

LEGAL AID SOCIETY

OF MIDDLE TENNESSEE AND THE CUMBERLANDS

INFORMATION FOR RELEASE

CONTACT: Jeff Bradford/Mike Reed
615.312.7220
jcb@bradfordgrp.com

Legal Aid Offers Help to Those Facing Foreclosure

NASHVILLE, Tenn. July 11, 2007. New information and assistance is available to Tennessee families facing home foreclosure. The Legal Aid Society has just released a new self-help booklet entitled, "If you Can't Make Your House Payment, Get Help Quickly."

Because of problems with subprime lending – that is, loans to people who cannot qualify for traditional mortgages – homeowners are facing a record number of foreclosures in Tennessee and across the country.

"The key is to act right away," explained Legal Aid attorney David Tarpley, who is highly experienced in consumer and housing law. "In fact, homeowners should get help before they get behind." He offers five suggestions:

-- Do not sign anything that you not have read or that you do not understand. If you cannot understand a document, find someone who can. "Many of our clients who thought they were signing a loan agreement were really signing a deed to sell their house," Tarpley said.

-- Stay away from people who actively offer to "help" you. Those who put up billboards or call you at home are often in business to take advantage of you when you are most vulnerable.

-- Beware of lenders who want to close on a new loan at your home. This is a questionable practice. Most loan closers who come to your home are not trained, not qualified to answer questions.

-- If you are refinancing an existing home, you have three days to cancel that agreement for any reason. However, the cancellation must be in writing.

-- Is your loan less than three years old? The federal Truth-in-Lending Act may help. It allows you to cancel the agreement if the lender did not give you all the written disclosures it was supposed to give. These include the full cost and credit terms of the loan. If you did not receive this information in writing, you may be able to cancel some or all of the agreement.

Legal Aid's self-help brochure, explaining these and other tips, is available for free by calling 800-238-1443.

Tarpley explained that some housing counseling agencies can help families facing foreclosure to cut back on other bills and make agreements with lenders to lower payments. A housing counselor can also help find a lawyer who can file a Chapter 13 bankruptcy. This will allow a borrower to reorganize his debt. "Watch out for so-called counseling agencies that want to refinance your mortgage," he added. "Many homeowners who got this "help" and have ended up having huge payments, losing their home and the equity they started with."

The Legal Aid Society gives free legal aid to people who have nowhere else to turn. It has offices in Nashville, Gallatin, Clarksville, Columbia, Tullahoma, Cookeville and Oak Ridge. For a copy of the new self-help brochure and more information, call toll-free at 1-800-238-1443. The brochure and other useful information are available on Legal Aid's website, at www.las.org.