



Consumer Advice Article

Don't Wait Until It's Too Late: Maryland and Montgomery County Can Help You Avoid Foreclosure

If you know someone at risk of foreclosure or in the foreclosure timeline, Montgomery County and the State of Maryland have some of the best resources and advocates available to help. The earlier these resources are accessed and utilized the greater the chance there is to avoid foreclosure and the consequences that come from that event.

To understand where to go to help, it's important to know what phase of foreclosure applies to your situation:

- **Phase One—Imminent Default:** In this phase the mortgage might still be current and timely, but the borrower is using his or her savings and it is not available forever for that purpose. Some mortgage companies say they cannot help borrowers in this phase and payments must be missed before they can do anything. Do not trust such statements as they are false and untrue in most circumstances. In this phase a borrower should contact a bona-fide housing counselor to act as their neutral advocate and there are free, qualified counselors right here in Montgomery County who can help!
- **Phase Two—Early Default:** When a borrower misses one or a few payments, they are in early default on their mortgage loan. It's important to remain in contract with the mortgage company and explain the situation and keep detailed notes of each communication by phone, email, and mail. Save everything! In this phase a borrower should contact a bona-fide housing counselor to act as their neutral advocate and there are free, qualified counselors right here in Montgomery County who can help! If the mortgage company says or communicates anything that seems odd or unfair, attorneys are also available to answer basic questions through a Maryland sponsored program.
- **Phase Three—More than 90 days in Default (behind on payments):** In this phase an actual foreclosure action may be started in the Circuit Court. However, just because a foreclosure is started in the court does not mean it's too late. Borrowers will receive papers that are filed in court and should, if they have not already done so, immediately contact a housing counselor and seek a referral to an attorney through one of Maryland's channels to connect borrowers with attorneys who work in this space. While in court homeowners have the right to meet with their mortgage lender in mediation but the request must be made

timely in most cases. A foreclosure cannot occur unless certain requirements are met, but the court will typically not take actions on your behalf unless the borrower raises them first. So, if you have a defense to the foreclosure or your mortgage company is not acting fairly, you need to engage an attorney to help you.

- **Phase Four—Post Foreclosure Sale:** After a foreclosure sale has occurred it's still not too late and some help may help former homeowners with a soft landing. Foreclosure purchasers and mortgage companies may not be threatened with eviction without conducting a reasonable investigation. So former homeowners facing these circumstances may contact a housing counselor for assistance.

Throughout the foreclosure process, there are many actors who appear to offer opportunities to 'save' a homeowner from foreclosure but it's important not to simply trust those individuals and companies who may not have the homeowners' best interests. You should verify the bona fides of any potential service provider by contacting a free housing counselor or Maryland attorney offered through a state program before spending money that you should not otherwise spend.

Finally, the foreclosure process can last for months and years as each phase can be delayed and extended over time. So, it's important for homeowners to take the appropriate action for their individual circumstances. Help is available along the way but the options available will reduce. So, don't wait until it's too late.

Available Counselors

Agency	Point of Contact	Methods of Contact
Housing Initiative Partnership	Esmeralda Atayde, Intake Specialist	Phone: 301-916-5946 Email: eatayde@hiphomes.org Website: www.hiphomes.org
Maryland Office of the Commissioner of Financial Regulation	Consumer Services Unit	Phone: 410-230-6077 Email: DLFRComplaints-LABOR@maryland.gov Website: www.labor.maryland.gov/finance
Latino Economic Development Center	Karen Torrico, Housing Counselor Saul Vasquez, Housing Counselor	Phone: 202-540-7430 Email: mdhousing@ledcmetro.org Website: www.ledmetro.org
Civil Justice Inc.	Foreclosure Hotline Referrals to Private Attorneys	Phone: 443-808-0076 or 443-852-1011 Website: https://civiljusticeinc.org/get-help
Pro Bono Resource Center of Maryland		Phone: 443-342-4262 Website: https://www.tfaforms.com/4689242
Maryland Legal Aid Bureau		Phone: 240-314-0373 Website: https://www.mdlab.org/



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