Citizen's Guide to N.C. Banking, Home Loan & Foreclosure

North Carolinians, like much of the country, are feeling the stress of the economic fluctuations of recent months. Many of us are concerned about the value of our homes, the security of our savings and any recourse we may have to recover from debt. Here below is a North Carolina-focused guide that links you to information about your rights and options. This guide focuses on information readily available on the Internet that will lead you to government agencies, non-profits and other organizations that can provide direct and indirect assistance. It does not attempt to be comprehensive but will point you to major resources that provide more in-depth information and help.

Though the library has made an effort to choose only reputable sites, it cannot endorse or guarantee the information any site provides. Your best option is to consult the North Carolina state and federal government resources first. They will often alert you to free or low-cost assistance and steer you away from scams. Also, the law library has some helpful print and electronic resources you can consult. Some are discussed at the end of this guide. Feel free to stop by the library and ask for reference help to find material on these or other topics.

HOME LOANS & MORTGAGES

Home buyers have a number of home loan options including standard mortgage loans, home equity loans, home equity credit lines and reverse mortgages. Within each category of loan there are various payment schedules, fees, and interest structures. Options available to you may depend on the lender's calculation of your creditworthiness as well as the value of the property. The resources below will give you information to help determine the loan that is right for you.

Mortgages Basics

Buying a Home: It's a Big Deal. This pamphlet gives tips on selecting a real estate professional to help you buy a home.

Shopping for a Mortgage? Do Your Homework First (Center for Responsible Lending): This brochure focuses on explaining the various "specialty mortgage products," like interest-only and adjustable-rate mortgages (ARMs) and discusses their risks. It also provides contact information for select government and non-profit organizations that have tools to help home-buyers.

Deceptive Mortgage Ads: What they Say; What they Leave Out

Mortgage Glossary (HUD)

Wells Fargo Mortgage Glossary (Wells Fargo)

Mortgage Basics FAQ (Nolo Press)

Mortgage Settlement Costs (Federal Reserve Board): Discusses the various "closing" costs associated with a home purchase and provides tools to estimate total costs.

Real Estate Marketplace Glossary (FTC)

Rate comparison

Bankrate.com (Bankrate): Provides comparison of rates for consumer loans (mortgage, home equity, auto, etc.) from thousands of loan companies. Includes many but not all lenders.

MSN Money (MSN): Allows you to compare bank mortgage rates for banks in our state and enables further narrowing to select cities. Mortgage calculators

Bankrate.com Calculators (Bankrate): Provides several different calculators including ones to compare buying vs. renting, adjustable vs. fixed rate mortgages, and to determine how much home you can afford or whether to refinance.

Mortgage 101 Calculators (Lion, Inc.): Allows you to use various calculators to estimate the benefits of taking a home loan including: how much you can afford to pay for a home; what your monthly payments might be; whether it is less costly to rent than purchase; and calculation of monthly amortized interest/principle payment over the life of a loan.

MSN Money (MSN): This calculator allows you to compare 10-, 15- and 30-year mortgage options for a home if you provide information about initial and recurring expenses including the down payment, property taxes and home owners' association dues.

Reverse Mortgages

AARP Guides:

- Reverse Mortgages : Provides numerous links and tools, including a reverse mortgage calculator and tips for evaluating the products and your options.
- Home Made Money, A Consumer's Guide to Reverse Mortgages

Fannie Mae, Money from Home: A Guide to Understanding Reverse Mortgages : This guide gives information about the Fannie Mae & HUD

reverse mortgage products.

Foreclosure North Carolina Foreclosure Help (NC Commissioner of Banks): This resource provides very useful links to foreclosure information and assistance including an interactive map that gives current figures on NC foreclosure starts by county and provides counseling agency contact information for each county.

Hope Now: Hope Now is "an alliance between HUD approved counseling agents, servicers, investors and other mortgage market participants that provides free foreclosure prevention assistance." The site includes a homeowner's hotline, contact information for housing counselors and for most mortgage lenders, notice of upcoming homeowner events, and links to other resources.

Mortgage Foreclosure Resources (Federal Reserve Board): This center "provides a comprehensive list of both national and local foreclosure prevention information, resources and data." It includes an interactive map tool that allows you to track statistics on mortgage problems by state, county or zip code. Though focused on subprime loans, the map provides general details about a region's overall number of late payments, defaults and lender repossessions and also gives information on a region's number of mortgages by select categories (ARMs, no documentation loans, etc.). For a glossary of the short-hand terms used on the map, click on the link to the "Technical Appendix" at the bottom.

Foreclosure Prevention

Foreclosure Prevention (North Carolina Housing Coalition): Provides contact information for filing complaints and for counseling and legal assistance.

Tips for Avoiding Foreclosure Fraud (NC Attorney General): Have you been contacted by a company that promises to help save you from foreclosure? It might be the set-up for a scam. Visit this site to learn how to avoid these scams.

Avoiding Foreclosure, North Carolina (U.S. Dept. of Housing and Urban Development (HUD).

Avoiding Foreclosure (Freddie Mac).

Guide to Avoiding Foreclosure (HUD).

Federal Trade Commission, Facts for Consumers (FTC): Mortgage Payments Got You Reeling.

North Carolina Laws (NC General Assembly):

- North Carolina General Statutes, Chapter 45. This chapter regulates mortgages and foreclosure.
- HB 2623 "Emergency Foreclosure Reduction Act" (approved August 17, 2008). Provides $1,000,000 in funds to help prevent foreclosures in NC.
- HB 817 "Residential Mortgage Fraud Act" (approved July 4, 2007). Provides criminal penalties for mortgage fraud and authorizes the NC Attorney General to investigate and prosecute such crimes.
- HB 2188 "Earlier Notification of Mortgage Servicer Fee" (approved August 17, 2008). Requires lenders to notify borrowers of certain fees, to quickly credit borrower payments, and limits the "points" and other fees charged by lenders.
- HB 2463 "Regulate Mortgage Servicers" (approved August 17, 2008). Requires licensing of mortgage brokers and authorizes the NC Commission of Banks to regulate mortgage brokers.

Buying Foreclosed Property

About Buying HUD Homes (U.S. Dept. of Housing and Urban Development).

Foreclosure Investment Web Guide (International Listings): This is a commercial site that provides information to people interested in buying foreclosed properties.

BANKS & DEPOSIT INSURANCE

Recently the federal government increased the maximum amount of FDIC insurance on bank deposits to $250,000 per depositor from $100,000 per depositor at each bank. This means that if a bank fails, the federal government guarantees you will get back all the money you have deposited in a standard bank account, up to $250,000. To learn more about the law and your rights as a depositor, see the resources below.

FDIC Electronic Deposit Insurance Estimator (FDIC): You can enter your bank account information into this tool and it will give you a printable report on how much of your bank deposits are covered by FDIC insurance.

FDIC Deposit Insurance Coverage.

FDIC Bank Data Guide.

Changes FDIC insurance coverage guide.

NCUA Insurance coverage guide : Provides information on credit union federal deposit insurance coverage.

North Carolina Commissioner of Banks, Consumer Assistance.

BANKRUPTCY & DEBT RESOURCES

Filing for bankruptcy can be complicated. There are three major provisions of the bankruptcy code. Chapter 7 (liquidation) seeks to use

assets to pay off debt. Chapters 11 & 13 (reorganization provisions for companies and individuals) seek to create a reasonable repayment plan for the debtor. Below are resources to help you navigate the bankruptcy landscape and decide if bankruptcy filing is right for you.

Before You File for Personal Bankruptcy (Federal Trade Commission): This pamphlet gives an overview of what you have to do before you can file and how to choose credit counselors.

MSN Money, Your 5-Minute Guide to Bankruptcy.

US Courts, Bankruptcy Basics: This federal court web resource gives explanations of the bankruptcy process in straightforward language.

Laws:

- Title 11 (Federal Bankruptcy Code): This site reprints Title 11 of the U.S. Code, which includes all the chapters of the bankruptcy code.

RECENT FEDERAL LEGISLATION

Emergency Economic Stabilization Act of 2008 : HR 1424, often referred to as the economic bailout bill, is a federal law that Congress passed in October. It includes provisions for the Trouble Asset Relief Program (TARP) and became Public Law 110-343.

Housing and Economic Recovery Act of 2008: HR 3221 became law on July 31, 2008. It establishes the Federal Housing Finance Agency and designates procedures for oversight of mortgage entities. It also includes the HOPE for Homeowners Act (HERA). A good description of what HERA does is available from the Senate.

There are several relief bills that have been introduced in Congress in recent months. To look them up and view their status, go to Thomas.loc.gov and search by keyword (i.e., bankruptcy, debt, foreclosure, or mortgage).

UNC LIBRARY MATERIALS

Foreclosures : defenses, workouts, and mortgage servicing
Author: Rao, John, 1956-
Published: Boston, MA : National Consumer Law Center, c2007.

How to file for Chapter 7 bankruptcy
Author: Elias, Stephen.
[Berkeley, CA] : Nolo, 2007
Also available as an eBook

The American Bar Association guide to credit .
Published: New York : Random House Reference, c2006.

Saving Your Home in Chapter 13 Bankruptcy [electronic resource]
Author: Zhu, Ning.
Published: Cambridge, Mass. National Bureau of Economic Research 2008.

How to avoid foreclosure.
Published: [Washington, D.C.] : U.S. Dept. of Housing and Urban Development, [2001]
Davis Library Reference

American nightmare: predatory lending and the foreclosure of the American dream
Author: Lord, Richard.
Published: Monroe, Me. : Common Courage Press, c2005.
Davis Library

To find more resources, search our catalog using one or more of the following keyword terms: bankruptcy, mortgage, foreclosure. For help locating material, visit the law library's reference desk.

Last Updated: 5/13/2013