

MAKING SENSE OF MORTGAGE MODIFICATIONS

By Michael Fishman, Esq.



At the beginning of each year, many of my clients tell me that they hope the new year will be better than the last. A lot of their concerns center on their most precious asset – their homes. After paying their mortgages for years, many people fall behind through no fault of their own. The Banks then call and threaten to foreclose and take their house. My clients put their heart and soul into their homes and don't want to move or lose it.

Luckily, with the recent re-election of President Barack Obama, the government is still offering programs like the Home Affordable Modification Program (HAMP) that can reduce monthly mortgage payments, reduce interest rates to as low as 2%, and either wipe out or defer money that is owed and late.

While the programs sound good, the process can be tricky. For starters, the application is complicated and usually in English. A single wrong entry can have your mortgage modification denied immediately.

Also, the banks will often-times give you the run-around, won't provide the application in Spanish, or will not have a Spanish speaking person on the phone. They then shuffle you between departments, give different answers to the same basic questions and requests document after document. When everything is finally submitted, the bank requests another application and more documents. This can be frustrating, but is typical - don't give up.

For help, some people use a mortgage modification office. Beware, many of these are not run by lawyers, but by mortgage 'professionals.' If you choose to deal with these offices, make sure they have a good reputation and get a fee schedule up front.

Other people will use an experienced mortgage modification lawyer who has legal know-how and experience to negotiate with the banks. In New York, lawyers are bound by the strict legal and ethical rules - that benefits the clients and I believe gives them the best chance that the application will be approved by the banks.

Let 2014 be the year that you take control of your home back from the Bank. Remember, this process can be frustrating, but it's well worth it if you see it through – good luck!

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