

BANK FORECLOSURE / LOAN MODIFICATION, LOAN RESTRICTURING & LOAN NEGOTIATION

The Law Offices of Bilu & Bilu

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What is a Loan Modification?

A Loan Modification is a modification to an existing loan made by a lender in response to a borrower's long-term inability to repay the loan. Loan modifications typically involve a reduction in the interest rate on the loan, an extension of the length of the term of the loan, a different type of loan or any combination of the three. A lender might be open to modifying a loan because the cost of doing so is less than the cost of default.

LOAN MODIFICATION

The Law Offices of Bilu & Bilu is devoted to helping consumers "modify" or "restructure" the terms of their existing loans. We are dedicated to helping homeowners "keep the loan" they have now when refinancing or selling the home are not possible. We help homeowners renegotiate the terms of their existing loans. We provide peace of mind and new hope by developing solutions that are a "win-win" for the homeowner and the existing lender. Start here!

We are experts at providing solutions to consumers (who want to remain in their homes) and to lenders (who want to avoid financial loss stemming from foreclosure costs). A loan modification is a process whereby a lender responds to a borrower's request to "alter" the terms of an existing loan. Loan modifications typically result in a reduction in the interest rate on the loan, an extension of the length of the term of the loan, a partial principal reduction of the existing loan amount, or a different type of loan (or any combination of the four remedies). A lender might be open to modifying a loan because the cost is less than the cost of foreclosure or selling the home "short" of the loan payoff (known as a "short sale").

Today, many homeowners are implementing a Loan Modification Plan to stop foreclosure. If you can currently make your regular payment, but you can't catch up with the past-due amount, The Law Offices of Bilu & Bilu will negotiate with your lender to fold any past-due amounts, including interest and escrow, into the unpaid principal balance. This new amount will be re-amortized over a new period of time. Or, if you are unable to make payments at this rate, we will negotiate with your lender to extend your loan for a longer period of time, modifying the loan amount to a more affordable level. A Loan Modification will change your existing mortgage note and give you a fresh start in managing your home. Your account will be brought up to date immediately. Our purpose is to help you "keep" the "loan" you have now - after we are successful modifying the terms. We fully understand the serious nature of your situation and are aware that you may only have a short time to overcome the real possibility of losing your home.

The key to our high rate of success is constructing a financial plan that you and your lender can approve and, most importantly, that you are able to perform. We only accept cases we believe we can win on your behalf. You will be a priority in our organization!

Unfortunately homeowners that try to work directly with their lender have a failure rate of over 80%. Our experience within the loss mitigation departments of major mortgage companies and servicers gives you the advantage needed to secure a plan you can live with.

10 Steps to Successful Loan Modification

Listed below you will find the 10 items required to make your loan modification successful. Time is a key factor in helping you through this process.

We need to work on getting everything listed below as quickly as possible.

1. ___ **“Authorization to Represent”** form(s). We need to obtain as much information as possible about your lender(s). We need their name, address, phone numbers, copies of any letters you may have and if you have spoken to anyone from the lending company we need their name, contact information and any notes you may have.
2. ___ **Hardship Letter**. The letter needs to contain as much detail as possible. Please refer to our “Hardship Guide Notes” for assistance in creating this. We will review this with you and assist you to create the most detailed letter possible.
3. ___ **Legal notices**. We need copies of everything your lender has sent to you.
4. ___ **Last 2 years W□2’s or the top page of your last 2 years 1040 Income tax returns**.
5. ___ **Bank Statements**. We need copies of your last 2 months statements.
6. ___ **Paycheck Stubs**. We need copies of your last 2 paycheck stubs
7. ___ **Income / Expense Form**. It is very important this form be filled out completely.
8. ___ **Income Verification for any additional source of income**. Social security benefits, rental income, anything that brought more income.
9. ___ **Notes on all loans secured against this home**. This is the “Promissory Note” on the mortgage. In most cases it is a 1 to 6 page document that describes the terms of the loan. Typically it will say “Note” in the title of the page.
10. ___ **Mortgage Coupon or Statement**. We need copies of the most recent coupons or statements for all loans secured against this home.
11. ___ **Payment** by check made out to “The Law Offices of Bilu & Bilu”.

Again, the faster you get the first 10 steps done the faster you are on your way to successful loan modification.

Once you have everything together, please fax it to 954-427-1518 or scan and email to rbilu@bilulaw.com.

If you have any questions, please contact us at 954-596-0669.

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Addendum "A" to Payment Agreement

The Borrower and/or co-borrower named below will acknowledge that a loan officer or representative of The Law Offices of Bilu & Bilu did explain thoroughly that during the loan modification process the undersigned:

CLIENT IS RECOMMENDED TO CONTINUE TO MAKE ALL PAYMENTS AS AGREED TO ALL CURRENT CREDITORS AND UNDER NO CIRCUMSTANCES NEGLECT THESE PAYMENTS.NEGLLECTING TO MAKE PAYMENTS ON OR BEFORE DUE DATES COULD ADVERSELY AFFECT THE LOAN MODIFICATION APPROVAL. PAYMENTS TO CREDITORS MUST CONTINUE DURING AND AFTER THE LOAN PROCESS.

If non-payment of creditors adversely affects the loan modification approved by the lender on or before the decision, the borrower and/or co-borrower may not be eligible to obtain a loan modification. The Law Offices of Bilu & Bilu in no way guarantees the final terms approved of the loan modification until said final approval is received from the lenders workout department.

Borrower Signature _____ Date ____/____/____

Borrower Print Name _____

Co-Borrower Signature _____ Date ____/____/____

Co-Borrower Print Name _____

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Financial Worksheet

Lender: **Chase Bank**
Lender Address: **101 Plaza Real South Boca Raton, FL 33428**
Lender's fax number: **561-955-5894**

Dear Creditor:

I used to work at (name of the company), a downturn in the market caused my company to reduce its workforce and consequently I was laid off. I struggled for several months to make my mortgage payment, and was also hit with (medical expenses that I did not expect, death in the family, car needed to work broke down, home repair).

Before I was able to find another job, I tried to borrow the money from friends and family, but had no success. I am now temporarily (unemployed, with a new job paying less) and my financial situation right now cannot sustain a home mortgage of \$2,500 per month.

I want to sell the home, avoid foreclosure and salvage my credit. I would ask that you please assist me in avoiding the foreclosure. It will affect my record for years to come. My attorney has advised me to file bankruptcy, but I prefer to avoid further destruction of my credit. I just want to move on and start over.

Or, if given the chance, I feel confident that I can maintain my mortgage payments and stay current. My home is very important to my family and, within my financial means; I will do whatever my mortgage company suggests to help me keep my home.

I deeply appreciate your help and understanding in this matter. If you have any questions, or need anything further from me, you can contact me at **1-888-888-8888**.

Sincerely,

Jack & Silvia Callasada
11535 Whisper Sound Dr. Boca Raton, FL 33428
Loan Number: **62GF65464**

Asset/Income/Expense

Last Name: _____

Assets	Value	Amount Owed	Net Value
1. Checking			
2. Savings			
3. Cash			
4. Certificates of deposits (CD's)			
5. Stocks/Bonds/Mutual Funds			
6. IRA/401K/Retirement Accts			
7. Primary Home			
8. Other real Estate Owned			
9. Automobile(s)/Make/Model/Yr below			
10. Cash Value of Life Insurance			
11. Personal Property(TVs, Furniture, etc)			
12. Other Assets			
Total Net Value Assets			

Income	Monthly	Borrower	Co-Borrower	Total
1. Gross Income				
2. Overtime				
3. Commission (calculate to Monthly)				
4. Bonuses (calculate to Monthly)				
5. Rent				
6. Family Support				
7. Alimony/Child support				
8. Disability				
9. Other Income				
Total				

Financial Worksheet Continued

Last Name: _____

Expenses			
Expense Type	Monthly Payment	Total Balance Due	Months Remaining
1. 1st Mortgage			
2. 2nd Mortgage			
3. Other Mortgage/rent			
4. Property Tax			
5. Homeowners Insurance			
6. HOA Fees			
7. Utilities (Gas, Water, Electric, Trash Etc.)			
8. Cable TV			
9. Cellular Phone			
10. Telephone			
11. Car Payment 1			
12. Car Payment 2			
13. Car Insurance			
14. Gasoil+ne			
15. Car Expenses (Parking, Maint. etc.)			
16. Credit cards			
17. Spending Money			
18. Clothing & Dry Cleaning			
19. Dependent Care			
20. Child Support			
21. Alimony			
22. School Tuition			
23. Child Care			
24. Medical Ins (if paid out of pocket)			
25. Medical Expenses (not covered by ins)			
26. Life Insurance			
27. Food/Groceries			
28. Entertainment			
29. Vacations			
30. Other Loans			
31. Charity/Church			
32. Misc Expenses			
Total Monthly Expense			

Hardship Letter

Loan Number:

