



Counseling Homeowners on Loss Mitigation: A Checklist

In order to determine which loss mitigation options homeowners are eligible for, it is important to know what type of loan they have.

Step	Description	✓
1. Determine reason client is behind on payments	Counselors can help homeowners create a hardship letter explaining the reason for delinquency.	
2. Establish if the homeowner wants to stay in the home (retention vs. transition)	Knowing if the homeowner wants to stay or transition from the home will help to determine the loss mitigation options available.	
3. Locate the mortgage investor	Loss mitigation options available through the servicer may vary depending on the investor. Government or government-sponsored investors include: <ul style="list-style-type: none">• HUD Federal Housing Administration (FHA)• U.S. Department of Veterans Affairs (VA)• U.S. Department of Agriculture (USDA)• Fannie Mae• Freddie Mac Investors may also be private entities.	
4. Analyze Options	Analyze potential options based on financial circumstances, advise on feasibility, and agree on the next steps for the client.	
5. Gather financial documentation	Financial information can be used to determine affordability, create a budget, and include supporting documentation for the application.	
6. Complete necessary forms	Servicers should provide necessary loss mitigation application forms upon request.	
7. Submit a request to the servicer	The CFPB's mortgage servicing rule describes timeframes for prompt review of loss mitigation applications. Servicers may request additional information before making a decision on an application.	