

What is a Loan Mod

- A loan modification is simply the restructuring or altering of an existing mortgage in attempts to help the homeowner afford their monthly payment. This can be accomplished by doing one of the following things or a combination of the following:
 - Lower Interest Rate
 - Fix Interest Rate
 - Reduce / Forgive Principle Balance
 - Increase the Terms

Why Loan Mods

Loan mods can be negotiated directly by the homeowner but the results are usually poor. Banks do not have the time and resources to negotiate a loan modification with every homeowner who decides to call them. The truth is that lenders have so many people currently in default on their home loans that they may not even talk with a homeowner until they have gone late on their payment or are in default. By this time it could be too late.

There is a huge demand for loan mods but most homeowners don't know where to turn. They don't trust their lender and need help.

Also, the Fed and State governments are placing enormous pressure on lenders to negotiate with homeowners who do not want to lose their homes to foreclosure. This market is now exploding, as more and more homeowners realize that there are options available to them when facing foreclosure.

*Countrywide Lawsuit and Mod Program

Who Qualifies for a MOD

Almost all homeowners who are experiencing a hardship and have a true desire to stay in their home, qualify for a loan modification. The homeowner must want to keep their home for the foreseeable future. A homeowner must fit into these four categories to qualify for a loan modification.

1) They must have a genuine hardship.

This can be a loss or decrease in income, a increase in rate, medical issues, a decrease in property value, divorce, or other hardship which has made it difficult to make their monthly payments.

2) They must have made the decision to keep their home.

They have to be sure that they want to absolutely keep their home and will continue to stay current on the new monthly mortgage payments, once negotiated.

3) They must be able to afford the new terms of the modification.

After we negotiate their modification they must be able to afford the new payment and terms of the loan. (i.e. currently employed)

4) They must be able to afford the fee for the modification service.

If they can't afford the service, they likely aren't in a position to save their home.