



Fighting Foreclosure: Homeowner Stories: Emily J., Atlanta, Georgia

Meet Emily... a NeighborWorks® foreclosure counselor helped her save \$170 a month on her mortgage and keep her home!

Emily has owned her home in the Adamsville neighborhood of southwest Atlanta since 2003. The home had been repossessed before she purchased it and as a result it was in great need of repair work and updating. To cover the cost of the work, Emily refinanced, and benefited from her home's doubling in value. Due to the refinance, her home payments rose to \$800 per month. Yet with Emily's job with a contractor, her freelance work building and repairing computers, and some social security disability payments she received, she felt that these increased payments would be manageable.

Unexpected Problems

Only one-and-a-half months after completing her refinancing, Emily's employer notified her that he could no longer employ her. Simultaneously, her computer business began to dry up. Suddenly and unexpectedly, Emily found herself unable to keep up with her homeowners insurance, and a rising house note. She could find no work, her reserve funds were quickly erased, and before she knew it, Emily found herself with barely enough money to eat, let alone pay her home loan.

Emily asked her lender for help, but the company claimed they could not offer any solution other than a short sale which would entail signing over her home to the bank.

Help, and Answers, at Last

Not knowing what to do, Emily decided to seek out assistance from a third-party financial advisor, and eventually found her way to Resources for Residents and Communities, a local NeighborWorks® housing organization in Atlanta, where she met with counselor Tia McCoy. Tia's job is to help struggling homeowners avoid foreclosure. Local housing organizations around the country employ "counselors" such as Tia as financial experts trained in foreclosure prevention. As Emily explains, "I didn't have much hope that anyone could get through to my lender. Tia was so supportive and helpful. She didn't make me feel stupid. Instead, she was professional and compassionate. She had empathy and suggestions, and got to work helping me right away."

Together, Emily and McCoy worked on a new budget while McCoy negotiated with the lender. At first the lender refused to modify Emily's loan, but eventually acquiesced after McCoy's persuasive arguments. The lender provided a modified interest-only loan to Emily, not an ideal solution but one that allowed Emily to keep her home and begin new payments at a lower rate for several years. McCoy also worked with the lender to set up an escrow account for Emily. The escrow account is very important because it ensures that at the end of each year, Emily has saved enough money to pay the taxes on her home.

To find a nonprofit financial counselor in your area go to www.hud.gov.



Fighting Foreclosure:
Homeowner Stories: Emily J., Atlanta, Georgia

Emily's new payments are \$630 per month. She is still looking for employment, but health problems may preclude her from landing anything fulltime. However, with her new budget, some computer consulting work, and her disability payments, Emily feels she can manage her payments.

"I'm very careful to keep my costs down, and so grateful to Tia for negotiating on my behalf so now I can keep my home, which is more important to me than ever before."