Northwest

Alternatives to Foreclosure

We want to help you avoid foreclosure.

Sometimes, life throws you something unexpected. If you're a Northwest customer having problems paying your mortgage due to reduced income or financial hardship, you may qualify for one of the programs below.

Give us a call at 1-888-884-4626 for more information.

Note: Options marked with* are available for Freddie and Fannie loans.

Reinstatement* of your mortgage means bringing in a lump sum to make the loan current. The past due amount would include principal, interest, late fees, escrow and any fees associated with the loan. A reinstatement may be combined with a forbearance agreement when the borrower can show funds from a bonus, tax return, new employment or that another source will become available at a specific time in the future.

Repayment plan* is an agreement that gives a fixed period of time to repay the amount you are behind by combining a portion of what's past due with regular monthly payments. At the end of the repayment period, you have paid back the amount of your mortgage that was delinquent. A repayment may be combined with a forbearance agreement.

Deferment is a short-term forbearance of principal and/ or interest. Escrow and insurance payments will need to be made monthly. When interest is deferred, principal reduction will be suspended until all accrued interest has been paid. A deferment may be granted once (up to 3 months) in any 12 month period, but not more than twice in any five year period.
Since the maturity date does not change, the balance due at maturity will be greater than what was disclosed at origination. If the customer does not pay off the loan at maturity, the remaining balance will show past due unless a loan renewal has been submitted and approved.

Forbearance* is a temporary agreement during a fixed period that the bank will work with you to bring your loan to a current status. This is often combined with a reinstatement or a repayment.

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Modification* means changing the term and/or interest rate and a possible forbearance of principal, if applicable, to reduce the current monthly principal, interest, taxes, insurance, association fees and escrow shortage, (PITIAS). The following conditions must be met:

      a. Loan must have at least 12 payments
      b. Property must be the primary residence-- 1-4 family, owner-occupied
      c. Borrower must have a valid hardship
      d. Borrower must have a willingness and ability to repay the loan at modified terms
      e. Borrower must set up an escrow for taxes and insurance

If you can no longer afford to stay in your home, would like to avoid foreclosure, and reduce the negative effect on your credit, other options are:

Short payoff allows the borrower to sell the property for less than it is worth. The borrower would be responsible for a portion or all of the remaining balance.

Short Sale* allows the property to be sold at a price lower than the amount you owe on the mortgage based on the value of the property. The borrower may be required to pay a portion or all of the remaining balance. If the any of the loan is forgiven, the borrower may owe taxes on the portion of the loan that is forgiven.

Deed In Lieu of Foreclosure* is a voluntary transfer of title to the property in exchange for a cancellation of the mortgage debt. In most cases, the borrower will have to attempt to sell the home for fair market value before we consider the option. If there are other liens or judgments from other creditors, second mortgage or tax liens, this may not be an option.

For more information—

Helpful information on counseling services, as well as answering many commonly asked questions may be found at http://www.consumerfinance.gov/mortgagehelp/ or by calling the U.S. Department of Housing and Urban Development (HUD) at 800-569-4287.

To be reviewed for one of these options, you can call 1-877-672-5678, email loss.mitigation@nwbcorp.com for an application or print the application below and mail it to Northwest Bank, PO Box 337, Warren, PA 16365, Attn: Loss Mitigation.

Alternatives to Foreclosure Application