Wi$eUp Teleconference Call  
Achieving and Maintaining the Dream of Homeownership  
May 29, 2009  
Questions and Answers

Jane Walstedt: But now I would like to turn the floor over to our operator to remind us how to ask questions.

Coordinator: At this time if you would like to ask a question, please press star, then 1. To withdraw a question, press star, then 2. Once again to ask a question please pres star, then 1. One moment for questions.

Jane Walstedt: Thank you. Operator, do we have a question?

Coordinator: Hi. We do have a question from Mary Charles. Your line is open.

Mary Charles: Yes, first of all I would like to say thank you for making this program available. And I do have a couple questions, but I can't ask everything since I want to give everybody a chance to answer. So my first question would be if I need to speak with somebody to ask them a question, which I do, I mean, who do I talk to? Who do I call?

My second question is I think I heard Donna say…I'm not…I just need to clarify that you could use your…you could use the tax credit as a down payment. I just wanted to clarify that. Thank you.

Jane Walstedt: Oh, well, Donna, you can answer the second question, then any of you can weigh in on the first question maybe to say, depending on the aspect of homeownership, who they could contact in your agency or maybe your Web site. Donna, do you want to start?

Donna M. Wood: Sure, I'll start. Yes actually, Mary, I did say that as of May 12, Shaun
Donovan, the Secretary of HUD, says that the tax credit can be used as a down payment on an FHA-insured loan. So I think that that is probably the qualifier there. But if you're trying to get an FHA-insured loan, you can certainly - if you qualify in every other way for that tax credit--you can certainly request to have that treatment.

Ann vom Eigen: This is Ann vom Eigen. I think I'll supplement that a little. The most recent information I've seen on that is that essentially what they're going to do is there'll be kind of a piece of paper that they use to indicate that the tax credit is being used. And it may take a little while for lenders, because FHA is the program that isn’t really administered directly by HUD. It's essentially HUD-approved lenders to offer it, and it may take them a while to get that organized and out because, you know, there's going to have to be a piece of paper recorded in the public records that says, you know, somebody used this kind of credit. So that may be…take a while.

What I would recommend is that you check www.hud.gov and, you know, see if you can get through to get…find information on that tax credit on our Web page. Or also just call FHA--the Federal Housing Administration, and the number at FHA is also on our Web page. Also I included our office phone number on our materials, and we can always, you know, refer you to some other department that might be able to provide information. [Editor’s Note: There is a May 29, 2009, news release about the Recovery Act’s homebuyer tax credit under “Newsroom,” which can be accessed on the left side of the home page of the HUD Web site.]


Ann vom Eigen: Yeah. It's…frankly that was funded for a number of years, and it wasn't funded last year. So…but what that is is it's kind of a grant - like a grant
program - and it's distributed through the states. So it's essentially a block grant out to the states, and the states, if they meet certain criteria, may still have money available that they're sending out. But it wasn't funded last year.

But really there are a number of grant programs, but they tend to be state-specific, and so, you know, going to a HUD-approved housing counselor may be the best resource for that within your state. Or again, you know, go to the library, use the computer and start looking.

Jane Walstedt: Okay. Laurie did you want to add anything or shall we go on to the next question?

Laurie Anne Maggiano: I would just like to refer people to the Web site, which I neglected to mention in my remarks, which will have a lot more information about the Making Home Affordable, and it is very conveniently named www.makinghomeaffordable.gov, G-O-V. And that’s the Web site that has self-assessment tools and more detailed program descriptions, the ability to calculate whether your debt-to-income ratio is 31% or greater, how to figure out what your monthly gross income really is, whether or not you have a Fannie- or Freddie-owned loan. It's a very, very useful Web site, and I commend it to folks.

Jane Walstedt: Great. I just want to tell the listeners I'm going to let the call go over a bit because it's five of three Eastern Time, and in case we have a lot of questions, I want to be sure that we allot sufficient time for questions. So operator, do we have a second question?

Coordinator: Lisa Connor, your line is open.

Lisa Connor: Thank you. Thank you for taking the time to listen to my question. I became a first-time homeowner in May of last year, and I had applied for an FHA, and
they denied me because my condo association had a lawsuit. So I had to go to a third-party mortgage person, and now I'm not qualified for modification, they told me.

Jane Walstedt: Does anybody have any answer to that?

Laurie Anne Maggiano: Can I ask you who your mortgage lender is?

Lisa Connor: It's Central Mortgage Corporation.

Laurie Anne Maggiano: Okay. Yeah I don't…first of all I would suggest you go to the Making Home Affordable Web site and check and see if for some reason, by some chance of luck, your mortgage is owned or securitized by Fannie Mae or Freddie Mac. And, as I've said, there's a lookup. You can just enter your property address and some basic information, and within seconds you can find that out. If it is, then you are potentially eligible for a Home Affordable Modification.

Lisa Connor: Okay, great. Thank you.

Laurie Anne Maggiano: You're quite welcome.

Jane Walstedt: Okay. Operator, do we have another question?

Coordinator: Veronica Martinez, your line is open.

Veronica Martinez: Thank you. My question also is about the tax credit, the first-time home-buyer tax credit. I actually have two questions. I didn't really catch all the guidelines of who might not qualify for 100% of it, and I think it had something to do with income, so I was wondering if you could go over that one more time.
And then the second question I guess is would you still qualify as a first-time homebuyer if you had a condo, but not a home?

Donna M. Wood: Okay. The answer to the second question is probably not, because you can use this tax credit to buy a condo as a home. It's eligible for any type of home that you would buy.

As far as the guidelines for the credit, the phaseout…one is the income phaseout of course, and that is for taxpayers who have a modified adjusted gross income, which is income reported on your tax return with some adjustments that are a little bit more detailed than I can go into, but it is available on the IRS Web site [www.irs.gov] or with your tax advisor. But if your…if you have an income individually of more than $75,000 for this year, or $150,000 if you're married filing jointly, you may not be able to take the full amount of the credit. And then there is a calculation of how much of the credit you can take. [An overview of the First-Time Homebuyer Credit, with links to additional information, can be found on the IRS Web site at www.irs.gov/newsroom/article/0,,id=204671,00.html?portlet=7.]

The other thing that may impact the amount of the credit you can take is if there are different factors surrounding when you purchased the home. I don't know all the details, but again there's a great list of questions and answers that are posted also on this Web site that are right from the IRS, and they’re just common sense questions that many people ask about, you know, who qualifies, how do I qualify, what if, you know, I buy the house before I get married and so on and so forth. So I would definitely recommend that you look at that.

Veronica Martinez: And what was that Web site one more time?
Donna M. Wood: Well, the Web site - the www.wiseupwomen.org. And actually I think Jane gave the Web site address. There are multiple items that are posted as the Helpful Resources, and that would be the homeownership and the first-time homebuyer credit and tax information that is available from the IRS.

Jane Walstedt: Did you get that Web site, Veronica?

Veronica Martinez: I did. You know what, I logged on late, so I apologize for that. Thank you very much.

Jane Walstedt: Sure. Okay. Do we have another question?

Coordinator: Florence King, your line is open.

Florence King: Hi there. I came in very late too, and you might have covered this question. I have heard a lot of people in our community here in Virginia--Alexandria--that…who have gone to get loan modifications--and I assume this might be a question for Laurie--and they're being charged $3500 to modify their loans. Is that right? Are they charging fees for that?

Laurie Anne Maggiano: That is wrong.

Florence King: Is that sad or what?

Laurie Anne Maggiano: That is absolutely wrong, and I'm very glad that you brought up that subject.

Florence King: Yeah.

Laurie Anne Maggiano: There are two possible issues here.
Laurie Anne Maggiano: One is folks may be confusing a modification loan with a refinance. Now when you go to refinance your home, there are points and fees, just like when you bought the house in the first place.

Laurie Anne Maggiano: Under the Home Affordable Modification program one of the requirements is that the lenders who participate in this program may not charge the borrower a fee.

Florence King: Okay.

Laurie Anne Maggiano: Now the whole idea is that these are borrowers that can't afford to make their current payment...

Florence King: That is true. Yes.

Laurie Anne Maggiano: …so expecting them to pay garbage fees to...

Florence King: Right.

Laurie Anne Maggiano: …get to an affordable payment is unacceptable.
Laurie Anne Maggiano: What we're seeing...

Florence King: ...low as $1000 up to $3500.

Laurie Anne Maggiano: Well what we're seeing a lot is that borrowers rather than reaching out directly to their lenders...

Florence King: Okay.

Laurie Anne Maggiano: ...or calling a HUD-approved housing counselor...

Florence King: Okay.

Laurie Anne Maggiano: ...who will provide information to them at no cost...

Florence King: I see.

Laurie Anne Maggiano: ...are being take advantage of...

Florence King: Yeah, because they're soliciting them. Yes, they're soliciting them. And...

Laurie Anne Maggiano: That's not the loan servicer...

Florence King: Oh, okay...

Laurie Anne Maggiano: Those fees are being charged by for-profit companies...

Florence King: Yes. Oh my gosh!

Laurie Anne Maggiano: ...who believe that borrowers who are desperate...
Florence King: Yes.

Laurie Anne Maggiano: ...are willing to pay whatever it takes.

Florence King: And they're paying it.

Laurie Anne Maggiano: They promise them things that they can't deliver and...

Florence King: And then sometimes that’s true even after they pay that...

Laurie Anne Maggiano: Right.

Florence King: ...they're not even giving them what they need. They tell them, "Oh, we can't modify it," and they're not even going to their original whatever—lender.

Laurie Anne Maggiano: Thank you for bringing that up.

Florence King: You're welcome.

Laurie Anne Maggiano: My advice to everyone on this call is that if you are having trouble making your mortgage payment, call your lender. Your lender does want to help. Your lender will not charge you money to modify your loan. Or if you want some advice from an independent third party, call a HUD-approved housing counselor, ask them if they're HUD-approved, ask them if they are non-profit. They will provide you evidence of that, and they won't charge you a fee.

Florence King: Right.

Laurie Anne Maggiano: If someone charges you a fee, especially if they ask you to pay in advance...
Florence King: Yeah.

Laurie Anne Maggiano: ...do not walk. Run away.

Florence King: Right.

Jane Walstedt: Laurie do you want to mention...you have a very good slide that's on the WiSe Up Web site. Your last slide entitled “Beware of Rescue Scams.”

Laurie Anne Maggiano: Sure.

Jane Walstedt: You may not be able to get to that, but did you want to just briefly go over what you...or do you want me to read what you said in there?

Laurie Anne Maggiano: Well, basically we say that beware of any company that promises you that it's okay for you to skip your mortgage payments, that tells you that walking away from you house will not affect your credit, that offers to buy your house and sell it back to you later, or tells you that if you give them a fee up front they can promise you a particular result. Those are classic examples of rescue scams. They will take your money and leave you worse off than you were before. There should never be a fee for getting information about the Home Affordable Modification program or any legitimate loss mitigation program from your servicer or a HUD-approved counselor.

Florence King: Thank you.

Jane Walstedt: Laurie, I...

Laurie Anne Maggiano: Thank you very much for bringing that up.
Jane Walstedt: ...am glad we got to that point. And now I'd like to ask the operator if we have another question.

Coordinator: We have a question from Celeste. Your line is open.

Celeste: Hi. Thanks for the time for my question. Here it is. I have a 7% mortgage and I also have a home equity line of credit at a variable interest rate with Citibank. I've been trying to get Citibank to move it into a fixed rate, and they denied that request. What can I absolutely do? Would I qualify for a modification loan program?

Laurie Anne Maggiano: It depends. Are you...you don't need to tell me this, but what I would suggest is that you go to the Making Home Affordable Web site and take the self-assessment test, and it will ask you questions such as are you delinquent on your current mortgage, what is the interest rate on your current mortgage, how much money do you earn, and, based on the results of that self-assessment test, it will tell you whether or not you meet the minimum qualifications for either a modification or a refinance.

Now Citibank is a participant in this - in the national Home Affordable Modification program. So they're...you know at least that your loan is covered by the modification program and you should be eligible.

The second lien program, which is the one that would cover your home equity mortgage, was just announced last week, and we don’t have all of the program rules out yet. So that's coming soon, and Citibank hopefully will participate in that as well. They've indicated that they're probably going to sign up for the second lien program.

If they modify your first lien now, when we get all the contracts and rules together for the second lien program it would be grandfathered in, so they
would be able to modify that at a later date consistent with the way the first lien's being modified.

So by all means take the self-assessment test and determine whether or not you think you're eligible. And then there is a phone number on that Web site directly to the Citibank Loss Mitigation Department so you can call them.

Celeste: Okay, great.

Laurie Anne Maggiano: Sure.

Jane Walstedt: Thank you.

Laurie Anne Maggiano: Good luck.

Jane Walstedt: Thank you both. Operator do we have another question?

Coordinator: Suzan Burgett, your line is open.

Suzan Burgett: Hi. Yes. Thank you. I have two quick questions. One is the Web site for the resources and materials. When you said it, I didn't get it all written down, and I wondered if you could repeat that.

Jane Walstedt: Okay. Let me go back to the page. It's…I'm covering it up…it's http://wiseupwomen--that's all one word--wiseupwomen.tamu.edu/teleconferences.php?date=2009-05-29. Basically if you go on the Wi$eUp Web site--www.wiseupwomen.org-- and click on “teleconferences,” you'll get to this material. But that was just to get directly to the page.

And I just want to remind our listeners that once we get the transcript edited,
you’ll be able to find this in written form on the Wi$eUp Web site if you missed something today. We post it in three formats after the call--PDF, Word, and MP3.

Operator, do we have another question?

Coordinator: Jill Anelli, your line’s open.

Jill Anelli: Yes. Thank you. I have a question. I’m going through the short sale process currently and I did receive - we have our mortgage through Wachovia--and we did receive a buyer, and we are going to be closing soon. The problem is that we do make at least enough to rent, so I was thinking a modification may be appropriate, and since Wachovia has done all the loss mitigation through the short sale, wouldn’t they already have that paperwork to talk to us about this program that’s available now--this Home Affordable Modification--or are they completely separate departments and they don’t really communicate in-house?

Laurie Anne Maggiano: You know, unfortunately sometimes they are separate departments, and that does make it complicated. Most of the servicers are trying very diligently to sort of reengineer how they’re organized so that they can be more responsive to borrowers and, you know, they don’t sort of get you on a path and then just not consider any other alternatives that might be available.

Jill Anelli: Right.

Laurie Anne Maggiano: So by all means, you know, contact them again and see. Now Wachovia is not on our list.

Jill Anelli: Were they recently purchased by another bank?
Laurie Anne Maggiano: Wells Fargo. Yes. So Wells definitely is participating, and let me give you a number to call for Wells Fargo.

Jill Anelli: Okay.

Laurie Anne Maggiano: That’s 800-678-7986.

Jill Anelli: Okay.

Laurie Anne Maggiano: And so call them and tell them that you’re in a short sale process, but you would like to be considered for a Home Affordable Modification. If you’ve got income--you know, some reasonable stream of income--then you should be able to be considered for that program.

Jill Anelli: I took the quick assessment online, and I do qualify to talk to them about this modification. Unfortunately my husband became disabled last year, and that’s where half our income went, because he’s not able to work, so that was the problem.

Laurie Anne Maggiano: Is he receiving any disability income?

Jill Anelli: He is, but it’s through Workers’ Comp. And unfortunately I’m not sure how long that will last and what the process is. I would just count that he would not be an income provider from now on, you know...

Laurie Anne Maggiano: Right. Even if he’s getting reduced benefits, as long as those benefits are likely to last a few years, then they can be counted as income.

Jill Anelli: Right.

Laurie Anne Maggiano: So…but, you know, by all means contact Wells and ask them…say
“Look, we’re in a short sale, but we really want to keep our home. We read…understand the new program, and we’d like to you to evaluate us for that program.”

Jill Anelli: Would they potentially contact their loss mitigation and get all the documents I’ve already sent through for the short sale or you’re not sure?

Laurie Anne Maggiano: They should be able to do that. Yeah, I mean, you know, I’m…they, you know…just to…I can’t really guarantee what they’ll do internally. You know, hopefully they’ll be able to do that.

Jill Anelli: Because it is a Fannie Mae loan so there is...

Laurie Anne Maggiano: Oh gosh, if it’s a Fannie, by all means, yeah. Please call them and…and if it’s a Fannie Mae loan, there’s no reason why you shouldn’t be, you know, evaluated for this program.

Jill Anelli: Okay. And you think that Wells Fargo, since they bought them, would have access to that amount of information?

Laurie Anne Maggiano: Yes, yes. They would. And even if they don’t, because it’s a Fannie Mae loan, if you have any trouble, call 800-7FANNIE.

Jill Anelli: And explain it.

Laurie Anne Maggiano: Yeah, but go through Wachovia first, you know. Call the Wells Fargo number I gave you, tell them you have a Wachovia loan, you’re going to…you’re in a short sale, explain the situation, that you’ve gone to the Web site, you really want to keep your home, you’d like to be evaluated, and if you get, you know, if you don’t get anywhere then call 800-7FANNIE.
Jill Anelli: Thank you very much.

Laurie Anne Maggiano: You’re quite welcome.

Jane Walstedt: Operator, can you tell me how many are in the queue?

Coordinator: Currently you have six parties in queue.

Jane Walstedt: Okay. Why don’t you give us the next question?

Coordinator: Nelia, your line is open.

Nelia: Is that Nelia? Hello?


Nelia: Yeah, my question is that I’ve been receiving this home loan modification notice that I qualify, but I’m kind of hesitant to take onto it because when I call they ask me for…they told me that there’s payment for that. And there shouldn’t be a payment for that.

Laurie Anne Maggiano: No. Who did you receive the notice from?

Nelia: MortgageIT.

Laurie Anne Maggiano: No. Who’s your lender, Nelia?

Woman: My lender is Countrywide.

Laurie Anne Maggiano: Countrywide.
Nelia: Yes, Countrywide.

Laurie Anne Maggiano: Okay. Countrywide is participating in our program, and let me give you a phone number to call.

Nelia: Okay.

Laurie Anne Maggiano: And do not, do not call the IT number. Call Countrywide directly. And I have to get that for you. A second. All right, the Countrywide number is… scrolling down here… 800...

Nelia: 800.

Laurie Anne Maggiano: 669..

Nelia: 669.

Laurie Anne Maggiano: 6607.

Nelia: 07. And do you...

Laurie Anne Maggiano: Also go to the Web site, and look at what it says on the Web site, and sort of do your little self-assessment. And call Countrywide, and tell them “I received this solicitation from somebody that wants to take my money, and I’d rather deal directly with you, because you’re my lender, and please evaluate me for this program.”

Nelia: And that is in the makinghomeaffordable.gov?

Laurie Anne Maggiano: Yes, it is.
Nelia: Okay.

Laurie Anne Maggiano: Great. Good luck to you.

Nelia: Thank you.

Jane Walstedt: Okay. Next question, operator.

Coordinator: Sylvia, your line is open.

Sylvia: Hi. Thank you for taking my call. I actually missed the first 15 minutes of the call, and I don’t know if you covered this or not. But is the title search not enough? Do we have to buy the title insurance?

Ann vom Eigen: This is Ann. Really we recommend you get title insurance because basically the insurance insures that the search is correct, and it’s probably worth it. The search is about 95% of the price of the insurance, generally. So…and what the insurance does is it defends against claims. So, for example, if you have a property and you have a driveway, you know, who knows, you know, property lines are very, very, very common disputes, and attorneys are very, very, very expensive. So, you know, it’s a consumer decision, but in general, you know, you’re paying for most of it anyway because the search is the expensive part, so...

Sylvia: Okay. Well...

Ann vom Eigen: And some states require it.

Sylvia: Okay.

Ann vom Eigen: California, for example, has a requirement.
Sylvia: And the title insurance—do we buy it through our lawyer or how do we go about doing that?

Ann vom Eigen: Well, generally whoever does your closing will take care of it, you know, and lenders frankly also…there’s lender’s insurance that’s required, so whoever does your settlement will essentially take care of it. Often they’re—the people doing the actual settlement, which is the transfer of the property, are actually title insurance agents or attorneys, and the attorneys, yeah, so they’ll take care of it. You can shop on your own and you can ask whoever is managing your settlement if they can recommend, you know, a couple of different providers that you can check.

Sylvia: Okay.

Ann vom Eigen: But rates are generally regulated at the state level, so there’s not likely to be a lot of variation.

Sylvia: Okay. I mean, does $1200 sound reasonable? Because I think that’s the number that I’m continuing to get while I’m shopping around.

Ann vom Eigen: Well I would…yeah it sounds reasonable.

Sylvia: Okay.

Ann vom Eigen: What you can do is I know one of the big title insurance companies, which is a Fortune 500 company, has rates on their Web site—and this is not an endorsement of a particular company, but you can just check. I just happen to know this. First American Financial Title Insurance Company in Santa Ana, California—and just do a search.
Laurie Anne Maggiano: Yeah, I will also add to that that title insurance is a regulated insurance product, so the rates are established generally by the state. And so you’re not going to find a lot of fluctuations in title insurance rates from within the same geographic area.

Sylvia: Okay.

Laurie Anne Maggiano: So just about…they may charge you a different fee for, you know, corollary services that they provide, but the insurance itself is a state-regulated amount.

Sylvia: Right. Thank you so much.

Jane Walstedt: Okay. Operator, do we have another question?

Coordinator: We have a question from Renee Borstad. Renee, your line’s open.

Renee Borstad: Yes, thank you very much. I’ve been patiently waiting, and I’m glad to hear everything. Number one, this is a county government office. What does a consumer homeowner who has sold his house to a third party, who can he go to for a mortgage - to remortgage the property if we get the property back to him?

Laurie Anne Maggiano: I’m sorry. I’m not quite sure I understood that.

Renee Borstad: Okay.

Laurie Anne Maggiano: The homeowner?

Renee Borstad: We have a homeowner.
Laurie Anne Maggiano: Right.

Renee Borstad: He was not in foreclosure yet.

Laurie Anne Maggiano: Okay.

Renee Borstad: He was talked into giving his home over to another individual that paid off his mortgage...

Laurie Anne Maggiano: Okay.

Renee Borstad: ...put him in a lease purchase agreement. There is a possibility we can get the home back, but in order to do that, he has to have a mortgage. He has to apply for a mortgage. He doesn’t re-own his home yet.

Laurie Anne Maggiano: Okay. So this would be...unfortunately it would be a brand new loan, and with a, you know, poor credit history, which I assume he must have at this point.

Renee Borstad: Correct. But he is working.

Laurie Anne Maggiano: Okay. I would advise him to go to, you know, try to apply for an FHA-insured loan. They’re…it’s probably the most expansive credit underwriting that he's going to find. If he goes back to the lender that he previously had the loan with, especially if they’re FHA-insured or eligible to underwrite FHA, he may be able to convince them to sort of give him a new loan based on the fact that he was somehow victimized by this other entity. They have no obligation to do that, but maybe they’ll, you know, have pity on him and give him a new loan to replace the one that was paid off. There’s no, you know, there’s nobody who’s obligated to make a loan to him at this point...
Renee Borstad: Right.

Laurie Anne Maggiano: ...based on his credit.

Ann vom Eigen: Yeah, also...

Renee Borstad: Could you give me the number for Wells Fargo again, please?

Laurie Anne Maggiano: Well the number that I have is the loss mitigation department, which unfortunately is not going to be the same as the origination folks.

Renee Borstad: Okay.

Laurie Anne Maggiano: But if you just go on the Web site and do wells Fargo.com, you’ll get the origination people.

Jane Walstedt: Ann, you were going to add something. I heard your voice.

Ann vom Eigen: Okay. I was going to suggest again you may want to refer them to a HUD-approved housing counselor.

Renee Borstad: Okay. Sure.

Ann vom Eigen: You can research on the HUD Web site, and, depending on where you’re physically located, they’ll give you a list by state and city, so you can see if there’s somebody there who might be able to develop some solutions or have experience with somebody who’s a lender who’s done something like that in your area.

Renee Borstad: Okay. Can I pass something on to you?
Jane Walstedt: Go ahead.

Renee Borstad: Our consumers who have been asked to pay to get a loan, they should be in contact with the Attorney General in their state. Right now there’s been litigation filed in various courts in various states against these people who are …want money to put somebody into a loan.

Jane Walstedt: Does anybody have a comment on that?

Laurie Anne Maggiano: No. I think that’s a good recommendation. If you feel that you have been victimized by anyone, but especially by a foreclosure scammer, by all means contact your state attorney general and file a complaint.

Jane Walstedt: By the way listeners, we will be sending your questions also to the Wi$eUp experts, if you notice the “Ask the Experts” feature on the Wi$eUp Web site, so you will have…look for additional answers on the Wi$eUp Web site as we’re able to send them out and get answers back from the experts.

Now, operator, I’d like to ask if there’s another question.

Coordinator: You have a question from Marc Vargas. Marc, your line is open.

Marc Vargas: Yes. I’m…myself and my brother are trying to assist our parents in avoiding foreclosure, and I have a few questions. And again thank you for the time and the information.

Jane Walstedt: Marc, I think we’re going to have to limit you to one, because there’s still somebody in the queue, I believe.

Marc Vargas: Okay.
Laurie Anne Maggiano: Marc, let me...if you stay on the line or contact the Wi$eUp organization after we get off the phone...

Marc Vargas: Yes.

Laurie Anne Maggiano: ...they can give you a way to contact me if you have more detailed questions.

Marc Vargas: It really is concerning whether we modify, or whether we take it… I mean, I have questions also concerning the Hope for Homeowners loan. We have a…the servicing company--Litton Loan Services--has been identified as a predatory lender or having bad practices and was actually sued by the Attorney General in Connecticut, I think successfully. But yeah, I do have a few questions. It would probably be best for me to speak with Laurie Anne Maggiano or one of her representatives for more information. Is that possible?

Laurie Anne Maggiano: Yes, that...Jane knows how to reach me.

Jane Walstedt: Right.

Marc Vargas: Okay.

Laurie Ann Maggiano: So if you contact her, she can put you in touch with me.

Jane Walstedt: Yeah, Marc, at the end of the…Cynthia--when she gives her closing remarks--I believe will give her email address, and you can send your questions to her, and we’ll get them to Laurie.

Marc Vargas: So send the questions to Cynthia’s email?
Jane Walstedt: Yes. She’ll give it to you when she gives her closing remarks.

Marc Vargas: Okay then, if I’m limited to one question--and again thank you for the time--can you discuss for, you know, older owners that are losing income and facing foreclosure, bankruptcy versus reverse mortgage options.

Laurie Anne Maggiano: Bankruptcy versus reverse mortgage has many, many, many issues that would need to be discussed. And it’s, you know, it’s very difficult to make that kind of assessment. It’s one of the reasons why reverse mortgage is one of the programs that’s required that participants, that borrowers - potential borrowers - get housing counseling before they enter into a reverse mortgage loan, because there are a lot of factors to be compared.

So I would encourage you to have your folks contact a housing counselor. The counseling is free. They can get some general information about reverse mortgages and then get sort of a better idea of what is involved for them.

In short, a reverse mortgage is often an excellent idea for older folks if they have significant equity in their home and would like to stay in that home for the rest of their lives.

Marc Vargas: Okay.

Jane Walstedt: But I also made the remark that we will send these questions to our Wi$eUp experts, so some of them may have suggestions in answer to your question. And I think Laurie just said your parents could consult a housing counselor. You and your brother it seems to me could consult one on behalf of them.

Marc Vargas: We already have. We’re in the process of doing so.
Jane Walstedt: Right.

Laurie Anne Maggiano: Great.

Marc Vargas: Thank you very much.

Jane Walstedt: You’re welcome. Operator, do we have any more questions?

Coordinator: We have a question from Angela. Your line is open.

Angela: Thank you. My question is a little bit of a clarification on the short sale. I think I heard someone say that no one needs to know that it’s a short sale. I live in the Boston metro area, and a couple of things have happened in our area where the short sale is advertised as a short sale. And the two people that I happen to know that have the short sales have been approached by what I would consider bogus mortgage type companies, scam artists, and I’m wondering if there’s anything being done in that arena.

Laurie Anne Maggiano: Again, whether or not you advertise the property as a short sale should be at the discretion of the borrower. They don’t have to agree to that. So they…their listing agent may have told them “If we advertise it as a short sale, we’ll get a faster sale. People will think they’re getting a better deal,” and convince them that that was the right thing to do.

Angela: Right.

Laurie Anne Maggiano: But it’s not a requirement of the short sale program to say “This is a foreclosure” or “This is a short sale.” So, you know, that was a decision that was probably made between the borrower and the listing agent.

Angela: Right.
Laurie Anne Maggiano: As far as being approached by scam artists, you know, as soon as that notice goes into the newspaper that a foreclosure sale is scheduled or, you know, a notice that a property is in foreclosure, they’re coming out of the woodwork and they’re assaulting people by phone and by letter and by knocking at the front door, and all I can say is to repeat the warnings before, you know, if somebody promises you something that’s too good to be true about keeping your home at no risk to you, it is too good to be true.

Angela: Okay. Thank you.

Laurie Anne Maggiano: Don’t let people convince you that you’re going to live in your house rent-free and your credit’s going to be saved and everything’s going to be fine if you just pay me money or sign this piece of paper.

Jane Walstedt: Operator, are there still questions in the queue?

Coordinator: One question.

Jane Walstedt: One question. Okay. We’ll take one last question. Go ahead.

Coordinator: Suzan, your line’s open.

Suzan: Hi, I just wondered what kind of programs would be available to help the older full-time graduate student, single, not working, just full-time student. Is there anything available that would help them buy a home?

Jane Walstedt: Is there anything by age? I’m asking any of our speakers. It’s not…the programs to help aren’t really by age, are they?

Ann vom Eigen: This is Ann. I…the programs that I’ve seen really are targeted based on
things like, you know, police and firemen, where communities are trying to, you know, get employees to reside in the area. I really haven’t seen anything by age. And I’m an attorney, I would ex…. You know, unless it’s private, then you would have discrimination features.

Suzan: No, I don’t mean…not so much by age, I mean, when I said, you know, an older graduate student, I just meant as opposed to… the non-traditional.

Ann vom Eigen: Right.

Suzan: That’s all. Just not the 22-, 23-year old, you know, in college full-time, you know. Just the nontraditional student.

Jane Walstedt: Would…again would your advice about talking to a housing counselor be good because they might know about programs if there were any?

Ann vom Eigen: That’s a sensible option. But again it’s going to come back to really whether or not you can meet the criteria for, you know, a mortgage. Do you have the income, do you…you know, and there are stipends for graduate students, so...

Woman: Are there really?

Ann vom Eigen: Well, no. I mean, a lot of graduate students have research assistantships and stipends like that that provide income. But it’s going to… to a large extent homeownership is going to depend upon whether or not you have income and can afford to pay a mortgage. So, you know, really start with the calculators, and then start with, again, a housing counselor, as Jane suggested. That’s a great idea.

Suzan: Okay. Great. Because I’m really the one that I’m describing, and I rent, and I would like to own, and I’d like to own the home I rent. So I wondered what
was out there.

Jane Walstedt: Well, based on what you’ve heard, do you think you would probably qualify financially?

Suzan: I know it. From what I’m hearing, it would…there’s a good chance that it would actually save me money--that the mortgage even with the taxes and insurance would be less than what my rent is.

Jane Walstedt: I think again it sounds like a housing counselor would be the person to consult about this. Do you agree, Ann, Laurie?

Ann vom Eigen: Yeah. I mean, it’s an individual….Really look…look on some of the calculators, start entering your actual numbers, and, you know, that will give you a threshold test about whether or not you think really you can afford it. And then, you know, look on the HUD Web page, just type in housing counselor in the search function and see if you can just make an appointment or get on the phone with somebody locally who’d be aware of local programs.

Jane Walstedt: Okay.

Suzan: Thank you.

Jane Walstedt: Laurie, I know that you stayed...

Laurie Anne Maggiano: I have to go. I have a meeting that’s starting right now.

Jane Walstedt: Yes. Great...

Laurie Anne Maggiano: But thank you very much for hosting this. It was great to talk to all of your guests and good luck to everybody.
Jane Walstedt: Thank you for staying on longer.