

# TALK TO YOUR LENDER

Talking to the lender, or “loan servicer” that collects the payments, should be one of your first steps. The earlier you call, the better your chance to work out a solution. Here are some options:

- **Forbearance.** Lenders may let you make a partial payment, or skip payments, if you have a reasonable plan to catch up. Tell your lender if you expect a tax refund, a bonus, or a new job.
- **Reinstatement.** Reinstatement refers to making a payment that covers all your late payments, usually at the end of a forbearance period.
- **Repayment Plan.** If you can’t afford reinstatement, but can start making payments to catch up, the lender may let you pay an additional amount each month until you are caught up.
- **Loan Modification.** Your lender may agree to amend your mortgage to help you avoid foreclosure. The options include:
  - Adding all the missed payments to the loan amount and increasing the monthly payment to cover the larger loan.
  - Giving you more years to pay off the loan, lowering the interest rate, and/or forgiving part of the loan, to lower your monthly payment.
  - Switching from an adjustable rate mortgage to a fixed rate mortgage, so you aren’t exposed to increases in your monthly payment.
  - Requiring amounts for taxes and insurance to be included with your monthly mortgage payment so you avoid big bills in addition to your mortgage.
- **Sign Over the Property to the Lender in Exchange for Debt Forgiveness.** This can hurt your credit, but is better than having a foreclosure in your credit history.