

NATIONAL MORTGAGE SETTLEMENT: DUAL TRACKING REFORMS

WHAT IS DUAL TRACKING?

Dual tracking is the name given to the race between foreclosure and loan modification. For example, if you submit a complete loan modification application on November 1 and your mortgage company refers your home to foreclosure on November 15, before reviewing your application for a loan modification, you are being dual tracked. Dual tracking can result in a family losing its home to foreclosure when this harmful result could have been avoided with a loan modification.

DO THE DUAL TRACKING REFORMS APPLY TO MY LOAN?

The dual tracking reforms apply to loans that meet all these criteria:

- Your mortgage servicer is Bank of America, Citi, GMAC/Ally, JPMorgan Chase, or Wells Fargo. A mortgage servicer is the company that sends you statements and collects your payments. These five companies agreed to reform their practices in the National Mortgage Settlement.
- Your loan is for the home where you live, and
- You have submitted a **complete loan modification application** or you submit one as soon as you need help.

The Settlement reforms apply to all loans serviced by one of the five companies listed above, regardless of who is the owner or investor of your loan. The reforms *do* apply to loans owned by Fannie Mae or Freddie Mac.

If your mortgage servicer is not one of the five companies listed above, you may benefit from dual tracking protections in the Homeowner Bill of Rights law, which was sponsored by California Attorney General Kamala Harris. This California law goes into effect on January 1, 2013.

HOW DO THE SETTLEMENT REFORMS HELP PROTECT ME FROM FORECLOSURE?

Your mortgage servicer cannot start foreclosure if you have:

- **Submitted a complete application for a loan modification.** This application could be submitted on your own, or with the assistance of a non-profit HUD-certified housing counselor.
- **Accepted and are current in a trial loan modification, forbearance, or repayment plan.**

If your mortgage company has already started the foreclosure process, and you then submit a complete application at least 15 days before the sale, your mortgage company must conduct an expedited review and make a decision if you qualify for a loan modification before the foreclosure sale can be held.

I BELIEVE MY MORTGAGE SERVICER IS DUAL TRACKING ME. WHAT SHOULD I DO?

- Continue working with your servicer and request postponement of a foreclosure sale. Be sure to return phone calls and open all mail to protect your rights.
- Consider working with a HUD-certified housing counselor (www.hud.gov) to make sure your loan modification application is complete.
- Contact the California Monitor Program at CAMonitor@doj.ca.gov. Describe the history of your loan modification application and foreclosure process. Be sure to include a sale date, if scheduled.