

Who is this program for?

The plan includes two initiatives:

- 1) A refinancing program aimed at homeowners who have less than 20 percent equity in their home or owe more than their home is worth and have mortgages owned or financed by Fannie Mae and Freddie Mac.
- 2) A loan modification program is aimed at all borrowers at risk of losing their home and attempts to lower their monthly payments to affordable levels.

Who is eligible for the refinancing program?

The refinancing program is open only to homeowners with loans owned or guaranteed by Fannie Mae and Freddie Mac. Borrowers who owe up to 5 percent more than their home is worth can qualify. The homeowners must be current on their loan.

The program ends June 2010.

How can I tell if my loan is owned or financed by Freddie Mac and Fannie Mae?

The easiest way is to call your lender or servicer, the company that sends your monthly bill.

Are there requirements for the loan modification program?

Yes. The loan must have originated on or before Jan. 1, 2009. The property must be owner-occupied, and the principal balance cannot exceed \$729,750. Also, the program requires the borrower to document income and sign an affidavit of financial hardship. Modifications can start from now until December 31, 2012. Loans can be modified only once under the program.

What if I am in trouble on my mortgage?

Under the loan modification program, lenders are encouraged to lower homeowners' payments to 31 percent of their income. That may come from lowering the interest rate to as little as 2 percent or extending the terms of the loan. Lenders may also lower the principal owed by the borrower or stop charging interest on a portion of the loan, known as principal forbearance.

What if I am current on my loan but fear that I could fall behind soon?

You can still apply for the loan modification program. This is among the few government and industry programs intended to help borrowers who are current on their mortgage but face an interest rate increase or other issue that could push them into delinquency soon.

For more information on these programs, please visit:

<http://www.financialstability.gov/makinghomeaffordable/>