Allowing a third party to work with your mortgage company

Your mortgage company asks questions before they will work with a third party—You should too.

Your mortgage company will not talk with a housing counselor, licensed lawyer or other “third party” about your mortgage unless you authorize the mortgage company to do so, typically by filling out a third party authorization form. Why does the mortgage company care? The mortgage company must protect your private financial information.

The model third party authorization form

The model form is an example of what your mortgage company might ask you to submit. The model form:

- Makes it easier for your mortgage company to protect your information and check for signs of fraud because it asks for information about the third party you are authorizing.
- Requires the third party to state that it is following the law. The person or company signing the form also promises not to charge illegal fees. This simple step can help reduce fraud.
- Asks if the third party is a lawyer and where the lawyer is licensed. You can confirm this information by calling your state bar association or checking the state bar website.

What happens when I send in a “Third Party Authorization Form” to my mortgage company?

What is a Third Party?

When you ask another person or a company to talk with your mortgage company, that person or
company is called a “third party.” A third party could be a housing counselor or a lawyer that will help you try to get a mortgage modification, for example.

Who are you authorizing?

Only authorize a third party you trust. Many homeowners have been taken advantage of by third parties that ask for money up front and guarantee help but don’t do what they promise. Some homeowners have been scammed by identity thieves that steal personal financial information.

What does a third party authorization form look like?

A third party authorization form says to your mortgage company that you allow a third party to receive information about you and your mortgage. It may allow the third party to take actions for you. There is no single form used by every mortgage company. That’s why we have attached a model third party authorization form created by a group of mortgage companies, housing counselors and government officials, including Making Home Affordable.

What are you authorizing the third party to do?

If you sign a Third Party Authorization make sure you know what you are allowing that person or company to do on your behalf. Ask: Can the mortgage company disclose your financial information, like Social Security number and income, to the third party? Can the third party make decisions for you? You need to tell your mortgage company what the third party can do and what the third party cannot do. On the model form you can choose whether you want to allow a third party to work with your mortgage company to try to obtain a mortgage modification for you, for example. Or, you can authorize the third party only to receive information so they can help you understand what is happening but you do the work with your mortgage company.

If you think you have been taken advantage of contact the CFPB at consumerfinance.gov. The Loan Modification Scam Prevention Network, a coalition of many governmental and nongovernmental agencies, also provides information and accepts complaints at preventloanscam.org.