Payments are due as scheduled with the escrow company on an individual basis. There is a grace period of 15 days; a payment is considered on time if it has been paid in full, and received 15 days after the due date. A payment is late if it is insufficient, postmarked on the 16th day or later when received by mail, or delivered in person on the 16th day or later to the escrow company.

15 days after the payment due date:

PHFH representative will send an overdue notice (Attachment 1) including a late charge of $_____ or ____% of the homeowners monthly payment, as allowed by applicable law. The late fees paid will not reduce the balance of the loan.

Once the payment is 30 days late:

1) PHFH representative will send the homeowner a letter (Attachment 2) indicating that PHFH has not received the scheduled payment. PHFH may also follow up with a phone call or email. The letter will itemize what is owed, including late fees. The homeowner will be asked to pay the delinquent amount immediately.
2) PHFH representative will notify the Family Support Committee Chairperson who will, in conjunction with the FSC Committee, contact the homeowner to offer whatever assistance PHFH has available, and help determine what local resources might be most helpful.

When the account is 60 days late:

1) PHFH will attempt to contact the homeowner by phone, email and send a letter (Attachment 3) informing the homeowner that he/she is 60 days late, asking him/her to begin making full payments on time, urging her/him to contact the PHFH office to discuss a payment plan to pay the delinquent amount plus late fees, and reminding him/her of the risks and costs of foreclosure.
2) PHFH representative will notify the FSC Chairperson.

When the account is 90 days late:

1) PHFH will attempt to contact the homeowner by phone, email and a letter (Attachment 4) informing the homeowner that he/she is 90 days late, urging him/her to begin making full payments on schedule, urging him/her to contact the PHFH office to arrange a payment plan to bring the account current, and warning him/her that unless a repayment agreement is reached, the next step will be to turn the account over to a foreclosure agent.
2) PHFH may at this point offer to buy the home from the homeowner for the value of their equity in the home, less the cost to repair any damage beyond normal wear and tear to the home.
3) PHFH representative will notify the FSC Chairperson.

When the account is 120 days late:

When the account is 120 days late and no repayment or restructuring agreement has been reached, PHFH will turn the account over to its attorney. The attorney will send all notices required by federal, state, and local law, and will be instructed to give Homeowner state-mandated cure periods to cure the default, plus late fees, default interest, and attorney fees. If the homeowner does not cure the default, the attorney should initiate foreclosure proceedings consistent with applicable law.

Once foreclosure is initiated:

Once foreclosure is initiated, the homeowner has a certain amount of time set by state statute, to stop the process by bringing their account current.

PHFH may choose to stop foreclosure proceedings if the homeowner contacts PHFH and an agreement is reached under which:

1) The account, including all late fees, attorney's fees, etc, is made current within an acceptable time frame, and
2) The underlying note and mortgage remain in full force and effect, and the agreement does not constitute waiver of any future defaults.

PHFH may also explore other alternatives to foreclosure, including allowing the homeowner to convey title of the property back to PHFH by a deed-in-lieu of foreclosure. A deed-in-lieu should only be allowed when all liens, charges or encumbrances have been satisfied, to avoid transferring those debts to PHFH.

ATTACHMENT 1 -- 15 days after due date

Date

Homeowner
Address
City, State Zip Code

Dear HOMEOWNER,

As of the date of this letter we have not received your payment for the month of ______. The payment is now past due.

Please submit your monthly payment as soon as possible.

If your payment has already been sent, please contact our office to make certain we have received the payment. If you have any questions regarding this notice or your account in general, please contact us at 208-883-8502 or at habitat@palousehabitat.org.

Sincerely,

PHFH

Attachment 2 – 30 Days Delinquent

Date

Homeowner
Address
City, State, Zip Code

Dear Homeowner,

As of the date of this letter, you are 30 days delinquent in your mortgage payment, a total amount of $__________.

PHFH wants its partner families to be successful homeowners. If you are facing a short-term financial challenge making it difficult to pay your monthly mortgage, we may be able to develop a payment plan that helps you meet that challenge and still maintain your home. Please contact the PHFH office, your sponsor family or a representative of the Family Support Committee as soon as possible.

You should be aware that failure to make your payments is a serious issue, and will result in your account being sent to foreclosure unless you have reached a short-term payment plan with PHFH to bring your account current. Foreclosure would result in you losing your house and having to move out. Please remember that once your account goes into foreclosure, you will be responsible for the remaining balance of the loan, late fees, default interest, as well as any incurred expenses including attorney's fees. It is in your best interest to contact us as soon as possible.

If your payment has already been sent, please contact our office to make certain we have received the payment. If you have any questions regarding this notice or your account in general, please contact us at 208-883-8502 or habitat@palousehabitat.org.

Sincerely

PHFH

Attachment 3 – 60 Days Delinquent

Date

Homeowner
Address
City, State, Zip Code

Dear Homeowner,

As of the date of this letter, you are 60 days delinquent in your mortgage payment, a total amount of $_________. Please begin making payments in full and on time immediately.

This is a very serious matter. As we noted in the previous letter, PHFH wants its partner families to be successful homeowners. PHFH will work with you with as much flexibility as we have within our policies and guidelines from Habitat International. If you have not done so already, please contact the PHFH office, your sponsor family or a representative of the Family Support Committee as soon as possible to schedule an appointment to discuss a payment plan to bring your account current.

Ultimately, it is your responsibility to pay your mortgage on time and notify PHFH of any challenges you face in making those payments. If you do not bring your account current, or meet with PHFH and agree to a payment plan by the time your account is 120 days overdue, your account will be turned over to an attorney to initiate foreclosure. PHFH will have much less flexibility to work with you under foreclosure, and you will have a very short time frame to bring your account completely current if you want to keep your home. If foreclosure is carried out, in addition to losing your home, you will be responsible for the remaining balance of the loan, late fees, default interest as well as any incurred expenses such as attorney's fees.

If your payment has already been sent, please contact our office to make certain we have received the payment. If you have any questions regarding this notice or your account in general, please contact us at 208-883-8502 or habitat@palousehabitat.org.

Sincerely

PHFH

Attachment 4 – 90 Days Delinquent

Date

Homeowner
Address
City, State, Zip Code

Dear Homeowner,

As of the date of this letter, you are 90 days delinquent in your mortgage payment, a total of $_______. It is urgent that you begin making regular payments on time and in full, and work with PHFH to develop a payment plan to bring your account current.

If you fail to begin making payments and agree to a payment plan by the time your account is 120 days overdue (next month), your account will be turned over to an attorney to initiate foreclosure. Please remember that once your account goes into foreclosure, PHFH will have very little flexibility in helping you address this situation. To save your home under foreclosure, you will have a severely limited time to bring your account completely current, and you will be responsible for fees. If foreclosure is carried out, in addition to losing your home, you will be responsible for the remaining balance of the loan, late fees, default interest as well as any incurred expenses such as attorney's fees.

If your payment has already been sent, please contact our office to make certain we have received the payment. If you have any questions regarding this notice or your account in general, please contact us at 208-883-8502 or habitat@palousehabitat.org.

Sincerely

PHFH