

Quick Ideas to Protect Your Home

When you are having a hard time making ends meet, it can be difficult to know how to prioritize home expenses and maintenance. Here are some tips that have helped many homeowners protect their homes—and their wallets—when facing mortgage distress.

Check 1-2 strategies that may work for you:

- ❑ **Pay your taxes and insurance.** Your bank will continue to pay taxes and insurance if they are part of your monthly mortgage payment. If you pay your taxes and insurance separately from your monthly mortgage payment, make sure to continue making those payments. If you stop making insurance payments, the bank will choose a new policy for you, and it may choose a much more expensive plan.
- ❑ **Keep paying utilities, but find ways to save.** It's important to pay your utilities, including water, gas, and electric, even when facing mortgage distress. If you miss payments, a lien could be placed against your property.
- ❑ **Check to see if you qualify for an energy assistance program.** Go to www.nyc.gov/accessnyc or call 311 for more information.
- ❑ **Explore level payment plans for utilities.** This can be helpful with high heating bills in the winter and high cooling bills in the summer. You often have to be a customer in good standing to qualify for these programs. Check with your local utility provider.
- ❑ **Make a lease agreement with your tenant.** You can still receive rent while you are going through the mortgage distress process. Your counselor can refer you to resources to help you write up a lease agreement if you don't have one.
- ❑ **Keep proof of payments from your tenants for your records and deposit rent payments in your bank account.** This is important to prove that you have reliable rental income to afford your mortgage.
- ❑ **Keep up with critical home maintenance and repairs.** It's important to maintain your property value. Maintenance-related issues—like burst pipes, sewer backups, mold and termites—can be expensive, especially if left unaddressed for a long time. But, use caution when choosing what to repair while facing mortgage distress—if you do end up selling, certain cosmetic repairs that are unnecessary may be better to postpone.

If your home needs repairs...

- Beware of scammers who knock on your door or call you to offer deals that sound too good to be true or pressure you to sign a contract immediately.
- Get estimates from three different contractors — compare costs, materials, and methods.
- Demand a written contract. Before you sign, read it and make sure you understand everything.
- Download a checklist of things to do before you start a home repair project: www.dfs.ny.gov/consumer/homeown/home_repair_scams.pdf

What steps will you take to get started? *Write down 2 ideas to protect your home:*

What steps do you need to take to do this?

Share this list with other members of your household.
Having a family conversation can help turn ideas into reality.
Other people may have creative ideas that aren't on this list.