Why does Women’s Cancer Fund pay for past-due rents but not late mortgage payments?

Those cancer patients with mortgages have a variety of options available to them by working with their lender. Let’s briefly review this unfortunate situation:

If you miss a payment on your mortgage, your lender will report the late payment, called a delinquency, on your credit report. Late payments remain on your report for seven years and will negatively affect your credit scores. How long it will take to recover depends on the seriousness of the delinquency. The longer you go without bringing the account current, the greater the impact on your credit scores.

If your goal is keep your home, there are several options to consider that might help you avoid foreclosure. Here are a few possible options:

> Forbearance - If your financial hardship is temporary, your lender may be willing to reduce or even suspend your mortgage payments for a period of time until you can resume making your regular payment.
>
> Refinancing Your Loan - If your credit is good, refinancing might be an option. If your current loan has a high interest rate, refinancing at a lower rate may substantially lower your payments.
>
> Loan Modification — You may also be able to lower your monthly payments through a loan modification program. Be aware that there are different types of loan

modification, and not all programs will have the same impact on your credit history. For example, some programs that are referred to as loan modification may actually be debt settlement plans.

Debt Settlement — With a debt settlement plan, the lender is agreeing to accept less than the full amount owed on the loan. Any time you settle a debt for less than what is owed, it will reflect negatively on your credit history.

Repayment plans - If you have fallen behind on payments, your lender may offer a repayment plan to help you catch up.

Cancer patients facing serious financial hardship may find that staying in the home and continuing to make mortgage payments just isn't feasible. If that's the case, you'll need to consider other options, such as:

Selling Your home - If the home is worth more than you owe, selling it may make the most sense financially.

Renting Your Home — If the amount of rent you would collect would cover your mortgage payments, renting your home may also be a good option, especially if your home can be rented for more than your monthly mortgage payment. Before deciding to rent your home, it's important to consider that you would still be responsible for things like home repairs, taxes, and insurance.

Short Sale - If you owe more than the home is worth, you may have to consider a short sale. With a short sale, the lender agrees to accept the amount you sell your home for as full payment on the loan, even if it's less than what you actually owe. Keep in mind that a short sale will negatively impact your credit history. The term "short sale" will not appear in your credit report. Instead the mortgage account will be reported as "settled."

Deed in Lieu of Foreclosure — With this option, your lender agrees to release you from your mortgage in exchange for you giving them the deed to your home. As with a short sale, this option will have a negative impact on your credit.

Before entering into any agreement, be sure you understand how the account will be reported by your lender and what the financial implications will be. Consider seeking the guidance of a financial advisor who can help you better understand and navigate your options. The National Foundation for Credit Counseling is a good resource for locating a qualified counselor near you.