

Managing Your Mortgage Payments

The possibility of losing your home because you can't make the mortgage payments is terrifying, but the information provided here can help you learn how to save your home and avoid foreclosure scams.

Understand Your Interest Rate:

According to the Consumer Financial Protection Bureau (CFPB), there are two main types of [interest rates](#):

A **fixed rate mortgage** tends to be lower risk, with no surprises. This is the most common type of mortgage chosen by buyers because the interest rate does not change, and monthly principal and interest payments usually stay the same. You might prefer this option if you need stability with your loan costs over the long term.

An **adjustable rate mortgage** (ARM) will usually start at a lower interest rate than a fixed rate mortgage. This initial rate may stay the same for months or years, but when the introductory period ends, your interest rate will change and your payments will likely increase. Part of the interest rate you pay is tied to a broader measure of interest rates, so the amount you pay is partially tied to how well the market is doing. An ARM can increase or decrease over time, so there is unpredictability and risk if you choose this option.

If you are behind on your payments:

The CFPB offers the following suggestions if you are [falling behind](#) on your mortgage payments:

Call your mortgage company. You should be able to find their phone number on your monthly mortgage statement or in the mortgage loan coupon book your lender gave you. You can also check their website. When you call, be ready to explain why you can't make the payment, whether the problem is temporary or permanent, and to provide details about your income, expenses and other assets like money in the bank. If you are an active duty service member, be sure to mention this as well, because you could qualify for certain programs.

Many mortgage lenders have programs to help people avoid foreclosure, since that isn't in anyone's best interest. They will review your situation and may have options available to help you. You don't know if you don't ask!

Call a **HUD-approved housing counseling agency**. [HUD](#) can help you find a housing counselor who can discuss your situation with you as well as discuss whether you qualify for any programs or additional help. They can help you to understand the options your mortgage lender may have offered, and which options might work best for you. They can provide guidance on how best to work with your mortgage lender and any other programs you might be working with. They can also help at little or no cost with budgeting, managing credit card debt or other financial problems that might be making it difficult to pay your mortgage.

You can also call the [HOPE Hotline](#), which is open 24/7/365 by calling **(888)995-4673**.

If you've been served with **legal papers** or are facing an **imminent foreclosure**, you may need to contact an attorney.

Beware of Scams:

You don't need to pay anyone to help you avoid foreclosure. The help you need is available to you from your mortgage lender, or from a HUD-approved housing counseling agency. The FTC has guidance on [avoiding mortgage relief scams](#), and we encourage you to review the 'watch out for scams' section on [this website](#) from the CFPB:

- You're asked to pay up front for help.
- The company guarantees it can get the terms of your mortgage changed. This isn't in their power to guarantee.

- The company guarantees you won't lose your home. No company can guarantee this.
- You're asked to sign over the title to your home, or to sign documents you don't understand.
- You're told to send your mortgage payment to someone other than your mortgage company or service provider.
- The company offers to do "a forensic audit."
- You're told to stop paying your mortgage.
- The company says they are affiliated with the government, or uses a logo that looks like a government seal, but seems slightly different.

The bottom line is that dealing with financial stressors can be overwhelming. While there are plenty of legitimate programs that can help if you are behind on your mortgage payments, there are also many scammers. Make sure you do your homework, ask questions, and keep good records of every conversation that deals with your mortgage.