



The Weekly Update

Tennessee General Assembly

House of Representatives

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I generally reserve the weekly updates to let you know what is going on in the legislature. However, I feel compelled to use this week's update to give you additional information on foreclosure.

Foreclosure in Tennessee is not as prevalent as in the rest of the nation, but for the families involved, that doesn't matter. We know neighbors who are in trouble. I want you to know there are opportunities to get help.

The Tennessee Housing Development Agency received a federal grant to train and support foreclosure prevention counselors. The list is found here: <http://www.thda.org/foreclosure/counselors.pdf>. These counselors have been trained to review your financial situation and call your lender to assess your options. There is no charge to you for this service. They want to meet face to face with you to determine what's possible for you. More opportunities are available the sooner you visit. Don't wait until you miss payments. Lenders don't want to add your home to their property list.

You are welcome and encouraged to contact your loan servicer directly. The counselors offer knowledgeable experience and will invest the time needed to get answers for your situation.

There are some suggestions posted on how to keep your home on this site: <http://www.thda.org/foreclosure.html>. Beware of scam artists who promise to fix your credit or pay your mortgage for you, or buy your home and sell it back when you are in better financial shape. If it sounds too good to be true, it probably is. If you have suffered from unfulfilled promises from a company, file a complaint with Tennessee's Department of Commerce's Division of Consumer Affairs. Your time will help stop illegal practices and save other people from the same fate. Click here <http://tennessee.gov/consumer/> and look under "Valuable Resources" to register a complaint. This is another resource that describes scams: <http://www.occ.treas.gov/ftp/ADVISORY/2008-1.html/>

THDA bought a list that contains the names of people in Tennessee with an adjustable rate mortgage of \$240,000 or below. Each quarter, before that loan is going to reset to a new interest rate, THDA sends a letter asking the owner to check the mortgage documents and confirm she or he can afford the new payment. Frequently

the answer is “Yes.” If not, the owner is encouraged to pick out a counselor and make an appointment.

What can we do to avoid getting in financial trouble? Tennessee now requires high school students to study financial planning before they graduate. This link shows the topics covered in the class:

http://state.tn.us/education/ci/ss/9_12_pers_finance.shtml. THDA offers pre-purchase counseling for its mortgages that have downpayment assistance, and encourages it for all borrowers.

This table shows number of adjustable rate mortgages under \$240,000 in the ZIP Codes in the 50th district in November 2007. While adjustable rate mortgages, ARMs, are not a problem for everyone, some owners get surprised by the payment changes described in the contract.

ZIP Codes	# of loans that reset in 2008	# will reset in 2009	TOTAL for the ZIP Code
37015	25	16	41
37064	25	20	45
37072	59	32	91
37080	13	4	17
37115	141	54	195
37189	7	4	11
37207	152	69	221
37209	44	30	74
37218	56	24	80
37221	58	42	100
TOTAL for 50th District	580	295	875

I hope you find this information useful. As always, please call me if I may assist you.

Gary

Weekly updates are for informational purposes only.