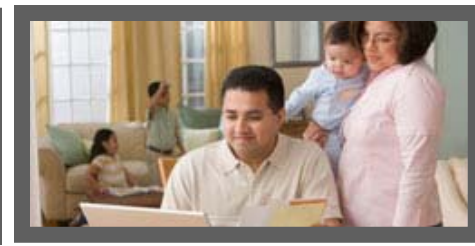
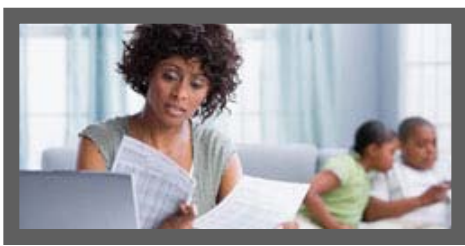




MAKING HOME AFFORDABLESM

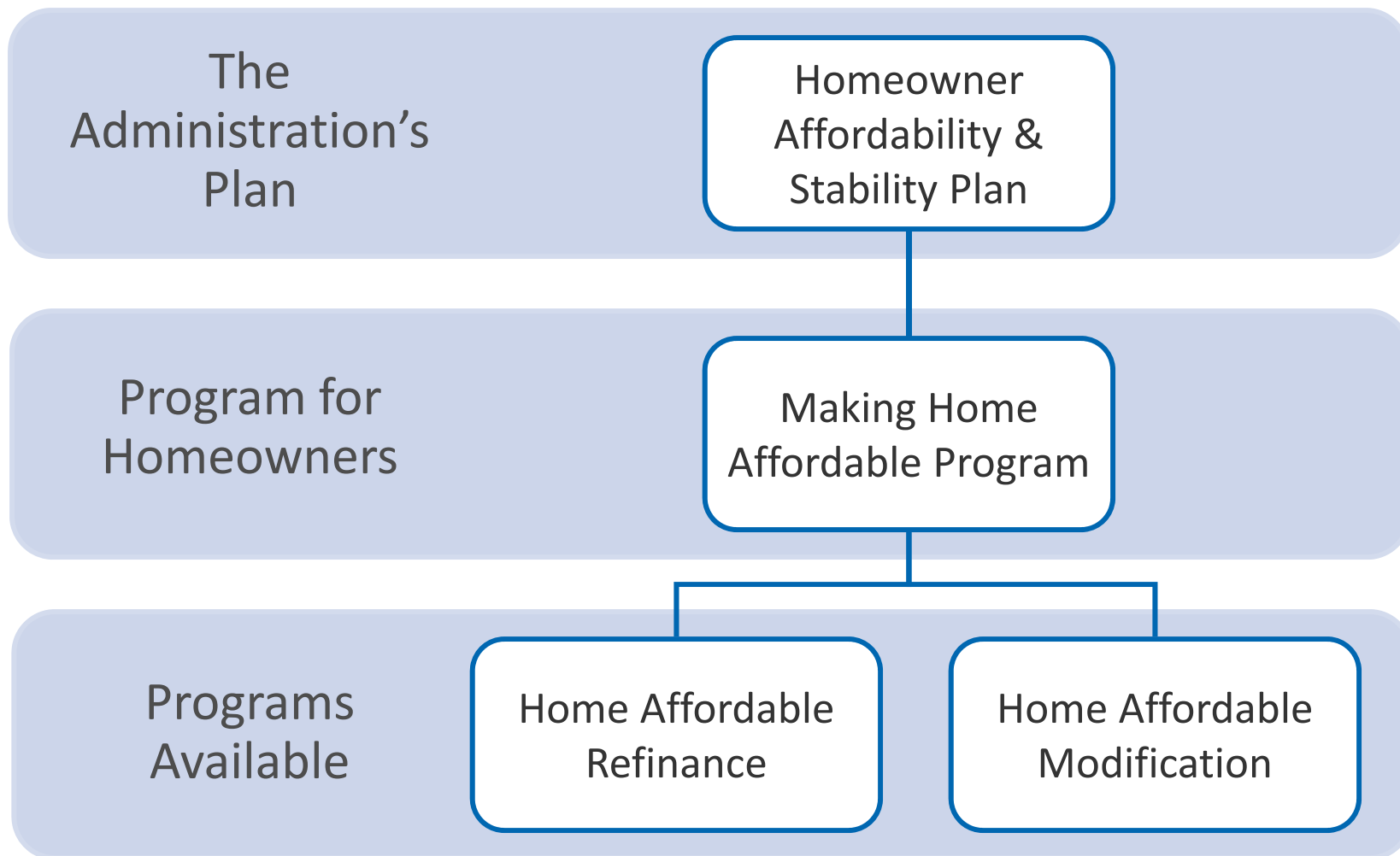


Making Home Affordable





Background





Home Affordable Refinance Program (HARP)

- Purpose
 - Gives borrowers the opportunity to refinance into more affordable loans at today's lower rates
 - Only for borrowers with Fannie Mae or Freddie Mac loans
- Scope
 - Estimated millions of borrowers are eligible



HARP Eligibility Criteria

Borrower –

- Owner-occupant of a 1-4 unit property
- Is current on the mortgage
- Has reasonable ability to pay new mortgage payment

Loan –

- Mortgage is owned or guaranteed by Fannie Mae or Freddie Mac
- Amount of first mortgage does not exceed 125% of property's current market value
- Refinance will improve the long-term affordability or sustainability of the loan



Home Affordable Modification Program (HAMP)

- Purpose
 - Modifies loans of qualifying at-risk borrowers to achieve affordable payments
 - Allows borrowers to keep their homes
 - Reduces impact of foreclosure on communities
- Scope
 - Estimated millions of borrowers are eligible



HAMP Eligibility Criteria

Borrower –

- Owner-occupant of 1-4 unit property
- Has reasonable ability to pay modified mortgage payment
- Has a financial hardship and is delinquent or at risk of *imminent default*

Loan –

- Amount owed on first mortgage is equal to or less than \$729,750
- Mortgage was originated on or before January 1, 2009
- First mortgage payment (PITI + homeowner association/condo fees) must be greater than 31% of borrower's gross income



Determining Imminent Default

- Borrowers who are current on their loans but are struggling to make payments may also be eligible for HAMP if they:
 - Have a documented hardship – *decrease in income, increase in expenses, facing interest rate increase within the next four months, etc.*
 - Do not have sufficient savings or other liquid assets to make future payments



Modification Process

- Your Mortgage Lender or Counselor...
 - Determines if borrower meets minimum eligibility criteria
 - Obtains borrower income and debt information
 - Calculates borrower's target modified payment to reach debt-to-income ratio of 31%



Modification Process - Continued

Your Mortgage Lender...

- Performs steps in order to reach target modified payment

Step 1: Capitalizes outstanding debt, escrow advances and out-of-pocket servicing expenses (no late fees allowed)

Step 2: Reduces the interest rate to as low as 2%

Reduced rate remains fixed for 5 years and increases 1% per year thereafter to market interest rate at the time of modification

Step 3: Extends loan term up to 40 years

Step 4: Defers a portion of the principal, interest-free, until loan is paid off



Second Mortgage Lien Modification Program

- Purpose
 - Modifies 2nd mortgages of qualifying at-risk borrowers to achieve affordable payments on both mortgages
 - Incentives encourage participation from all parties
- Scope
 - Estimated that up to 50% of at-risk borrowers with 1st mortgages have 2nd mortgages



Second Mortgage Lien Modification Program - Continued

- A 2nd mortgage lien may be eligible when...
 - The mortgage lender is a participant in the Second Mortgage Lien Modification Program under HAMP
 - Borrower's corresponding 1st mortgage is modified through HAMP
 - Mortgage originated on or before January 1, 2009
- 3rd and/or 4th mortgage liens are not eligible
- May only be modified once
- No fee charged to modify
- Borrower must provide consent to share their 1st mortgage lien modification data with the 2nd mortgage lender if the lenders are two different parties



Borrower Incentives

- No cost for modification
- Borrowers can receive principal reductions for making HAMP payments on time
 - Incentives can equal up to:
 - \$1,000 per year for five years for 1st mortgage
 - \$250 per year for five years for 2nd mortgage (if applicable)
 - Incentives add up monthly and are allocated once a year to reduce borrower's unpaid mortgage principal balance
- With no extra effort, borrowers increase the equity in their homes
- However, if borrower defaults on their 1st or 2nd modified mortgages, then no additional incentives will be allocated



Getting Started

Text A+ A- A | En español

Need urgent help? Contact the Homeowner's HOPE™ Hotline: (888) 995-HOPE

MAKING HOME AFFORDABLE.gov

HELP FOR AMERICA'S HOMEOWNERS

ABOUT | ELIGIBILITY | LOAN LOOK UP | FIND A COUNSELOR | CONTACT YOUR MORTGAGE SERVICER | RESOURCES | AUDIO AND VIDEO

Are You Eligible?

Please use the self-assessment tools provided on this website to see if you are among the 7 to 9 million homeowners who may be able to benefit from **Making Home Affordable**.

[Find out if you are eligible](#)

Learn About Making Home Affordable

Refinancing

Many homeowners pay their mortgages on time but are not able to refinance to take advantage of today's lower mortgage rates perhaps due to a decrease in the value of their home.

Modification

Many homeowners are struggling to make their monthly mortgage payments perhaps because their interest rate has increased or they have less income.

Need urgent help?
888-995-HOPE
Homeowner's HOPE™ Hotline

LATEST NEWS:
07/31: [Treasury Announces Home Price Decline Protection Incentives](#)
07/30: [HUD Secretary Donovan Announces New FHA-Making Home Affordable Loan Modification Guidelines](#)

Beware of Foreclosure Rescue Scams – Help Is Free!

- Scam artists often target homeowners who are struggling to meet their mortgage commitment or anxious to sell their homes. Recognize and avoid common scams.
- Assistance from a [HUD-approved housing counselor](#) is FREE.
- Beware of anyone who asks you to pay a fee in exchange for a counseling service or modification of a delinquent loan.
- Beware of people who pressure you to sign papers immediately, or who try to convince you that they can help you avoid foreclosure.
- Do not sign over the deed to your house.
- Do not sign over the deed to your house unless you are working with a HUD-approved housing counselor.

Obama Administration Launches National Outreach Campaign

The campaign will travel to ten housing markets that have been hit hard by foreclosure, starting in Miami, with the goal of empowering local partners to connect homeowners with much needed relief under the Administration's housing program. [Read more...](#)

[More upcoming homeowner events.](#)

Sample Home Page

the Help You Need



Easy-to-Use Main Navigation for Homeowners to Quickly Find Information

Access Checklist to Prepare Borrowers to Speak with their Mortgage Lender or Counselor

On the Home Page, consumers can access:

- Spanish Content
- 1-888-995-HOPE (4673)
- Beware of Scams
- Information Video
- Helpful Links in Footer



Are Mortgage Lenders Required to Participate?

- If you have a Fannie Mae or Freddie Mac loan - YES
- For other loans, participation is optional. However, significant financial incentives are provided to encourage participation by borrowers, mortgage lenders and investors.
- The list of participating mortgage lenders is available at: www.MakingHomeAffordable.gov
- Participating mortgage lenders may not proceed with a foreclosure sale until a borrower has been evaluated for a Making Home Affordable loan.



Beware of Foreclosure Rescue Scams

- Beware of any company that promises:
 - That it's safe to skip your mortgage payments
 - That walking away from your house won't affect your credit
 - They will buy your house & sell it back to you later
 - A specific result, for a fee

There is never a fee for getting information about the Making Home Affordable program from your mortgage lender or a HUD-approved housing counselor.



Additional Resources

- For Immediate Borrower Assistance:
 - Call **1-888-995-HOPE** (4673)
- Find a HUD-Approved Housing Counselor:
 - Visit www.MakingHomeAffordable.gov
- Find Your Mortgage Lender's Phone Number:
 - Refer to your monthly mortgage statement, or
 - Look up on www.MakingHomeAffordable.gov