

Selecting the Appropriate Option

This table describes how to match a loss mitigation option to a borrower's situation.

If the loan is...	And...	Then use a...
Curable	<ul style="list-style-type: none"> ▪ the borrower is committed to remaining in the home, and ▪ there are attorney fees and loan modification costs which cannot be capitalized 	Special Forbearance Plan
Curable	the reduction in interest rates	Loan Modification Plan
Non-curable	the borrower has no realistic opportunity to <ul style="list-style-type: none"> ▪ replace the lost income, or ▪ reduce expenses sufficiently to meet the loan obligation through other options 	Pre-foreclosure Sale Plan
Non-curable	all of the other options have been exercised	Deed-In-Lieu of Foreclosure Plan