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What to do if ...



In this economic meltdown, you would have to be wildly rich or downright crazy not to be thinking about contingency plans. If you have, read on: We've compiled a "worst-case scenario" guide.

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Your home goes into foreclosure

More than 2 million homeowners faced foreclosure last year, and that number could soar as high as 10 million, depending on the severity of the recession. If you're afraid of losing your home, help is available.

1 Call the attorney general's Homeowners Referral Helpline at 866-544-7151. Operators provide step-by-step instructions and referrals to counseling agencies certified by the U.S. Department of Housing and Urban Development. Helpline staffers sometimes work with homeowners and their lenders to work out a solution.

2 Before you talk with your loan servicer, prepare your records. Write out your income and expenses, and calculate the equity in your home.

3 Contact your loan servicer early. The longer you wait, the fewer options you will have. If you have fallen behind on payments, consider discussing reinstatement, a repayment plan, forbearance, loan modification, selling your home and personal bankruptcy.

4 Throughout the foreclosure prevention process: a.) keep notes on your communications with the servicer, including the date and time, nature of the contact, name of the representative and outcome, b.) follow up on verbal requests with a certified letter, c.) meet deadlines, d.) stay in your home. You may not qualify for assistance if you move out.

5 Avoid "rescue" scams. For a hefty fee, supposed "mortgage rescue consultants" promise to buy you time. These services may sound helpful, but they can be performed for free by HUD-certified counselors, the attorney general's office or legal aid.

 An advertisement for the TracFone LG600G cell phone. It features two phones: a black flip phone and a silver flip phone. The text includes:

- SAVE \$79.99** (in a red banner)
- TRACFONE** THE CELL PHONE THAT PUTS YOU IN CONTROL
- UNLIMITED DOUBLE MINUTES**
- Double Minutes for Life - (a \$49.99 value) FREE
- Bluetooth® Wireless Technology
- VGA Camera Phone
- FREE Ground Shipping*
- BUY NOW \$49.99** (in an orange button)
- Model not available in all areas

Foreclosure hits you — as a renter

In Chicago, 32 percent of 2008 residential foreclosure filings involved two-to-six-unit properties, buildings that were likely filled with renters. If you discover your building is in foreclosure, don't panic.

1 Foreclosure cases typically take at least 9 months, during which time tenants who are current with their rent can continue to live in the building.

2 To confirm that your building is in foreclosure, look up the property ID on the Cook County assessor's Web site: cookcountyassessor.com/. Use that ID to search the Cook County recorder of deeds Web site, ccrd.info, where a "lis pendens" next to the property indicates a pending case and a likely foreclosure. Find the case number and use that to search for information at the Cook County clerk of court's Web site, cookcountyclerkofcourt.org.

3 Continue to pay the rent. Landlords are entitled to rent payments until the building is sold.

4 If the building needs repairs, send a letter to your landlord stating that you intend to withhold a portion of your rent if repairs are not made within 14 days of the landlord's receipt of the letter. For serious repair issues, contact 311 and get the landlord into court.

5 If you find a sheriff's notice warning of an imminent eviction, follow the posting's instructions and notify the sheriff that you live in the building. If anyone other than a sheriff's officer attempts to evict you, call 911. Have documentation ready to prove residency. If you are named in an eviction, you may be able to have the record sealed, thus protecting your credit.

For more information, contact the Lawyers' Committee for Better Housing at 312-347-7600.

You lose your job, your insurance

In January, Illinois recorded the highest number of unemployed workers in more than two decades. If your employer hands you a pink slip, here's what you should do:

1 Negotiate your termination package. Companies will sometimes extend company-provided health insurance or lengthen the period of severance payments.

2 Apply online for unemployment benefits at the Illinois Department of Employment Security Web site, www.ides.state.il.us, or go to a local IDES office (locations are listed in the phone book). Payments begin within four weeks and can continue—with extensions—for 59 weeks.

3 If you can't get insurance through your spouse or through COBRA, check the Illinois Department of Healthcare and Family Services' online portal, health.illinois.gov, or call the state hotline 800-226-0768 to find out if you and your family qualify for state-sponsored health care.

4 Check with the Illinois Department of Human Services, www.dhs.state.il.us or call 800-843-6154, to see whether you qualify for food stamps or temporary cash assistance, among other benefits. The Chicago Food Bank Web site, chicagosfoodbank.org, also includes a food pantry locator.

5 Develop a financial plan. Prepare a budget and figure out how to reduce expenses.

6 Start your job search. A good place to begin is chicagojobs.org, which links to area organizations that offer support and assistance.

7 Stay positive and remember that you're not alone.

For more information, contact the Career Transitions Center of Chicago at ctchicago.org, 312-906-9908.

Your utilities get shut off

Obviously, you should do everything you can to avoid having your utilities shut off. But if you do end up in the dark, don't despair.

1 Know your rights. Electric and gas utilities cannot disconnect you: a.) without proper notice, b.) when it's below or expected to fall below 32 degrees within the next 24 hours and disconnection would mean no heat, c.) the day before a weekend or holiday when temperatures are expected to fall below 32 degrees, d.) if you have filed an up-to-date and approved medical certificate with the utility stating that disconnection would aggravate an illness, e.) if you are a Low Income Home Energy Assistance Program recipient and it's between Dec. 1 and March 31.

2 Check the nearest LIHEAP office, which offers assistance to low-income residents (liheapillinois.com, Cook County: 800-571-2332, outside Cook County: 877-411-9276). And contact your local Salvation Army (Chicago: 773-725-1100).

3 Don't make a bad situation worse by falling behind on your phone payments. Remember, phone bills are ripe for reduction, even by hundreds of dollars a year. (See CUBPhoneSaver.org)

4 Beware of health dangers such as opening a gas stove for heat or using space heaters that could spark fires. Check with your municipality to inquire about cooling or warming centers, or try to stay with a friend or family member.

For more information, or if you think you've been billed erroneously, call the Citizens Utility Board, a non-profit that advocates for residential utility customers at 800-669-5556.

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