

Making Home Affordable Modification

<p>What is the Making Home Affordable Modification Program?</p> <p>(The Obama Administration's Loan Modification Program)</p>	<p>This program is designed to help homeowners who are at risk of foreclosure. The Administration is offering government assistance to loan servicers and investors to help offset the cost of modifying qualified homeowners into affordable mortgages that will allow them to keep their homes. This may be done by reducing the mortgage interest rate, extending the term of the loan, principal forbearance, and/or principal cramdown.</p> <p>This program is voluntary and the servicers must agree to contracts with the Treasury to participate. Please keep in mind that loans can only be modified once under the Making Home Affordable Modification.</p>
<p>When does the Making Home Affordable Modification Begin?</p>	<p>The program begins March 4, 2009 and ends December, 31 2012.</p>
<p>Who is Eligible?</p>	<p>You should contact your lender to determine eligibility, but you may qualify to participate in this program if, among other factors:</p> <ul style="list-style-type: none"> • The home is a one to four unit property that is your primary residence and owner occupied. • Your existing mortgage was originated on or before January 1, 2009. • The property may not be investor-owned. • The property may not be vacant or condemned. • You are not able to pay your existing mortgage without help. • Your total monthly mortgage payments are more than 31 percent of your gross monthly income. • You are at risk of foreclosure due to a significant increase in mortgage, a reduction in income since the current loan was created, or a hardship that has increased your expenses (i.e. medical bills). • You owe an amount equal to or less than \$729,750 on the first mortgage (higher limits are allowed for an owner occupied property that is two to four units). • You may be in bankruptcy.
<p>What are the Details of the Program?</p>	<ul style="list-style-type: none"> • The lender will have to first reduce payments on mortgages to no greater than 38 percent Front-End Debt-to-Income (DTI) ratio. The Treasury will match further reductions in monthly payments dollar-for-dollar with the lender/investor, down to a 31 percent Front-End DTI ratio for the borrower. • Borrowers are eligible to receive a Pay-for-Performance Success Payment that reduces the principal balance on the mortgage loan. The borrower must remain current on his or her monthly payments and will be eligible to receive up to \$1,000 of Pay-for-Performance Success Payments each year up to five years. • In order to participate in this program, your servicer must have entered into the program agreements with the Treasury's financial agent no later than

	December 31, 2009.
Who should I Contact?	If you meet the eligibility requirements, you may qualify for a Making Home Affordable Modification. You should call your mortgage servicer and ask to be considered for the Making Home Affordable Modification program.
What Costs do I have to Pay?	<ul style="list-style-type: none"> • There are no modification fees or charges borne by the borrower. • Unpaid late fees will be waived for the borrower. These include late fees prior to the start of the Trial Period and accrued during the period. • The servicer will cover the cost of the credit report.
How can I Learn more about the Program and start the Application Process?	For more information regarding the Obama Administration's Loan Modification plan, visit the site below. http://www.financialstability.gov

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