

# STATE OF NEBRASKA

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Dave Heineman  
Governor

DEPARTMENT OF BANKING AND FINANCE

**John Munn**

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**FOR IMMEDIATE RELEASE**

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## PRESS RELEASE – NEBRASKA DEPARTMENT OF BANKING AND FINANCE ISSUES CONSUMER ALERT ON MORTGAGE PAYMENT INCREASES

Nebraska Department of Banking and Finance Director John Munn today issued this consumer alert urging homeowners with adjustable rate mortgages – especially those with nontraditional mortgages – to plan now for any scheduled “recasts” or “resets” of interest rates in the year ahead. Non traditional mortgage loans and many subprime loans frequently feature a recast (or reset) with a significant payment increase.

Although many lenders or servicers may have contacted borrowers or provided some information, the Department is concerned that many customers may not fully understand the characteristics of their mortgage loan. The Department urges borrowers to:

- Seek information on the characteristics of your mortgages
- Budget accordingly
- Contact your servicer for assistance, if needed
- Inquire about the terms of any prepayment penalty
- Ask about possible solutions if payments are past due

Initiating these types of contacts prior to a loan recasting will allow the borrower to plan accordingly and minimize any potential future difficulties.

Director Munn also noted efforts by the NeighborWorks organization, which has established a hotline (888-995-HOPE) to reach struggling homeowners with strategic solutions.

Anyone with questions may contact the Department via the Department’s toll free Consumer Hotline at (877) 471-3445, or in the Lincoln area at 471-2171.

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