

CORD

=== Collaborative Organizations Responding to Dislocation

January 1, 2010

Inside This Issue

- 2 Be Wary of Foreclosure Fraud
- 2 Mortgage Scams on the Rise
- 3 Sen. Kohl Introduces Loan Bill
- 4 Helpful Classes/Workshops

"Contact your credit card companies to reduce or delay payments so you can pay your mortgage first."

STEPS TO TAKE TO AVOID FORECLOSURE

Many persons, especially those who have lost their jobs, are facing the reality of foreclosure. Under Wisconsin law, the foreclosure process typically starts after a borrower defaults on a loan and the lender issues any necessary notices of default. In most cases, this happens when the borrower is late by 90 days or more in making scheduled mortgage or tax payments or fails to pay taxes. This is critical to know as the local tax bills have just been sent.

The Wisconsin Realtors Association Foreclosure Assistance Resource Center advises the following steps to avoid foreclosure (following health care, keeping your house should be your first priority):

- If you can save ahead, do so. If not, still plan ahead and maintain a budget that accounts for all of your expenses and current income.
- See where you can cut spending to help make your mortgage payment. Seek out optional expenses like cable TV, memberships, entertainment, and delay payments on credit cards and other 'unsecured' debt until you've paid your mortgage.
- Even if your finances are tight, saving a small amount each week can create a buffer to help you keep your home.

If you cannot make a scheduled mortgage payment:

- Contact the customer service number of your lender or loan servicer immediately to make alternate arrangements and avoid having a late payment recorded on your credit report.
- Prioritize your spending (as in the second point above).
- Contact your credit card companies to reduce or delay payments so you can pay your mortgage first.

If you've missed one or more mortgage payments:

- Take action immediately. Your lender can offer options such as loan modifications or mortgage workouts that may result in a lower payment or reduced interest rate.
- Open and respond to all mail from your lender. The notices you receive will offer advice on avoiding foreclosure. Later mail may include important notice of pending legal action.
- Know your mortgage rights. Find your loan documents and read them so you know what your lender may do to you if you can't make your payments.

(Continued on Next Page—Page 2)

AVOIDING FORECLOSURE (Continued from Page 1)

- Use your assets. Do you have assets such as a second car, jewelry or a whole life insurance policy that you can sell for cash to help reinstate your loan? Even if these efforts don't significantly increase your available cash or income, they demonstrate to your lender that you're willing to make sacrifices to keep your home.

Avoid foreclosure scams (see article in this issue [below] regarding this):

- Watch out for questionable counseling companies who advertise that, for a minimal fee, they'll hire a lawyer to defend the foreclosure in court or negotiate lender assistance on your behalf.
- Call a HUD-approved counseling organization, your local lender, or call 1-888-995-HOPE before you pay/sign anything [see next article].
- The Federal Reserve Board has also developed '5 Tips for Avoiding Foreclosure Scams.'

Remember, your lender will almost always be willing to work with you, as it is not in anyone's best interest to go through foreclosure. Contrary to popular belief, your lender loses money if you are foreclosed on and they also understand that it places a strain on you and your family. If your lender has already contacted you, respond to all mail or other communications at once. It's important to act before you fall further behind.

Homeowners can avoid becoming victims of mortgage fraud by declining any loan modification service that requires an upfront fee, and should be suspicious of anyone who promises a quick and easy mortgage resolution for one simple reason: there's just no such thing!

MORTGAGE SCAMS PROLIFERATE

With the downturn in the housing market and high unemployment rates, scams promising to stop foreclosures or to modify loans are quickly growing. This year, the FBI expects to track an estimated 174,000 reports of suspicious activity for mortgage-related fraud cases—a 276 percent increase over 2008!

Individual states are responding. Michigan has promised to refund residents victimized by foreclosure scams. Delaware approved a law in October that bans companies from charging an upfront fee for promises to modify a loan or delay foreclosure. Wisconsin has also, over the years, created stricter laws to address the growing problem of mortgage fraud.

The federal government is also considering action. A bill has been introduced that would protect home buyers from fraudulent practices and provide \$200 million to combat scams. President Obama created a federal task force November 17.

Following are some Wisconsin contacts/resources if you think you've been 'scammed:'

FBI Field Office, Mortgage Fraud, 330 E. Kilbourn, Suite 600, Milwaukee 53202 phone (414) 276-4684 <http://www.milwaukee.fbi.gov>

Office of Attorney General, PO Box 7857, Madison 53707-7857 phone (608) 266-1221 <http://www.doj.state.wi.us>

HUD Field Office, 310 W. Wisconsin Ave., Rm. 1380, Milwaukee 53203-2289 phone (414) 297-3214

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Remember, your lender will almost always be willing to work with you, as it is not in anyone's best interest to go through foreclosure.



Decline any loan modification service that requires an upfront fee.

MORTGAGE FRAUD RESOURCES (Continued from Page 2)

Wisconsin Department of Financial Institutions, 123 W. Washington Ave., PO Box 8041, Madison 53708-8041, phone 800-452-3328 Consumer Complaint Form, http://www.wfdi.org/contact_us/ComplaintDefault.htm

State-Chartered Credit Unions, Wisc. Dept. of Financial Institutions, PO Box 14137, 3rd floor, Madison 53714-0137 phone (608) 261-9543

Wisconsin Real Estate Board, PO Box 8935, Madison 53708-8935 phone (608) 266-2112 <http://www.drl.wi.gov/boards/reb/index/htm>

Better Business Bureau of Wisconsin, 10101 W. Greenfield Ave., Suite 125, West Allis 53214 phone (414) 847-6000 <http://www.wisconsin.bbb.org>

Wisconsin Department of Regulation and Licensing, Real Estate Board, PO Box 8935, Madison 53708-8935 phone (608) 266-5511, Ext. 43 <http://www.drl.state.wi.us>

ACCESSIBLE LOAN BILL INTRODUCED

Sen. Herb Kohl introduced the Safe Affordable Loan Act on December 8, a bill which would help increase low and moderate income Americans' access to mainstream financial institutions as an alternative to payday lenders. The bill will encourage community banks and credit unions to provide small dollar amounts to borrowers across their communities.

The FDIC released a study in early December which showed that 25 percent of Americans—9 million—are without bank accounts and an additional 20 million are considered 'underbanked.' Underbanked individuals have checking or savings accounts, but rely on alternative financial services such as payday lenders or non-banking check cashing services. Additionally, the survey results showed that a substantial amount of those considered unbanked have incomes of \$30,000 or less.

"The FDIC survey results are not surprising. Low-income Americans have typically been left out of mainstream financial services for a variety of reasons," Kohl said. "Without better access to banks or credit unions, consumers will continue to rely on other financial services which might be quicker, but often carry larger financial consequences."

There are approximately 30 million Americans operating on the fringe of the financial system. The average income for these individuals is approximately \$26,390, with little or no savings. These consumers rely on check cashing services or payday lenders as a way to access credit. Most of these operations charge excessive fees and interest rates that leave consumers financially devastated.

The Safe Affordable Loan Act will create a loan-loss reserve fund which financial institutions could access in order to mitigate some of the risk associated with offering small dollar loans. The loan size cannot exceed \$2,500, and institutions must offer loans that have no prepayment penalties and have a repayment period longer than 60 days with reasonable interest rates.



The Safe Affordable Loan Act would provide smaller loans without having to rely on payday lenders.

CHECK OUT THESE OPPORTUNITIES

There are several **Dislocated Worker** sessions that may be of interest to you. Call the Rock County Job Center for information or to schedule a session—Julie Funk at (608) 741-3462 or Carol Kohl at (608) 741-3418. Also, for a variety of outstanding computer classes check out the Hedberg Library at www.hedbergpubliclibrary.org and on the left is the icon for computer classes. There are also a large number of BTC classes being offered—contact them for info at www.blackhawk.edu, or Anita Wilcox at awilcox@blackhawk.edu, phone (608) 741-3566.

Getting Through the Tough Times	Mon., Jan. 4, 1-3 p.m.-Room H
Choice, Change & Adjustment 101	Mon., Jan. 4, 10 a.m.-noon-Room B
Interviewing 101	Mon., Jan. 4, 1-3 p.m., Room C
Pre-Assessment Workshop	Tues., Jan. 5, 10 a.m.-noon-Room J
WIA Pre-Assessment Workshop	Tues., Jan. 5, 4:30-6:30 p.m.-Room B
Choice, Change & Adjustment 101	Weds., Jan. 6, 10 a.m.-noon, Room B
Dislocated Worker Orientation	Weds., Jan 6, 1-3 p.m.-Annex
Career Assessment & Planning 201	Thurs., Jan. 7, 10 a.m.-noon-Room B
Resume 101 & Develop. Basic Resume	Thurs., Jan. 7, 1:30-4:30 p.m.-Room A
Typing	Thurs., Jan 7, 1-3 p.m.- Annex
Java & Jobs	Fri., Jan. 8, 9:30-10:30 a.m.- Annex
Success Skills Training III	Fri., Jan. 8, 8:30 a.m.-noon-Room B
Resume 201	Fri., Jan. 8, 10:30 a.m.-noon-Annex
Email Basics	Mon., Jan. 11, 10 a.m.-noon-Annex
Choice, Change & Adjustment	Mon., Jan. 11, 1-3 p.m.-Room B
Interviewing 101	Mon., Jan. 11, 1-3 p.m.-Room C
Managing Food Money	Tues., Jan. 12, 10:30-11:30 a.m.-Rm. B
Ability Profiler Test	Weds., Jan. 13, 8:30 a.m.-noon-Rm. I
Pre-Assessment Workshop	Weds., Jan. 13, 2-4 p.m.-Room J
Resume 101 & Develop. Basic Resume	Thurs., Jan. 14, 1:30-4:30 p.m.-Room A
Educational Options	Thurs., Jan. 14, 2-3 p.m., Room B
Java & Jobs	Fri., Jan. 15, 9:30-10:30 a.m.-Annex
Interviewing 101	Fri., Jan. 15, 10:30 a.m.-noon-Annex
Success Skills Training	Fri., Jan. 15, 8:30 a.m.-noon-Room B
JOB CENTER/ANNEX CLOSED	Mon., Jan. 18
Dislocated Worker Orientation	Tues., Jan. 19, 10 a.m.-noon-Room K
Choice, Change & Adjustment 101	Tues., Jan. 19, 10 a.m.-noon-Room B
Ability Profiler Interpretation	Weds., Jan. 20, 9-11 a.m.-Room B
Resume 101 & Develop. Basic Resume	Thurs., Jan. 21, 1:30-4:30 p.m.-Room A
Java & Jobs	Fri., Jan. 22, 9:30-10:30 a.m.-Annex
Resume 101	Fri., Jan. 22, 10:30 a.m.-noon-Annex
Success Skills Training II	Fri., Jan. 22, 8:30 a.m.-noon-Room B
Career Assessment & Planning	Fri., Jan. 22, 1-3 p.m.-Room C
Pre-Assessment Workshop	Fri., Jan. 22, 9-11 a.m.-Room J
Interviewing 101	Mon., Jan. 25, 1-3 p.m.-Room C
Pre-Assessment Workshop	Mon., Jan. 25, 2-4 p.m.-Room J
Things To Do When the Paycheck Stops	Tues., Jan. 26, 1-3 p.m.-Room H
Typing	Weds., Jan. 27, 9-11 a.m.-Annex
Email Basics	Thurs., Jan. 28, 1-3 p.m.-Annex
Resume 101 & Develop. Basic Resume	Thurs., Jan. 28, 1:30-4:30 p.m.-Room C
Java & Jobs	Fri., Jan. 29, 9:30-10:30 a.m.-Annex
Interviewing 201	Fri., Jan. 29, 10:30 a.m.-noon-Annex
Success Skills Training III	Fri., Jan. 29, 8:30 a.m.-noon-Room B

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QUOTE OF THE DAY

“Everything comes to him who hustles while he waits.”

---Thomas A. Edison

The CORD Newsletter is designed to provide helpful tips and information to area dislocated workers. Have comments or ideas for stories?

Contact the editor:

Gregg Bosak, SWWDB, Rock County Job Center, g.bosak@swwdb.org or call (608) 741-3463