

## ***Making Homes Affordable Program—What is it? And how can it help me?***

If you're like so many homeowners today, you're facing foreclosure and have many questions about what relief is available to you under the Making Homes Affordable Program. The MHA Program is a comprehensive strategy initiated by the Obama Administration to help millions of homeowners now facing devaluation of their property and possible default on their loans. MHA consists of a number of different programs designed to address the varied circumstances in which homeowners find themselves. You're probably heard of HAMP, Homes Affordable Modification Program, which has been in place since 2009. There are also programs to refinance your mortgage ("HARP"), to modify second mortgages ("2MP"), and to offer non-modification alternatives to foreclosure, such as short sales, in cases where the homeowners don't qualify for a modification ("HAFA"). All servicers for loans guaranteed or owned by Fannie Mae or Freddie Mac are required to participate in MHA. Other loan servicers are strongly encouraged to participate through the many financial incentives and loss sharing provided by the government.

First and foremost, don't ignore your situation. If you are ***no longer able to make your mortgage payments, don't wait***. Contact an attorney specializing in this area and your lender as soon as possible. There are a number of options available to lenders, either as part of the federal initiative, Making Homes Affordable Program, and its affiliated programs, or as part of the lender's own in-house procedures. As part of the MHA programs, lenders must offer these workout options to borrowers, which include forbearance, if your hardship is temporary, mortgage modification, refinance, and repayment plans. If keeping your home is not an option, you may be approved for a short sale, an assumption of the loan by a qualified buyer or a deed in lieu of foreclosure.

To be eligible for HAMP, a borrower must meet the following requirements:

- (1) Have a loan that originated before January 1, 2009;
- (2) Have an unpaid principal balance of less than \$729,750. (Higher limits allowed for 2-4 units)
- (3) Be an owner-occupant in a 1-4 unit property which is your primary residence;
- (4) Be in default or at imminent risk for default;
- (5) Have a mortgage payment that is more than 31% of your gross monthly income;
- (6) Have suffered a hardship.

To qualify for HAFA, you must meet the basic eligibility criteria above and have been

- (1) denied a mortgage modification;
- (2) defaulted during a trial modification period;
- (3) become delinquent after permanent modification; or
- (4) request a short sale or Deed In Lieu.

To determine whether your loan is guaranteed or owned by government backed Fannie or Freddie, check out the following sites: [www.fanniemae.com](http://www.fanniemae.com) and [www.freddie.com](http://www.freddie.com)

If you have more questions about the details of these and other programs available under the Making Homes Affordable Initiative, please click on the links listed on my home page. Those sites will answer most, if not all your questions, and offer eligibility tests so you can determine whether you qualify for these programs.

While HAMP has not seen the number of loan modifications originally hoped for at the program's inception, it has helped some homeowners, and is worth pursuing. However, be prepared for frustration. Just completing a successful application can require weeks and a number of document submittals. It is important to know, however, that a HAMP request will not forestall foreclosure action. Consequently, don't wait until you are in default to initiate the request for relief. **Start now. Stay organized, be patient, take good notes, and call regularly to check the status of your application.**