

Quiz 5 – Section 5

1. There are two types of counselors to help you through this crisis:
 - a. Credit counselors-trained in money management and financial planning
 - b. Housing counselors-help homeowners resolve default on their mortgage loans and other mortgage problems
 - True
 - False

2. The clause that essentially states that should the homeowner default in payment or breach any terms of the loan, the mortgage holder can sell the home after notifying the homeowner is called _____. This is stated in the terms of the mortgage or it is written in the state or jurisdiction statutes.
 - A. Judicial foreclosure
 - B. “Power of Sale”
 - C. Arrears
 - D. Bankruptcy
 - E. None of the above

3. A professional trained to analyze your financial situation can provide recommendations that you may not see because you are emotionally involved. These counselors are emotionally involved with your situation and can most times better evaluate the situation to bring things into perspective so you can best alleviate the stress and burden of the debt.
 - True
 - False

4. It is rare that upon the completion of a foreclosure sale that a homeowner is able to recover the home. Some states provide redemption periods to reclaim the property by paying the entire debt within a certain timeframe. In states without redemption periods, the mortgage company or the highest bidder takes immediate possession after the sale.
 - True
 - False

5. A debt repayment plan to resolve future and past due payments is called _____.
 - A. An Arrears
 - B. Bankruptcy
 - C. Deed-in-lieu

6. An unexpected illness or medical problem may arise. A job layoff, poor financial management, liens against your property, or just taking on more debt than you can manage can put you at risk of delinquency, default, or create the need to work out a repayment plan with your lender. Some homeowners may even find themselves caught in the situation of having to file bankruptcy and foreclosure.

- True
 - False
- 7.** Two survival skills to help you through tough financial times are:
- Do not take on any additional debt to pay off old debt
 - Prioritize your bills
- True
 - False
- 8.** The laws regarding foreclosure vary from state to state. You should check the local practices in your jurisdiction by discussing your case with both an attorney versed in real estate law in your area, and your lender/servicer.
- True
 - False
- 9.** Aside from losing the home after a foreclosure sale, the homeowner now carries the burden of the foreclosure on his/her credit record.
- True
 - False
- 10.** Make a list, on your own or with a professional, of priority payments. Your top three payments should be to _____, _____, and _____.
- A. Monthly mortgage payment, household necessities and any bills that are associated with your home.
 - B. The cable bill, Neiman Marcus credit card and Macy's credit card bills
 - C. Car loans, student loans, and any credit card bills