

# Don't negotiate with a lender without outside help

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SPECIAL TO THE RECORD

Government officials, housing counselors and banking specialists have been urging delinquent homeowners to reach out to their lenders to restructure loans so they can afford the payments and make up the delinquent amounts.

Hope Now, an alliance of major mortgage lenders organized by the Bush administration to help distressed homeowners, was launched last October.

Experts who were told Lorrie DeZerga's story said they've seen these protracted, frustrating struggles by delinquent homeowners trying to get satisfaction from their lenders time and again.

"When people came in to see me who had the wherewithal to catch up, I used to say, 'Just send them a certified check,' " said Hackensack attorney Ronald I. LeVine. "I've abandoned that practice because the people would come back three months later with a foreclosure notice. It [the foreclosure process] is rife with abuse. It's like the Wild West."

"It takes forever and forever and forever to reach an agreement with the lender," said Dianna Ivanov, a real estate agent with Terrie O'Connor Realtors in Allendale, who deals with a lot of foreclosed properties. "I've never seen anyone do it successfully. If they can't pay the full amount and can't make the monthly payment, in desperation they make deals with the lender that they can't handle."

The experts said that a homeowner in pre-foreclosure or foreclosure would be better off having either a lawyer or a housing counselor represent him in negotiations with the lender.

Said Michael Sichenzia of Florida-based Dynamic Consulting, a firm that helps homeowners restructure their mortgages, "I'm a big believer in do-it-yourself, but I tell people if you don't think it's the best deal, then hire a professional who knows what he's doing. It's money well-spent."

"It's never wise to try to do it [deal with the lender] on your own," said mortgage specialist Kevin Klemens of People's Mortgage Corp. in Wayne. "Quite frankly, I would never have sent them [Washington Mutual] a dime until I had everything in writing and my attorney was involved."

Lawyer LeVine said that a homeowner in desperate straits should consider filing for Chapter 13 bankruptcy.

"Once you've filed, there are no more late charges," said LeVine. "People have 60 months to catch up on the mortgage arrears, so someone who is \$10,000 behind has to pay an additional \$167 per month. No interest is charged on mortgage arrears. And, in a process called 'Strip Off,' second mortgages and other subsequent liens, can be removed if the [home] value falls below the first mortgage balance."

But, LeVine cautioned, that some lenders will void the repayment or modification plan if a homeowner files for bankruptcy.