

Are Loan Modifications Still Needed in Utah

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 Code even limits Utah-licensed attorneys to assist with loan modifications if the attorneys become “principally engaged” in this mortgage area. That is, an attorney may assist with loan modifications. But once lawyer’s practice is considered principally engaged in loan modification clients, the Utah Code states that the lawyer be licensed under the Utah Division of Real Estate.

Moreover, loan modification companies from other states unlicensed by the Utah State Bar or the Utah Division of Real Estate are soliciting Utah home owners. This can pose a challenge for homeowners who seek retribution if their file not worked by the unlicensed individuals or companies. There is hope for Utah homeowners, however. There are [Utah attorneys](#) and [licensed mortgage companies](#) that are willing and capable of helping out the many struggling home owners.