

## Frequently Asked Questions

### 1. Where can I find information on foreclosure prevention?

Please see the Avoiding Foreclosure document for more information, or you can contact New American Funding at (800) 893-5304. Additional foreclosure prevention information is provided by New American Funding at <https://newamericanfunding.customercarenet.com> or Fannie Mae at [www.KnowYourOptions.com](http://www.KnowYourOptions.com).

### 2. Will I be evaluated for the Federal Home Affordable Modification Program (HAMP) when I submit my borrower response package?

You will be evaluated for all available workout options in accordance with the eligibility requirements of the owner of your mortgage loan. The evaluation is based on whether you are experiencing a temporary or permanent hardship and the duration of your delinquency, and may be impacted by your intention to stay in the property.

### 3. What if I don't want to stay in my home anymore?

You may have good reasons for needing to leave your property, such as job relocation, a divorce, financial hardship due to the death of a borrower, or some other reason preventing you from keeping your property. If you intend to transition out of your home, please indicate that you want to sell or vacate the property on page 1 of the Borrower Assistance Form and we may first evaluate you for a short sale or Mortgage Release (deed-in-lieu of foreclosure). Even if you are approved for one of those workout solutions, we may consider you for a mortgage loan modification.

### 4. Will it cost money to get help?

There should never be a fee from your servicer or qualified counselor to obtain assistance or information about foreclosure prevention options. However, foreclosure prevention has become a target for scam artists. Be wary of companies or individuals offering to help you for a fee, and never send a mortgage payment to any company other than the one listed on your monthly mortgage statement or one designated to receive your payments under a state assistance program.

### 5. What happens once I have sent the borrower response package to you?

We will send you a written notice within five business days of our receipt of your Borrower Response Package to confirm that we have received your package and will review it to determine whether it is complete or incomplete. If we determine there is missing information or documentation, we also will send you an incomplete information notice. We cannot guarantee that you will receive any (or a particular type of) assistance.

Within 30 days of receipt of a complete Borrower Response Package, we will let you know which foreclosure alternatives, if any, are available to you and will inform you of your next steps to accept our offer. However, if we receive your complete Borrower Response Package 37 calendar days or less before a scheduled foreclosure sale date, we will strive to process your request as quickly as possible, but you may not receive a notice of incompleteness or a decision on your request prior to sale. Please submit your Borrower Response Package as soon as possible.

### 6. What happens to my mortgage while you are evaluating my borrower response package?

You remain obligated to make all mortgage payments as they come due, even while we are evaluating the types of assistance that may be available.

### 7. What if my property is scheduled for a foreclosure sale in the future?

If we receive a complete Borrower Response Package 37 calendar days or less before a scheduled foreclosure sale, there is no guarantee we can evaluate you for a foreclosure alternative in time to stop the foreclosure sale. Even if we are able to approve you for a foreclosure alternative prior to a sale, a court with jurisdiction over the foreclosure proceeding (if any) or public official charged with carrying out the sale may not halt the scheduled sale.

## Frequently Asked Questions (continued)

### **8. Will my property be sold at a foreclosure sale if I accept a foreclosure alternative?**

No. The property will not be sold at a foreclosure sale if you accept an offer for an alternative to foreclosure and comply with all requirements.

### **9. Will my credit report be affected by my late payments or being in default?**

The delinquency status of your loan will be reported to credit reporting agencies as well as your entry into a Repayment Plan, Forbearance Plan, or Trial Period Plan in accordance with the requirements of the Fair Credit Reporting Act and the Consumer Data Industry Association requirements.

### **10. Will my credit score be affected if I accept a foreclosure prevention option?**

While the effect on your credit will depend on your individual credit history, credit scoring companies generally would consider your entry into a plan with reduced payments as increasing your credit risk. As a result, entering into a plan with reduced payments may adversely affect your credit score, particularly if you are current on your mortgage or otherwise have a good credit score. However, bringing your loan current through a reinstatement, Repayment Plan or loan modification and continuing to make timely payments may improve your credit score over time.

### **11. Is foreclosure prevention counseling available?**

Yes, HUD-approved counselors are available to provide you with the information and assistance you may need to avoid foreclosure. You can use the search tool at <http://www.hud.gov/offices/hsg/sfh/hcc/fc/> to find a counselor near you.

### **12. I have seen ads and flyers from companies offering to help me avoid foreclosure for a fee. Are these companies on the level?**

Foreclosure prevention has become a target for scam artists. We suggest using the HUD Web site at <http://www.hud.gov/offices/hsg/sfh/hcc/fc/> to locate a homeownership counselor near you. Also, please refer to the "Beware of Foreclosure Rescue Scams" document for more information.

### **13. Who qualifies for protection under the Servicemembers Civil Relief Act (50 USC App. 501-597b)?**

Servicemembers on "active duty" or "active service", or a spouse or dependent of such a servicemember, may be entitled to certain legal protections and debt relief pursuant to the Servicemembers Civil Relief Act ("SCRA"). Such protections may include: 1) Any mortgage debt incurred by a servicemember, or servicemember and spouse jointly, prior to entering military service shall not bear interest at a rate above 6% during the period of military service and one year thereafter; and 2) Any legal action to enforce a debt against real estate that is filed during or within one year after the servicemember's military service may be stopped by the courts for a period of time or the debt may be adjusted. In addition, the sale, foreclosure, or seizure of real estate may not be valid if it occurs during or within one year after the servicemember's military service unless the creditor has obtained a valid court order approving the sale, foreclosure or seizure of the real estate.

### **14. How do I request relief under the Servicemembers Civil Relief Act (50 USC App. 501-597b)?**

In order to request relief under the SCRA from loans with interest rates above 6%, a servicemember or spouse must provide a written request to the lender, together with a copy of the servicemember's military orders. This information should be sent to: New American Funding, P.O. Box 170581, Austin, TX 78717-0031. Servicemembers and dependents with questions about SCRA should contact their unit's Judge Advocate, or their installation's Legal Assistance Officer. A military legal assistance officer locator for all branches of the Armed Forces is available at <http://legalassistance.law.af.mil/content/locator.php>.