

## How to Workout your Mortgage Troubles

*The Government's New Bailout Plan is supposed to Help Troubled Homeowners, but how do you make it work for you?*

**Oct. 17, 2008** - [PRLog](#) -- It's been two weeks since the United States Congress Passed the Emergency Economic Stabilization Act and troubled homeowners across the nation are still wondering what does it mean to and for them.

The Emergency Economic Stabilization Act of 2008 (EESA), generally authorizes the Secretary of the Treasury to create the Troubled Asset Relief Program (TARP) to purchase troubles assets from financial institutions. This will allow troubled financial institutions access to a market in which to sell bad mortgages. The buyer will be the United States of America.

Troubles Homeowners may be helped by the new act, but not directly. Here is what Homeowners can do to increase the chances of saving a home. Call your Lender. Communication with the person, company, or institution that lent you money is essential in resolving your mortgage problems. Most Lenders and Servicing Companies for Lenders have already started instituting programs to facilitate loan modifications, loan refinancing, loan extensions and short term payment waiver for borrowers in trouble. If you are avoiding your Lender because you cannot pay you are only doing yourself a disservice.

As an example, in furtherance of the EESA, Bank of America is introducing a Nationwide Retention Program for customers of the mortgage company it purchased named Countrywide Financial Corporation. Some of the possible benefits of the program for troubled homeowners can include FHA refinancing for those who meet the eligibility requirements. Other homeowners may qualify for extensions of the introductory interest rate on their mortgage for up to five years, interest rate reductions to rates as low as 3.5% and a conversion to a fixed-rate mortgage at the end of the five years.

Countrywide has also offered some customers in short term distress the ability to miss a few monthly payments and place the amount owed onto the back end of the loan.

In the alternative, many borrowers forego the chance to talk to mortgage lenders to explain their current financial troubles and seek assistance where it may be available. These homeowners ignore the assistance available, suffer increased anxiety from financial uncertainty and experience additional financial hardship from late charges, fees, costs and expenses of an oncoming foreclosure action.

After taking the time to call your mortgage lender to seek assistance with your mortgage troubles, call your credit card company. That industry is the next to see significant problems on the horizon.

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