

CONSUMER ADVISORY

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By Attorney General Tom Miller

New Iowa “Foreclosure Hotline” -- 877-622-4866

Call if you are facing foreclosure, or if you can't make payments.

The Attorney General's Office urges Iowans to call the Iowa Mortgage Foreclosure Hotline – 877-622-4866 – if they are at risk of losing their home to foreclosure. The Hotline may be able to help *some* Iowa borrowers find a way to avoid losing their homes.

The Foreclosure Hotline is a toll-free number to the Iowa Mediation Service, an independent third party that will explore if borrowers and their lenders might be able to agree on some approach to avoid foreclosure. The Hotline is voluntary for all parties, and it does NOT offer funds or payments to borrowers. It is open weekdays, 8:30-5:00.

The Hotline may be especially helpful to “subprime” borrowers with adjustable rate mortgages, or ARMs. Many ARMs have fixed rates for two years, but after two years rates may quickly adjust upward. Higher rates mean higher monthly payments, and some borrowers can't afford them. Some of those loans *may* be able to be restructured, or there may be some other arrangement that could work for both borrowers and lenders.

If you call the Hotline, be prepared to provide full financial information, so the Hotline can explore if restructuring a loan or some other arrangement might benefit both you and the lender. Foreclosure hurts everyone – borrowers lose their homes, and lenders no longer are paid and they incur costly expenses. But half of borrowers never contact their lender when their loan is in jeopardy. The goal of the Hotline is to put borrowers and lenders together to try to solve problems.

Who should call the Iowa Foreclosure Hotline? Call if you are in foreclosure now. Call if you are seriously behind in payments and are facing default (which can lead to foreclosure.) Call if you *foresee* that you won't be able to make future payments. The earlier you make the call, the more likely the Hotline may be able to assist you.

The Hotline can't help everyone, but please make the call to see if it can help you. It may be able to help you work through the maze and find out if a loan modification or other solution can be found that works for all. *Please call the Hotline now.*

If you think you think you may be a victim of predatory lending, contact the Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Call 515-281-5926 or 1-888-777-4590 toll-free. On the Web: www.iowaAttorneyGeneral.org.