Are Loan Modification Services Really Worth the Cost?

By Brian Wilcher

As the current economic crisis deepens, and more and more Americans with mortgages they can’t afford find themselves in danger of losing their homes, the number of companies offering loan modification services continues to increase almost daily. These companies--which generally charge thousands of dollars for their services--may *seem* like the answer. After all, isn’t it worth the cost to hire a professional service to help you negotiate with your lender? Won’t they do all the work *and* get you a better deal than you could have gotten yourself? Read on--the answers to these questions may surprise you!

While the cost of a loan modification varies, prices ranging from $700 to $3500 are the norm. The upfront fees also vary, as do the service guarantees. Some companies ask for the entire amount upfront, and sometimes the fee is non-refundable. That’s an *awful* lot of money to pay a service when you’re already struggling to make your monthly mortgage payments--especially when there is no guarantee that they will be able to get you the modification you so desperately need.

“Okay,” you may be thinking, “but hiring a service to save me from having to do all the paperwork a loan modification requires is reason enough to spend the money.” Unfortunately, this isn’t the case either. Contrary to what you may have heard, loan modification companies *do not* prepare your paperwork. They simply collect it, organize it, and submit it to your lender--a task that is hardly worth hundreds, even thousands of dollars.

So if loan modification services aren’t worth the money--especially if you must prepare the paperwork yourself no matter who submits it for you--where *should* homeowners in need of a loan mod turn for help? The answer is a reasonably priced assisted loan modification program. An assisted loan mod program will guide you through the entire loan modification process--from contacting your lender, to preparing your required paperwork, to submitting your completed package--and save you a tremendous amount of money in the process.

If you find yourself in need of a loan modification, you clearly don’t have money to waste. Don’t fall prey to a loan modification service; do it yourself (with the help of an assisted loan mod program) and save!

Summary

As the current economic crisis deepens, the number of companies offering loan modification services continues to increase almost daily. But are the services these companies offer really worth the cost? The answer to that question may surprise you!