

LOAN MODIFICATION WORKSHEET

Fill out this form and see if you would be approved for a loan modification.

- I. HOMEOWNER'S CURRENT MONTHLY GROSS INCOME \$ _____

- II. The **LOWEST PROPOSED MONTHLY PAYMENT** would be at least 31% of the current monthly gross income MONTHLY GROSS INCOME X .31
= MONTHLY PAYMENT
\$ _____

- III. Calculate the **MONTHLY EXPENSES** MONTHLY EXPENSES
\$ _____

- IV. Add up the **HOMEOWNER'S OTHER DEBT** that appears on their credit report. MONTHLY + OTHER DEBT
= TOTAL DEBT
\$ _____
This includes personal loans, car loans, credit cards, student loans, etc.

- V. Add together the **TOTAL MONTHLY DEBT** along with the new proposed monthly mortgage payment to determine **TOTAL MONTHLY DEBT**. TOTAL DEBT + PROPOSED
MONTHLY PAYMENT =
TOTAL MONTHLY DEBT
\$ _____

- VI. Current **MONTHLY GROSS INCOME** multiplied by .55 \$ _____

- VII. If the **TOTAL MONTHLY DEBT** amount **EXCEEDS THE 55%**, then there will be no possible loan modification no matter who the lender is per federal guidelines.

- VIII. If the difference between the **ORIGINAL MORTGAGE PAYMENT** and the 31% new proposed payment is **MORE THAN 40%**, the bank would mitigate losses better by foreclosing on the property.



LOAN MODIFICATION FACT SHEET

LOAN MODIFICATIONS ARE BASED ON THE DIFFERENCE BETWEEN INCOME AND EXPENSES.

If you are not currently employed, you cannot be qualified for a loan modification.

LOAN MODIFICATIONS TAKE BETWEEN 2-5 MONTHS.

If you have been working with your bank for more than 5 months, they are most likely stalling the process in order to eventually foreclose on your home!

If you are working with an attorney, paying them monthly, they are most likely stalling the process in order to make more money.

LOAN MODIFICATIONS THAT ARE APPROVED WILL HAVE HIGHER PAYMENTS IN 18-24 MONTHS!

The payment that you agree to now will most likely not be the payment next year. 65% of homeowners that qualify for a loan modification go back into foreclosure within 18-24 months, so you would have to do this process all over again.

