

How to Avoid Foreclosure and Get Back on Track

Isabella Bank offers a variety of programs which work with you during a hardship in order to help you stay in your home. For more information about these options, **please contact our Collections Department at (989) 779-6807 or (800) 651-9111.**

Option	Who it Helps	Description
Refinance	Makes your payment or mortgage terms more affordable.	A refinance allows you to receive a lower interest rate or other favorable loan terms.
Reinstatement	If you will have access to funds to pay the total amount you owe in the future.	Make a lump sum payment on a specific date in the future to avoid foreclosure.
Repayment Plan	Those able to pay back past due payments along with the regular payments over a period of time.	This allows you to catch up on payments over a longer period of time.
Forbearance	Those who have experienced a job loss, suffered from a disaster, or had an illness that prevented you from working, or an injury that caused your health care costs to increase.	A temporary reduction or suspension of your mortgage payments. Loan must be brought current at the end of the forbearance period through one of the options listed.
Mortgage Modification	Those who are not eligible for a refinance but requesting a reduction in their existing mortgage terms to make it more affordable.	Ability to change loan terms, such as your interest rate, amortization of the loan, or the principal amount you owe.
Short Sale	When you owe more than what your home is worth and are seeking more affordable housing.	With the Bank's permission, you might be able to sell your home and pay off your mortgage even if the sale price is less than your remaining balance.
Deed-in-Lieu of Foreclosure	For individuals who can no longer afford their existing home and are unable to sell the home and are seeking more affordable housing.	The Bank may under certain terms look at releasing you from your mortgage if you transfer ownership of your home back to the lender.

State Housing Finance Authorities and Housing Counselors

For help exploring your options, Federal government agencies provide contact information for housing counselors, which you can access by contacting the Consumer Financial Protection Bureau at (855) 411-2372 or the Making Home Affordable at (888) 995-HOPE. In addition, the Michigan State Housing Development Authority (MSHDA) has a number of other options, including *The Michigan Hardest Hit Funds Program*, available for homeowners in need of assistance. To learn more, see the chart below, contact (866) 946-7432, or visit www.StepForwardMichigan.org. Programs below are subject to the availability of funding through the state of Michigan.

Option	Who it Helps	Description
Unemployment Mortgage Subsidy Program	Those who are currently receiving State of Michigan unemployment benefits.	Up to one year of subsidy for monthly mortgage payments up to \$1,000 or 50% of your monthly mortgage payment.
Loan Rescue Program	If you have fallen behind on your mortgage and need help getting current.	Funds can be used for one of the following situations; 1] To fully reinstate a 1 st delinquency mortgage, 2] reinstate a 1 st lien delinquency and make contribution towards past due taxes. 3] To reinstate a 2 nd mortgage and pay towards past due taxes, if the 1 st lien is current. Maximum Program reservation is \$30,000.00.
Modification Plan Program	Helps homeowners who have fallen behind on their mortgage and homeowners with negative equity.	Funds can be used to pay delinquent amount and/or make a contribution toward unpaid principal balance due to negative equity, if the lender agrees to modify the existing terms of their mortgage. The maximum program reservation is \$30,000.
Principal Curtailment Program	Help for homeowners who are in unsustainable mortgages and who have recently re-entered the job market at a reduced income level.	Maximum program reservation is \$10,000 and requires a one-to-one match from the lender to equal a total amount of assistance of \$20,000. Funds can be used towards the unpaid principal balance to reduce the negative equity, if the lender agrees to modify the existing mortgage terms. Funds can be used towards a second mortgage lien if the first mortgage account is current.

Foreclosure Statement

Foreclosure is a legal process a lender can use to take ownership of a property from a borrower who is behind on his or her mortgage payments. The foreclosure process begins approximately 120 days after you miss a mortgage payment, although it may begin earlier or later. The foreclosure process depends on the laws of the state in which your home is located, terms of the loan, and whether you are covered by the Service-members' Civil Relief Act, and other factors.

