

Loss Mitigation FAQs

1. What is Loss Mitigation?

If you are having trouble making your mortgage payment, loss mitigation can help catch up on payments and enable you to stay in your home or gracefully exit the home and avoid foreclosure.

2. What are the Loss Mitigation options?

- **Reinstatement:** A Reinstatement is repaying the past due total amount on your account, which includes payments, all fees and costs in one payment.
- **Repayment Plan:** A Repayment Plan is where you pay a portion of the missed amount each month in addition to your regular mortgage payment.
- **Forbearance:** A forbearance is a temporary pause in your mortgage payment to give you time to get back on your feet financially before having to worry about making your house payment again. Any payments missed while your payment is paused need to be made eventually. Your options for repayment post forbearance depend on the investor in your mortgage (Fannie Mae, Freddie Mac, FHA, USDA, VA, etc.) and the circumstances that led to your payment difficulty.
- **Loan Modification:** A loan modification is the process where the terms of a mortgage are modified outside the original terms of the contract that you signed. This brings your mortgage current. The modification may come with a change of interest rate and/or loan term, but this doesn't have to be the case. As with all mortgage rates, rates for modifications fluctuate with the market as well. Depending on the new terms of your loan after the modification, it is possible for your payment to increase going forward. In general, if you have a permanent impact to your ability to pay your regular mortgage payment or you do not have excess funds available that can go towards paying down the past due balance, we can look into a possible loan modification.
- **Deferment:** In general, once you are able to resume making your regular mortgage payment, the past due amount may be added to the back of your loan. This option keeps your regular mortgage payment the same.
- **Partial Claim:** This is an interest-free loan from HUD to get caught up on the overdue payments. The loan does not have to be repaid until the first mortgage is paid off or until you no longer own the property. This option can also be combined with a loan modification.

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- Short Sale: This is where you are selling the property at fair market value (what the property is worth), but it is not enough to pay off the lien. This will still impact your credit, however, it is not as detrimental as a Foreclosure.
- Deed in Lieu or Mortgage Release: If you have no capacity and commitment towards keeping the property, we can look into pursuing a DIL or Mortgage Release; where we accept the deed of the property rather than you having to go through the Foreclosure Process.

3. How do I apply?

Our hardship assistance package is found on our mortgage website on the [Customer Service Info page](#). You can also utilize the link below to access the blank copy and begin your application: [Hardship Assistance Package](#)

You can print the package from the link above, or if you do not have access to a printer, you can request a package be sent out to you. This is done by contacting our loss mitigation team at 1-877-561-0922 Monday-Friday 7:30am-6:15pm, Saturdays 8:00am-1:00pm or emailing us at lossmit@firstunitedbank.com.

Ensure you are providing all necessary documentation along with the application. If any documents are missing, we will inform you within five (5) days of receipt of the loss mitigation application.

If you have any additional questions about the application process, please contact us at 1-877-561-0922 or email us at lossmit@firstunitedbank.com.

4. Does loss mitigation hurt your credit?

Loss mitigation options do generally impact your credit in a way that can lower your FICO® Score. If you miss payments and aren't considered current, the impact on your credit can last at least until you're current again.

5. Can I keep my house during loss mitigation?

Whether you're able to keep your home depends on the result of your loss mitigation. If you're able to resolve your situation through a deferral or partial claim, repayment plan, loan modification or reinstatement, you'll be able to keep your home. A short sale, deed in lieu of foreclosure, or foreclosure ends in the loss of your home. We resort to these options only after evaluating all other possibilities.