

Struggling mortgage payers get guidance



A real estate gathering at the Modesto Bee Saturday 11/17/07. Marty Bicek/The Bee Modesto Bee - Marty Bicek

Bee housing forum gives tips on selling, refinancing and avoiding foreclosure

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Advice on avoiding foreclosure, refinancing mortgages, selling homes and spotting scams was offered Saturday at a housing forum sponsored by The Bee.

The region's housing market is in turmoil, with home values and sales plunging and foreclosures soaring, but practical tips for making the most of it were provided to the 80-member crowd.

"For anybody laying awake at night worried about their home, I want you to know there are resources available," assured Dawn Golik of the U.S. Department of Housing and Urban Development. She said there are counseling and loan programs available to help homeowners avoid foreclosure.

Golik explained the new HUD-insured mortgage, FHA Secure, that provides a refinancing option to creditworthy homeowners who were making mortgage payments on time before an increase in their interest rate caused them to default.

"The worse thing you can do is to do nothing," said Golik. "Take action ... because the longer you wait, the fewer your options."

Patty Amador, owner of Ambeck Mortgage Associates in Modesto, agreed that the further behind homeowners get on their mortgage, the harder it is to get lenders to renegotiate the loans.

"You must be persistent, and I can't emphasize this enough," Amador said. When calling lenders, she said homeowners who are in trouble with their mortgage shouldn't settle for talking to clerks who offer vague answers. Instead, ask to speak with managers. "Don't allow yourself to be brushed off."

Amador said homeowners should keep a detailed log of every conversation they have with their lenders, noting who they spoke with, their title, the time and date, and what was discussed. All correspondence with lenders, including copies of what homeowners sent them, should be kept in a file.

Any letters sent to lenders, Amador said, "should be mailed with return receipt requested so you have proof they received it."

Before defaulting on their mortgages and losing their homes to foreclosure, Amador said homeowners should consider selling their toys -- boats, cars and jewelry -- getting additional jobs or having family members move in and share housing costs.

'Just moving your equity'

Another option to avoid foreclosure may be to sell the home.

Mary Prieto, a California Prudential Real Estate agent in Modesto, said asking the right price is the key to finding a buyer in this slow housing market. She said one strategy that works is to price the home below what the competition is asking, which can attract multiple bidders and purchase offers that are above the asking price.

"You're probably going to sell for lower than you anticipated, but you're also going to buy (your next home) for less," Prieto said. She said homeowners should think of it as "just moving your equity" to another home, which eventually will appreciate in value.

Staging a home to make it look its best also will help attract buyers, Prieto said. She advised uncluttering houses by removing 50 percent of everything inside.

For first-time buyers, the California Housing Finance Authority offers assorted fixed-rate loans at reduced rates along with down payment assistance, said Evan Gerberding, the agency's assistant director of marketing. Such loans are for moderate-income families, like those earning up to \$74,480 per year in Stanislaus County.

"When you contact a lender, ask specifically for someone who is familiar with CalHFA products," said Gerberding, noting that hundreds of California lenders are approved to make such loans.

It's important to deal with reputable lenders, stressed Marlisa Ferreira, the Stanislaus County deputy district attorney who focuses on real estate fraud.

Ferreira said predatory lenders are targeting the Northern San Joaquin Valley because they know many homeowners here are desperate. She said such lenders often prey on seniors, soliciting them by phone or through the mail. They lure borrowers into agreeing to loans with exorbitant fees or interest rates that are never fully explained.

Read, understand before signing

To protect themselves from lending and real estate fraud, Ferreira recommended people avoid companies or people who use only post office boxes and cell phones rather than a permanent office.

Ferreira said people need to read and understand every document before signing, never sign blank documents, get title insurance and home inspections, hire their own home appraiser before buying, and be suspicious of anyone using a power of attorney on behalf of someone else.

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