



#### C.A.R. Mortgage Update

This week's *C.A.R. Mortgage Update* contains information about dealing with loan servicers and current mortgage rates.

#### **Tips for borrowers dealing with loan servicers**

Many homeowners have experienced difficulties and frustration getting through to their loan servicer when trying to obtain a loan modification. To help alleviate some of the stress associated with this task, an attorney with the National Consumer Law Center in Boston is offering the following tips:

- Consumers should keep detailed written records of every contact they have with their servicer, including logs of phone calls and copies of written correspondence.
- If the servicer makes a promise, such as crediting a payment, modifying the loan, or stopping a foreclosure sale, for example, the homeowner must get it in writing.
- When seeking a loan modification, consumers should send a request in writing asking the servicer who owns the mortgage loan. Some banks and investors have policies on which loans they will modify.
- Consumers should beware of servicers advising them to stop making payments because they have applied for a loan modification. Instead, homeowners should continue making payments for as long as possible, even if they cannot make the payment in full. Otherwise, the loan will accrue more interest, and will cost more in the long run.
- Borrowers who feel they cannot resolve their problem or those who think their servicer may be violating their rights are advised to contact a non-profit housing counselor or seek legal help. Housing counselors can help negotiate a loan modification for free.
- Consumers can visit the Treasury's homeowners Web site [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov) to find out if they qualify for a loan modification under the Obama administration's program Making Home Affordable.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/08/05/financial/f120204D63.DTL&type=realestate>

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