

Loan Modifications in Utah Still Needed

The financial crisis that began in 2008 particularly impacted mortgage brokers. Lenders, including Bank of America and Wells Fargo, are looking for ways to avoid foreclosures. In 2009, almost 3 million homeowners across the nation faced foreclosure. According to RealtyTrac, July 2009 peaked with more than 361,000 homes receiving foreclosure notices. The months following this peak showed lower foreclosure notices, in part by trial loan modifications, changes in state legislation to extend foreclosure processes, and an extremely high number of foreclosures that backlogged the housing market and court systems.

Utah ranked fifth in the nation for foreclosure filings. In 2009, the top state foreclosure rates included Nevada (10.17%), Arizona (6.12%), Florida (5.93%), California (4.75%), and Utah (2.93%).

Utah homeowners need much help with loan modifications. But not anyone can do a loan modification. Utah Code has been interpreted by the Utah Division of Real Estate to require only Utah-licensed Principal Lending Managers to engage in loan modifications. Utah even forbids Utah-licensed attorneys to assist with loan modifications if the attorneys become “principally engaged” in this mortgage area. That is, an attorney may occasionally work on a loan modification. But once he actively solicits loan modification clients, the Utah Code allows the Utah Division of Real Estate to make complaints to the Utah State Bar against the attorney for violating the Utah statute.

Moreover, opportunistic loan modification companies from California are now soliciting Utah home owners for loan modifications. As many know, the California State Bar and California Department of Real Estate received so many complaints by California homeowners who were scammed by unscrupulous loan modification companies and attorneys that they joined forces to ban attorneys from collecting retainer fees for loan modifications. These two entities also combined forces to prosecute several opportunistic California attorneys. As a result, many California loan modification companies are now focusing on ill-advised Utah homeowners to pay for loan modifications. Over 15% of the loan modification clients I retain had previously retained California loan modification attorneys only to find that no work had been completed on their files and were out their money.

There is hope for Utah homeowners, however. Reed & Butler, LLC can assist Utah homeowners with assistance in obtaining a loan modification. Although our fees are typically half of what our competitors charge, our customer service and persistency with lenders has resulted in numerous positive loan modification outcomes.