

President Obama's Making Homes Affordable Plan

Recently President Obama announced a comprehensive plan to help responsible homeowners avoid foreclosure by providing affordable and sustainable mortgage loans. The Making Homes Affordable Program includes a modification plan targeted at borrowers who are at risk of foreclosure because their incomes are not sufficient to make their mortgage payments. It also includes refinance opportunities for borrowers who are current on their mortgage payments but have been unable to refinance because their homes have decreased in value.

If you are interested in Loan Modification:

Under the Making Homes Affordable Program, the United States Treasury will spend up to \$75 billion dollars to make mortgage payments affordable and sustainable for low and middle income American families that are at risk of foreclosure. Borrowers who are delinquent on the mortgage for their primary residence and borrowers who, due to a loss of income or increase in expenses, are current but struggling to make their payments may be eligible for a loan modification.

Detailed program guidance was issued by the Treasury on March 4, 2009. Lenders and mortgage servicers are working hard to train staff and develop systems to implement this program but it will take several weeks before servicers are able to assist every borrower. If your loan is not delinquent please be patient. Servicers will likely work first with delinquent borrowers who are at the greatest risk of foreclosure.

In the meantime, borrowers can get additional information at www.financialstability.gov. This site includes questions and answers that will help homeowners determine if they are eligible for modification assistance.

If you would like to speak to a housing counselor you can call Self-Help Enterprises' Foreclosure Hotline at **1-888-412-0828**. Our HUD-approved housing counselors can help you evaluate your income and expenses and understand your options. This counseling is FREE.

Borrowers will never be charged a fee for a modification under the government's Making Homes Affordable Program. **Beware of any organization that attempts to charge a fee for housing counseling or modification of a delinquent loan, especially if they ask for money in advance.**

If you are interested in a Refinance:

Under the Making Homes Affordable Program, borrowers who are current on their mortgage, but have been unable to refinance because their house has decreased in value, may now have the opportunity to refinance. Through the program, Fannie Mae and

Freddie Mac will allow the refinance of mortgage loans that they hold in their portfolios or that they guarantee in their own mortgage-backed securities.

Detailed program guidance was issued by the Fannie Mae and Freddie Mac on March 4, 2009. Lenders are working hard to train staff and develop systems to implement this refinance opportunity. To find out if your loan is owned or securitized by Fannie Mae or Freddie Mac and if you are eligible for this refinance go to www.financialstability.gov. This site includes questions and answers that will help you determine if you are eligible for refinance assistance. Information is also available at www.fanniemae.com and www.freddie.com.

If you would like to speak to a housing counselor you can call Self-Help Enterprises' Foreclosure Hotline at **1-888-412-0828**. Our HUD-approved housing counselors can help you evaluate your income and expenses and understand your options. This counseling is FREE.

Borrowers should beware of any organization that attempts to charge a fee for housing counseling or “assisting” you in finding a lender that will provide a refinance under the Making Home Affordable Plan, especially if they ask for money in advance.