and the servicer have selected and schedule a time for a mediation.

If you are post-foreclosure in the circuit court or appellate court you may request mortgage modification mediation. You may also request mediation in bankruptcy court as well.

## HOW IS MEDIATOR HELPFUL?

Mediators are helpful to make sure all your paperwork/documentation has been provided to the servicer. The mediator is another set of eyes to make sure the parties are exchanging the right information to make informed decisions. Under the new rules, you get one opportunity at being considered for all your options, so you want to make sure all your paperwork is turned in on time. The mediator is also there to facilitate your conversation with the servicer.

A mediator is neutral- he or she does not represent the homeowner or the servicer. The mediator is not allowed to give legal or financial advice at all. The mediator does not hold the paperwork. Parties exchange documents between themselves. The mediator convenes the parties to help them communicate about outstanding issues, paperwork and options.

## WHAT ARE SOME OPTIONS AVAILABLE TO HOMEOWNERS IN MEDIATION?

Of course, what's available depends on the individual's situation. If a modification is reached at mediation, then the homeowner gets to keep the house. For a modification, servicers analyze for different options, which include:

1. Capitalizing arrearages
2. Reducing the interest rate, but there is a floor
3. Extending the amortization term to 40 years
4. Principal forbearance or reductions
5. Payments reduced to 31% of gross income.

If no modification is available, mediation allows the homeowner to discuss an exit plan that works. This may include a rent-back or cash for keys.