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Bailout bucks aren't designed to bail you out

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The bailout is coming, but not for you.

That's the message from experts who say individuals with mortgage problems should not count on any of the $700 billion authorized by Congress two weeks ago to go directly for their benefit.

Instead, concentrate on keeping your payments current and if you fall behind, keep in contact with your bank, they say.

The Monday after the bailout, "We were flooded with calls from people asking, 'How is this going to work out?'" said Eddie Felton, executive director of the Home Ownership Resource Center in Fort Myers.

But that's not in the works, he said, although some assistance money is available from Lee County and Fort Myers and some banks are willing to forgive part of a mortgage, stretch out the payment period or reduce the interest rate.

Don't be deceived by the fact your bank, slammed with huge numbers of foreclosures, may not immediately jump on your case if you stop paying your mortgage, said Kevin Jursinski, a Fort Myers-based attorney who handles a lot of foreclosures.

"They don't even talk to you before you're three or four months behind," he said, and by that time the probability of a successful resolution drops to 3 percent.

Some banks that don't have a lot of foreclosures in the works are more proactive.

"We try to work with people before they're 15 days behind," said David Hall, president of First Community Bank of Southwest Florida. "After 30 days or more, it's tough to catch up."

In July, Congress enacted legislation designed to help borrowers who owe more than their homes are worth by allowing them to refinance into a government-backed loan, provided their mortgage company forgives part of their principal. It's not clear how many borrowers the program will help, because before reducing the principal, lenders would almost always try first to freeze or reduce borrowers' interest rate to make payments more affordable, said Tom Deutsch, deputy executive director of the American Securitization Forum, an industry group.

- The Wall Street Journal contributed to this report