



## Forensic Loan Audits/Modifications

### *Frequently Asked Questions from Homeowners*

#### *Direct Answers from Loan Repair & Rescue LLC*

#### **Q. What can a loan modification do for us?**

The goal of a loan modification is to work out an agreement between the homeowner and the lender to make the monthly mortgage payments affordable and to keep the homeowner in their home. Lenders are more likely to respond favorably to modification requests if there are violations of State and federal regulations discovered in your loan package, or current servicing agreement. The last thing they want is a law suit. If we can identify enough violations in your documents, or servicing history, the lender will have little choice but to modify the loan or face judicial litigation.

#### **Q. What if there are no violations found in my paperwork? Can I still get a loan modification?**

Generally speaking, yes. If you are experiencing a hardship now and making your mortgage payments is becoming a problem, you should still consider how a loan modification will benefit you. If your loan is going to adjust soon and that, even by itself causes a hardship, it is still worth getting it done. The lenders know that if they do not work with you to keep your loan affordable, they stand a good chance of having to foreclose on you. They would much rather do loan modifications than a foreclosure action.

**Q. How long do I have to think about whether a loan modification is right for me?**

**How long does it take to get it done?**

Honestly, you need to act as quickly as is reasonable. If your payments are too high now, or will become unmanageable when the loan adjusts, you need to act now. Here is why: As of now, most lenders are open to modifying your loan to keep from having to foreclose on your home. The Federal and State Governments are involved too. However, the qualifying rules change almost daily and if you qualify now for a modification that will help you. Please don't delay. It could cost you the loss of your home.

**Q. How long do we have to act if we waited too long and are now facing foreclosure?**

Time is of the essence when you are behind on house payments and is most certainly not your friend in this situation. Each day that passes makes it that much harder to get a work-out agreement with your lender that you can live with. The home foreclosure process in Tennessee usually takes about 60 days. If we find evidence of violations in the Loan Audit, Predatory Lending, or fraud, the lenders typically stop the foreclosure in order to give their legal department time to review the case. Depending on their case load, the foreclosure could be put off for up to six months or longer.

**Q. Do I have enough time to stop my foreclosure?**

Up until a few days before the foreclosure sale occurs there is still hope. If a sale date for your house has been set, you need to act fast. In these cases you get emergency attention from me. If need be, I will have one of my attorneys get involved to stop the foreclosure sale. Again, time is not your friend so you better act fast.

**Q. I'm currently in bankruptcy, can you still help?**

Yes, but you will not be able to go forward with Loss Mitigation with your lender until your mortgage has been discharged or dismissed from the bankruptcy proceedings. It is advisable however to go ahead with the Forensic Loan Doc Audit. Who knows, we just might find the culprit that induced you into bankruptcy in the first place.

**Q. I've already talked with my lender and they just want all their money. Can you still help me?**

Yes. Many people have experienced this kind of inflexibility from their lenders before calling us. Watch how fast they sing a different tune when they know they are dealing with experienced loss mitigation specialists like us. Imagine their response if indeed evidence of loan fraud, predatory lending, or servicing violations are discovered.

**Q. Should I file for bankruptcy to save my house?**

Maybe, but not before we audit your documents. Use bankruptcy as a last resort to saving your home.

**Q. I am not yet late on any payments, can I still attempt a loan modification?**

Absolutely! One of the falsehoods of this industry is that the lenders will not review a file until it is negative. While a person's default may make it more pressing to the lenders, they will review a file that is not yet late. This is especially true if there are errors that come up on the forensic loan audit! Additionally, moving forward before you are late gives you the opportunity to have your loan modified BEFORE your credit is hurt!

**Q. What percentage of loan modification files are they able to obtain modifications on?**

87.4% after up front analysis is done. Before any money is collected, an in-house review of your file is conducted. What that means is that they have attorneys preliminarily approve your file to see if you are even eligible for a loan modification. Because they are so thorough and have done this so many times, Loan Repair and Rescue has a strong understanding of what will qualify for a loan mod.

**Q. How much will it cost for the loan modification process?**

When you move forward in the process, after the **free** evaluation, the cost will be \$3500. For the investment of \$3500 you are obtaining the services of the highest caliber of legal representation. Let's compare this to the fact that it could cost you 10-12 thousand dollars to retain an attorney to represent you if you did this on your own. The legal team is going to look for every possible angle to save your home, whether it is using the results of the forensic analysis or representing your hardship emphatically. Obtaining legal council can greatly increase the quality of your representation and hence, increase your chances of staying in your home. You do want to stay in your home, right?

Let's also look at it from the perspective of the money that you will be saving once your loan is modified. We are typically able to lower the mortgage payments by 40%. Let's take the example of a \$2500 a month mortgage payment. After the loan modification process, this homeowner is reset to a payment of \$1500. That is \$1000 in savings each month. You will have paid for the process in less than four months, but reap the benefits of your decision with hundreds of thousands of dollars in savings over the next 30 to 40 years.

**Q. Is there a guarantee?**

No, but most of the time your lenders will immediately freeze the foreclosure on your property once they become aware that you are pursuing a loan modification. However, if the

lender does not, our attorneys will move to present the lender with a cease and desist letter which will force the lender to stop the foreclosure process until a decision has been made. So, in the worst case scenario you will remain in your home for another 3 months or more without making a mortgage payment. This is easily worth more than \$3500.

**Q. My bank has already offered to do a loan modification for free. Why should I go with you, when there is a charge?**

Would you advise a professional athlete to have the team negotiate his contract? Or, if you were involved in a lawsuit, would you like to share the same attorney as the other party that you are opposing? Well, the same holds true here. You need someone who can identify and present your case on your behalf. Additionally, you want your loan documents reviewed to identify any current legal violations. The lender is not going to point out their OWN errors to you. And, as if that isn't enough reason, the lenders may tell you that the loan modification is free, but it really is not. They will take payment from you. One of the most common methods by which they do this is to ask you to give them an amount of payment up front. This will be to make up for one or two missed payments. They will utilize these funds to pay the loss mitigation representative that worked with you on the loan modification.

**Q. Who is TN Loss Mitigation Services LLC?**

TN Loss Mitigation Services LLC is a 3<sup>rd</sup> party company that specializes in negotiating short sales for agents and investors. They are also exclusive agents of Loan Repair and Rescue which is the attorney-based organization that performs the forensic loan audits and negotiates on your behalf with your lender(s). They have been retained by them to help you prepare all of the documentation required for the audit. In addition, they work with you and help determine what probable loan modification can be worked out before the audit even

gets started. We leave the attorneys to the audits and forensic loan modification negotiations and they rely on TN Loss Mitigation Services to work with you on determining your best course of action and next steps. We work together to help you keep your home and avoid foreclosure.

**Q. What are my options if the loan modification is not successful?**

### **Short Sale**

A short sale is when a bank or mortgage lender agrees to discount a loan balance due to an economic hardship on the part of the homeowner. The homeowner/debtor sells the mortgaged property for less than the outstanding balance of the loan, and turns over the proceeds of the sale to the lender in full satisfaction of the debt.

A Forensic Mortgage Loan Audit may be a very valuable tool for the listing agent. If the audit reveals violations in the subject property's loan, then the listing agent or attorney can use that as leverage to persuade the lender to accept the short sale. In such instances, the lender would have the right to approve or disapprove of a proposed sale. Extenuating circumstances influence whether or not banks will discount a loan balance. These circumstances are usually related to the current real estate market climate and the individual borrower's financial situation.

A short sale typically is executed to prevent a home foreclosure. Often a bank will choose to allow a short sale if they believe that it will result in a smaller financial loss than foreclosing. For the homeowner, the advantages include avoidance of having a foreclosure on their credit history. Additionally, a short sale is typically faster, less expensive and more beneficial overall for the homeowner than a foreclosure.

*A short sale should be conducted only if the homeowner cannot afford to remain in the property due to financial hardship and a loan modification is not an appropriate solution.*

TN Loss Mitigation Services is partnered with VIRGON LLC to create alternatives for homeowners to avoid foreclosure. TLM KNOWS SHORT SALES! If the forensic loan audit/modification does not work for you, a Short Sale is your next step to avoiding foreclosure.

Either direction you choose...we are here to help you find the best solution for your circumstances...right now! Give us a call or better yet...apply online and we can call you back with information that helps you make an informed decision about your financial future.

[www.StopForeclosureOptions.com](http://www.StopForeclosureOptions.com)

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