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Facing foreclosure is a new fact of life

Counselor offers tips to people who find themselves in tough spot

BY DAVE BENJAMIN Staff Writer

The figures may be shocking, but the number of residents in Ocean, Monmouth and Middlesex counties are facing the possibility of losing their home to foreclosure is hitting a higher level every day.

According to RealtyTrac, an online firm that tracks foreclosures nationwide, there are 4,312 homes in Ocean County, 3,700 in Monmouth County and 4,101 homes in Middlesex County have foreclosure filings pending.

On Feb. 19 the Jackson Township Council sponsored a meeting to discuss the topic that has been on the mind of many people who deal with the nation's significant economic recession. About 50 residents turned out for the meeting.

"We know that everybody is running into difficult times and watching the news every day, it gets worse and worse," council President Mike Kafton said. "This morning I heard that about 1.5 million people have filed for unemployment."

million people have filed for unemployment."

Kafton said he had spoken with the Ocean County Sheriff's Office the day before and was informed that foreclosure proceedings have increased from between two and three per week to between 10 and 15 per week.

Trish Burke, the sales manager from Center State Mortgage, Freehold, said the interest rate on a loan now is about 5.5 percent. She said the firm is waiting to see how the economic stimulus plan that President Barack Obama recently signed into law will affect individuals who are looking to refinance a mortgage.

Kafton, who works in the real estate field, said the biggest issue people are running into right now is a credit score of at least 600. He said many people are in debt and/or they owe more than the value of their home.

Presenting information to residents was Darla Keegan of Novadebt, a federal Housing and Urban Development contractor.



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Development-certified (HUD) nonprofit counseling agency that provides financial advice, suggests resources regarding housing, bankruptcy and credit cards to individuals who are in need of those services. The firm is headquartered in Freehold Township.

"We are here to help you with foreclosure," Keegan said. "[We keep up with] what is going on in the economy and what is impacting many people. We get phone calls every day from people who have these situations."

Keegan said the firm's counselors take a look at an individual's financial situation and in this way they get a better determination on what is taking place for that person. From that point, the counselor and the client can move forward in dealing with the situation.



Several counselors from the firm were present at the meeting to assist residents. Keegan said Novadebt counselors do not tell a person what to do. They leave that responsibility up to the individual.

"We also facilitate communication with your lenders, but we don't work for any lenders. "We do [however] have contacts with some of the lenders that are out there," she said.

Keegan said many people are unaware that they can communicate with their (mortgage) lender. She said some people are ashamed, frustrated or are not knowledgeable about the services they are facing.

"First and foremost, you should talk to your lender, whether you are current with your mortgage and foresee a problem, or if there is a delay" she said. "[On the other hand] we have calls from people who tell us there will be a sheriff's sale [of their property] in two hours."

Keegan said a counselor may be able to help a person find a solution before the problem gets worse.

"You have to realize that your lender does not know what is happening in your particular situation, and you have to communicate with the audience. "There may be a job loss, a medical problem, a divorce, or whatever may come up. Communication is key to being the first step to avoid foreclosure. The same holds true for credit card bills."

She said people who cannot get anywhere with their lender may want to contact HUD. The federal agency has an Internet Web site at www.HUD.gov.

Keegan explained that the foreclosure process can begin as quickly as two months after an individual has trouble making a mortgage payment. She said some lenders have programs that can assist people with themselves in a difficult situation.

"The lender does not want your home," she said. "There are many homes out there just sitting."

Options may include forbearance, where payments may be added to the end of the loan, while some payments may be able to be suspended or reduced. Another option may be loan modification, in which more terms of the loan are changed.

"Beware of scam operators offering you an easy fix, because they will take your money and not solve your problem," Keegan advised those in attendance. "Sometimes they call themselves foreclosure specific real estate consultants. They send letters or call you. You do not have to pay for anyone to get you out of your situation, no matter what they guarantee. And be careful of bailouts where homeowners surrender their house, a scheme usually aimed at the elderly, or bait and switch, where homeowners think the

signing documents to make the mortgage current, but actually they are signing their house away."

She said the foreclosure process can take between 10 and 12 months, or more. She told people not to speak with their lender. Keegan told those in attendance to never sign a blank document and a fee for assistance.

Novadebt, which has offices on Willowbrook Road, Freehold Township, may be reached at 866-475-2222 or at www.novadebt.org.

For a list of additional HUD-approved counseling agents, visit www.hud.gov/offices.

After the meeting, Kafton said there are many people who are still working and making a good salary but who still find themselves behind in their mortgage payments.

"Maybe the president's new financial package will help to save many of these houses from foreclosure, but we just have to wait to see how this all works out," he said.