

FORECLOSURES

Seminar targets home loan 'paralysis'

■ The Mortgage Bankers Association wants to train South Florida consumer advocates to help homeowners avoid foreclosure.

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For homeowners falling behind on their mortgage payments, the fear factor helps grease the slide into foreclosure.

They hunker down, stop answering the phone or opening the mail, and cut off communication. They miss deadlines and eventually run down the clock on their options.

Community leaders and consumer advocates from across South Florida met Tuesday at Jungle Island in Miami to discuss strategies for breaking through to people suffering foreclosure "paralysis" and helping them avoid losing their homes.

The options available are many although somewhat complicated: Short sales, short pays and refinances, loan modification pro-

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grams, deeds in lieu of foreclosure, as well as a host of tactics lenders are eager to employ to keep property from being sold from the courthouse steps.

As foreclosures and financial losses rise locally, these are the tools lenders would prefer to use.

"Any reputable lender will tell you the last thing they want is a foreclosure," said Cheryl Crispin, a senior vice president for the Mortgage Bankers Association, which conducted the half-day seminar attended by about 65 people. She noted the average foreclosure can cost a lender upwards of \$40,000.

The MBA, which produced the event with Access Miami — a city-funded financial literacy initiative, chose Miami as the first location for the train-the-trainer seminar because of the high rate of foreclosures in South Florida.

In the most recent loan delinquency report released by the organization, Florida was identified as having one of the fastest growing foreclosure rates in the country.

* Carlos Quiñones, who works with First Union Financial Services in Miami, said the city was taking a step in the right direction trying to duplicate itself by training others to hold similar information sessions for homeowners. "It would have been great if we had had ten of these throughout the city," Quiñones said. *

In determining borrowers' alternatives, Crispin said there is no one-size-fits-all solution. Lenders typically work with individuals on a case-by-case basis.

Someone who has lost a job, for instance, but has a history of steady employment may qualify to postpone loan payments until

they find new employment. Another workout plan might involve a lender moving a borrower from an adjustable-interest rate to fixed interest rate loan, or modifying the monthly loan amount.

To take advantage of the programs, though, borrowers need to act — by calling lenders, answering e-mails, or picking up the phone when their lenders call. Some people may feel more comfortable having a third party such as Neighborworks America intervene for them.

"Even before someone feels there is going to be a problem [making a payment], they need to contact their lender," Crispin said.

Some attendees said they struggled to find ways to get the word out to communities in need and found it difficult to find resources in Spanish, and especially in Creole.

"The consumer has to know what their options are and they do not know," said Stephanye Johnson, executive director of a Homestead-based nonprofit.

Crispin said lenders are willing to work with borrowers, but it's not always possible to avoid foreclosure.

"I know nobody wants to hear that," Crispin said, "But, in the end, some people will be better served by giving up the house and trying again at a later time. It's an unfair but very true reality."