Loan Modification Myth Questions

1. **Has the bank already begun the foreclosure process?**

   If the bank has already begun foreclosure, then the clock is already ticking on the moment that they will have to leave their home. Now that the homeowner is thinking about what it would be like to leave their home, reinforce it with this question. Explain that banks are open to working with homeowners to avoid foreclosure and that there are options.

2. **How much other debt do you have?**

   For many homeowners, the idea of a loan modification seems like the perfect solution, but they are unaware of the issues and restrictions surrounding them. If the homeowner has a high debt-to-income ratio, the chances of receiving a loan modification are slim.

3. **Is the issue that is causing your hardship temporary?**

   For most homeowners in danger of foreclosure, the cause of their hardship is not a short-term problem. Loan modifications, however, are a short-term solution that rarely leaves the homeowner better off. More than half of the people who receive loan modifications are at least 30 days delinquent within 6 months.

4. **Is it mandatory that you remain in your home?**

   This plants the idea for the homeowner that there may be other options available to them if they open their mind to leaving the home and forces them to answer the question for themselves. Even if the answer to the question is yes, the homeowner's mind is now thinking in terms of what happens if they leave the home.

5. **Have you considered other options?**

   Now that you've explained the challenges associated with a loan modification, use this as the opportunity to educate the homeowner of their other options. Explaining the ins and outs of an option like short sale may seem like a better solution to them now.