



## Fighting Foreclosure: Homeowner Stories: Hallie Stern, Hauppauge, New York

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### Meet Hallie Stern...

Hallie helps people and companies gain financing for equipment for commercial use. She and her husband, a truck driver, live with their two sons in Hauppauge, New York, in the center of Long Island. Because of her job and her knowledge of financing, she never envisioned that she and her family would one day face financial troubles of their own.

### Trouble with Her Mortgage

In June of 1999, Hallie and her husband purchased their current home for \$170,000, with a 6.625% 30-year fixed rate mortgage. One year later, they opted to take out a second mortgage through their home equity line of credit to start up an excavation business for her husband. The business never got off the ground and lasted less than a year, but the family now found itself with two mortgages.

A few years later, they consolidated the two mortgages and received a 6.75% 30-year fixed rate with a new balance of \$347,000. But for Hallie's family, their troubles were just beginning. Hallie's husband's newly acquired truck had unexpected breakdowns that required costly repairs. In addition, the quickly rising cost of gasoline added more to his expenses and further resulted in lower payments from brokers for jobs that did not even cover his costs. The family found itself unable to keep up with its monthly mortgage payments.

By working again with their lender, they were able to establish a repayment agreement to catch up on arrears and get back on track within 13 months. By the spring of 2007, they were close to completing their agreement, yet ongoing job issues found Hallie unable to make her twelfth payment. Within just a few days, on June 11, 2007, the family was served with foreclosure papers. "And then the panic set in," recalls Hallie.

### Help to Find a Solution and Keep Her Home

Trying unsuccessfully to contact the lender, Hallie called the HOPE Hotline. The counselors there put her in touch with Joan, a counselor at the Community Development Corporation of Long Island (CDCLI). Working together for more than four weeks, CDCLI and the Hotline's counselors helped Hallie to get organized, gain control over the situation, and advocate to establish a repayment program that would enable her to keep her home and get back on track. "I couldn't have done it on my own," says Hallie.

In addition, Joan at CDCLI helped Hallie and her family establish a budget and cut back on unnecessary expenses. They also advised them that they could reduce their homeowner's insurance to only cover replacement value of their home, rather than paying the higher cost to

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cover the mortgage value of their home. This saved Hallie almost \$700 in her premium. Along with this guidance from Joan, Hallie's work—and her income from it—picked up. After struggling on so many levels, everything began to turn around. As Hallie explains: "It may be due to the fact that now I can sleep at night and concentrate better, instead of constantly worrying about losing our home and the possibility of coming home to find our doors and windows boarded up."

By mid-September, the family received its mortgage modification. The new balance is greater, yet their payments are practically the same. Hallie now feels better equipped to handle the payments for the long haul and to save so she's covered if difficulties arise again. She's made her payments on time and in full for many months, and says, "It's a great feeling sending that payment each month. I'm proud I can do it."

### **Gaining Perspective while Gaining Strength**

Hallie and her husband found themselves over the last several years raising two young sons while grappling with work and money challenges that seemed insurmountable. One challenge after the next has taught Hallie to trust her instincts. "If you feel it's not right, don't do it. Whether in work, with your family, or with your home, you need to do your homework and know what's going on. We learned that the hard way.

"Today I recommend the Hotline to everyone. The most important and immediate thing you need to do if you're in trouble with your mortgage is get help. Don't go it alone, and don't be lured in to refinancing with one of those companies that advertises all the time that they can save you from foreclosure. You don't want to immediately go deeper into debt with another loan. Instead, get the help of a trusted source who will work exclusively for you and help you figure out what's best in the long run. That's why the Hotline people—and the organizations like CDCLI that they work with—are so great. They had nothing financial to gain by helping us resolve the situation. They just wanted to help.

"Joan, our counselor at CDCLI, was terrific. She's overwhelmed with people who need her help, but she didn't give up and she made all the difference for us."