



Mortgage Workout Programs for Homeowners

On Wednesday, February 18, 2009, President Obama announced his new Homeowner Affordability and Stability Plan to help troubled homeowners avoid foreclosure. This plan will offer assistance up to 9 million homeowners and applies only to primary residences. The first component of the plan allows homeowners who are current to refinance an existing Fannie Mae or Freddie Mac conforming loan with a loan-to-value ratio up to 105 percent. The second component addresses homeowners who are at risk of foreclosure on their mortgages, but they do not have to be delinquent. The government will work with the lenders to ensure that monthly mortgages do not exceed 31 percent debt-to-income ratio. Furthermore, the government will seek to create clear and consistent guidelines for loan modifications.

The details of the Homeowner Affordability and Stability Plan were released on Wednesday, March 4, with the introduction of the Making Home Affordable plan. Please look at the appropriate charts below to read about the summary of these new programs.

For more information about the Making Home Affordable Program, [click here](#).

The following information is intended for REALTORS® and homeowners seeking information on existing mortgage workout programs. In general, the loan modification programs on the chart (see link below) and consumer information sheets (see links below) are intended for primary residences only.

For a lender comparison chart on existing mortgage workout programs (revised 3/09) [click here](#). The chart is a compilation of programs offered by the larger lenders and government entities. If a specific lender or loan servicer is not on the chart, homeowners may wish to contact the lender or loan servicer to determine if a workout program is available.

For consumer information sheets containing detailed information on specific programs, please click on the appropriate link below.

- [Making Home Affordable Refinance](#)
- [Making Home Affordable Modification](#) 

Mortgage loan modifications typically are handled on a case-by-case basis. Homeowners having difficulty meeting their mortgage obligation or interested in finding out more about a loan modification program should start by contacting their lender. Prior to calling a lender or loan servicer, homeowners should have the following information available:

- Loan number
- Income information and documentation
- Most recent mortgage statement
- Bank statements
- Letter demonstrating financial hardship

Source: CAR.org