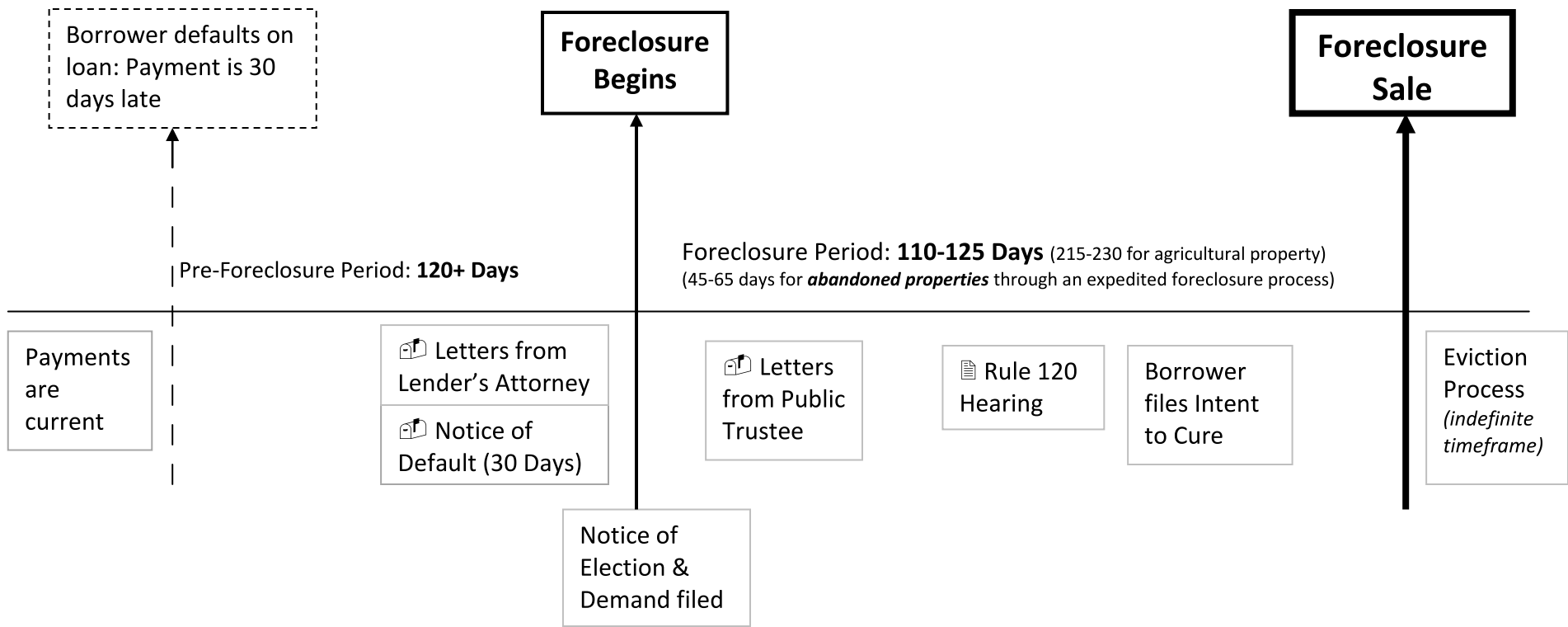


COLORADO FORECLOSURE TIMELINE & OPTIONS



WHO IS INVOLVED IN THIS PROCESS?

- **Lender/Servicer**
Departments: Collections, pre-foreclosure, loss mitigation, short sale, bankruptcy, other
- **Lender's Attorney**
- **County Public Trustee**
- **Others:** any attorney *you* involve, court, sheriff, realtor, housing counseling/credit counseling agencies, public assistance organizations

BE AWARE OF SCAMS

Avoid Solicitations that:

- Ask for **FEES IN ADVANCE**
- That **GUARANTEE** foreclosure will be stopped or modifications will be obtained
- Anyone telling you to **STOP PAYING** your mortgage or to **STOP TALKING** to your lender

Foreclosure is a public record. You may receive communications from various entities suggesting they are trying to help. Use caution!

Retention Options (do not require servicer approval)

Situation	Loss Mitigation Options	Description
Current on payments. Credit, income, and equity are sufficient to qualify for a new mortgage.	Refinance	A new loan that achieves a lower payment.
Can afford a large lump sum payment. Can afford monthly payments going forward.	Cure	Pay off the full past due amount. *Procedures: If not in foreclosure, contact the servicer for the amount owed. If in foreclosure, contact the Public Trustee for the amount owed by filing an 'Intent to Cure' form at least 15 days before the foreclosure sale date to get the 'cure figures'. The cure payment must be made no later than noon on the day before the foreclosure sale.
	Bankruptcy	Seek legal advice.

Retention Options (require application and servicer approval)

Situation	Loss Mitigation Options	Description
The financial crisis has been resolved. Can afford higher payments to bring the loan current.	Repayment Plan	A written agreement between the borrower and the servicer where the borrower agrees to cure the delinquency by adding an additional amount to their monthly mortgage payment until the loan becomes current.
Default is caused by a specific, temporary event such as unemployment or hospitalization. Can resume payments when the crisis ends.	Forbearance	An agreement to suspend or reduce normal monthly payments for a fixed period of time. At the end of the forbearance period, the borrower must cure the delinquency through a lump sum payment, repayment plan or modification.
Financial crisis is resolved but unable to pay the delinquent amount in full and/or payments are not affordable but could afford a lower payment.	Modification	A written agreement that permanently changes one or more of the original terms of the loan, such as interest rate, payment amount, maturity date, or the amount of the principal balance in an effort to cure the delinquency and make the payments affordable.
Financial crisis is resolved. Has an insured conventional, RD or FHA loan and unable to afford a repayment plan or modification but can afford the monthly payments if the delinquency is cured.	Partial Claim (FHA Loan) Advance Claim (Insured Conv'l Loan) Recovery Advance (RD)	Mortgage insurance company, RD or FHA advances claim funds to the lender to cure the delinquency. Homeowner signs a secured junior mortgage for the amount of the advance. For a conventional loan, there is typically no or a low interest rate and monthly payments. For an RD or FHA loan, it is a non-interest bearing loan with no payments.

Liquidation Options

Situation	Loss Mitigation Options	Description
Cannot afford the payments but have equity in the property.	Full Sale	A sale of the property where there is enough equity to pay off all liens in full.
Cannot afford the payments and not enough equity in property to sell it and pay off all the liens.	Short Sale	A sale of the property where there isn't enough equity to pay off all the liens on the property and the lender(s) has agreed to accept the net proceeds of the sale to satisfy the lien. The homeowner may face a deficiency judgment or be required to repay the deficiency to the lender.
Unable to sell and the lender wants to avoid the foreclosure process.	Deed in Lieu	The homeowner transfers title of the home to the lender in lieu of a foreclosure sale. Typically requires the homeowner to attempt a sale of the property first.
Cannot afford the payments and no other option was available or successful.	Foreclosure Sale	The lender sells the property to recover its loan balance when the homeowner is no longer able to make the payments.