

## Getting Help from Federal Programs

If you are in default or facing foreclosure, you are not alone. Millions of families have been affected by the foreclosure and economic crisis, including many in New York. Because this is a national problem, the federal government has set up several programs in cooperation with lenders that try to help homeowners obtain more affordable payments.

Some homeowners fear they won't fit strict eligibility guidelines or understand the federal program process, but these programs are important for homeowners to consider. Visit federal foreclosure assistance websites and read the information carefully (see links at the end of this fact sheet). Take notes and don't rush. Don't try to read too much at once; set aside 30 minutes a day over a few days to look up the information, and then decide which program best fits your situation. (If you are a co-op shareholder, however, you will need to get legal assistance right away.) Below are some basic details on federal assistance programs. For the most up-to-date information, it is best to check program websites, call the program directly, or talk to a housing counselor.

### Remember...

- *Contact your lender or servicer right away if you are having trouble*
- *Respond to your lender's letters or phone calls immediately*
- *Talk to a housing counselor*
- *Watch out for loan modification scams!*

### What is Making Home Affordable (MHA)?

[Making Home Affordable](#) (MHA) is a federal program that helps homeowners obtain a more stable and affordable mortgage payment. Several options exist under the MHA umbrella including refinance options, help for the unemployed and options for leaving the home gracefully through a short sale or deed-in-lieu of foreclosure.

### Are you behind on your mortgage because your monthly bill is too high?

If you are looking to modify (change) the terms of your mortgage because the monthly payment is too high, consider the [Home Affordable Modification Program](#) (HAMP). This program has options to reduce the monthly payments if certain requirements are met.

There are also HAMP options for FHA loans, called [FHA-HAMP](#). To find out if your mortgage is insured by the FHA, you can check your closing documents, call the FHA National Servicing Center (1-877-622-8525) or call the servicer listed on your mortgage statement and ask.

Another option under MHA is the [Principal Reduction Alternative](#) (PRA), which encourages servicers to decrease the principal amount owed if the home is worth a lot less than the loan balance. Eligibility factors and a list of lenders who offer the PRA program are on the PRA website.

### **Is your second mortgage the problem?**

Sometimes a homeowner has a second mortgage (lien) that is also a problem. If this is the case, look into the [Second Lien Mortgage Program](#) (2MP), which offers changes to a second lien to make it more affordable. Under this program, the interest rate may be reduced, the term may be extended, the principal may be deferred, or a portion of the principal may be forgiven entirely, depending on the loan.

### **Are you unemployed?**

Making Home Affordable also helps people who are struggling to pay their mortgage because they are unemployed. If your lender participates in MHA, they may be able to provide assistance while you look for a job, including reducing monthly payments or putting them on hold, or extending a forbearance if needed. Visit the [Home Affordable Unemployment Program](#) (UP) website for more details.

### **Are you making payments on time but still unable to refinance because your home's value has decreased?**

Problems with affordability are not only for homeowners who are unemployed or in default. Some homeowners are making their payments on time but would still like to

refinance to get a lower interest rate. However, some cannot refinance because the value of their home has decreased. Borrowers in this situation may be eligible for a refinance through the [Home Affordable Refinance Program](#) (HARP) if the loans are being serviced by Fannie Mae or Freddie Mac. To learn more about HARP, contact your mortgage servicer and visit the website.

#### ***How Can I Get Federal Assistance?***

- *Talk to a HUD-approved housing counseling agency*
- *Call your mortgage servicer*
- *Call the HOPE Hotline to get free advice on your options and where to go for help: 1-888-995-HOPE (4673)*

### **Are you thinking about walking away?**

If you are certain you cannot catch up on your mortgage and are ready to leave your home, consider the [Home Affordable Foreclosure Alternatives](#) program (HAFA). HAFA helps borrowers with a short sale (when you sell the

home for what it's worth, even if that's less than what is owed) or a deed-in-lieu of foreclosure (when you transfer ownership of the home to the servicer by giving them your deed, to avoid being foreclosed upon). Both of these options help you to avoid foreclosure and move to a more affordable housing situation with less damage to your credit rating. Visit the HAFA website to find a list of participating servicers.

### **Are you in the military?**

If you are in the military, the [Servicemembers Civil Relief Act](#) provides protections that can delay foreclosure or help you to get a lower interest rate. There are guidelines that lenders must follow for members of the service. Visit the webpage to learn more, and then contact your servicer to make sure they are applying these protections in your case.

**Help for New York City residents**  
Homeowners at risk of foreclosure in New York City can look into the [Mortgage](#)

[Assistance Program](#) (MAP) available through the Center for NYC Neighborhoods.

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## Resource List and Web Links

**Making Home Affordable:** [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov)

**Fannie Mae:** [www.fanniemae.com](http://www.fanniemae.com)

**Freddie Mac:** [www.freddiemac.com](http://www.freddiemac.com)

**Find a Foreclosure Counselor in New York State**

<http://www.nyhomes.org/Home/Owners/ForeclosurePreventionCounseling.htm>

**Find a Foreclosure Counselor:** [www.findaforeclosurecounselor.org](http://www.findaforeclosurecounselor.org)

**HUD Housing Counseling Agencies in New York State**

<http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=NY&filterSvc=dfc>

**Home Affordable Modification Program – HAMP**

<http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/hamp.aspx>

**FHA – HAMP**

<http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/fha-hamp.aspx>

**Principal Reduction Alternative – PRA**

<http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/principal-reduction.aspx>

**Second Lien Modification Program – 2MP**

[http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/lien\\_modification.aspx](http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/lien_modification.aspx)

**Home Affordable Unemployment Program – UP**

<http://www.makinghomeaffordable.gov/programs/unemployed-help>

**Home Affordable Refinance Program – HARP**

<http://www.makinghomeaffordable.gov/programs/lower-rates>

**Home Affordable Foreclosure Alternatives – HAFA**

<http://www.makinghomeaffordable.gov/programs/exit-gracefully>

**Servicemembers Civil Relief Act**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/nsc/qasscra1](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/qasscra1)

**Mortgage Assistance Program – MAP**

<http://www.cnycn.org/resources/the-mortgage-assistance-program-map>

**Loan Modification Scam Alert:** [www.loanscamalert.org](http://www.loanscamalert.org)

**Center for New York City Neighborhoods:** <http://www.cnycn.org>

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