



Sunday Column

By Kim Bragman, 2020 Chairman

10/25/2020

How homeowners can protect their investment

The impact of COVID-19 was swift and unexpected, leaving many people in a financial emergency. In fact, a study conducted by OnePoll in conjunction with the National Association of REALTORS® discovered a surprising 71% of homeowners worry they won't qualify for any mortgage relief options that are out there. While mortgage relief options are available, 57% are skeptical about the mortgage relief selections that are offered. Furthermore, nearly 3 out of 4 people say they don't fully understand the effects or ramifications of the various mortgage relief options available.

The effects of COVID-19 have led to some homeowners taking desperate measures to ensure they can protect their investments. The reality is, there are relief options available that most homeowners are unaware of, and the sooner the homeowner can speak to a lender or REALTOR® about alternative payment plans, the less stressful the financial situation will be.

Here are some areas that can be addressed when speaking to a REALTOR® or lender about your financial situation and protecting your investment:

- **Repayment Plan.** If you can't afford reinstatement, but can start making payments to catch up, the lender may let you pay an additional amount each month until you are caught up.
- **Loan Modification.** Your lender may agree to amend your mortgage. The options include:
 - Adding all the missed payments to the loan amount and increasing the monthly payment to cover the larger loan.

- Giving you more years to pay off the loan, lowering the interest rate, and/or forgiving part of the loan to lower your monthly payment.
- Switching from an adjustable rate mortgage to a fixed rate mortgage, so you aren't exposed to increases in your monthly payment.
- Requiring amounts for taxes and insurance to be included with your monthly mortgage payment, so you avoid big bills in addition to your mortgage.
- **Other options with lender.** Talking to the lender or "loan servicer" that collects the payments should be one of your first steps. Other options to discuss include:
 - Forbearance. Lenders may let you make a partial payment or skip payments. You'll have to repay any missed or reduced payments in the future. Forbearance does not erase what you owe.
 - Reinstatement. Reinstatement refers to making a payment that covers all your late payments, usually at the end of a forbearance period.

If you are a homeowner who is struggling or unable to meet your loan obligations, work with housing experts and your lender to find a solution now. Don't wait until you fall behind to seek help. Acting quickly may help you keep your home and the money you have already invested into it. REALTORS® may also be able to help you find responsible lenders that offer fair and affordable loans.

For more information on buying, selling, or leasing your home visit SABOR.com and use a San Antonio area REALTOR®. And if you are serving, have served or support someone who has served, we thank you for your service.

###