FEDERAL HOUSING FINANCE AGENCY

NEWS RELEASE

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HARP Refinances Continue Surge

One in Five Refinancings Made Through HARP

Washington, D.C. – Refinance volume is continuing to rise with more underwater borrowers refinancing through the Home Affordable Refinance Program (HARP) than ever before. According to the Federal Housing Finance Agency's (FHFA) latest *Refinance Report*, HARP loans represented 20 percent of total refinance volume in May, the largest increase since the program was launched in 2009.

The increased volume is due, in part, to record-low interest rates on 30-year mortgages and to the removal of the loan-to-value (LTV) cap and certain risk-based fees enabling more borrowers to take advantage of HARP.

"These numbers show HARP 2.0 is accomplishing the goals set forth—to provide relief to borrowers who might otherwise be unable to refinance due to house price declines," said FHFA Acting Director Edward J. DeMarco. "Borrowers with Fannie Mae- or Freddie Mac-backed loans who are current on their underwater mortgages are taking advantage of the opportunity offered by HARP 2.0."

During the first five months of this year, more than 78,000 refinances were completed, exceeding the total HARP refinances during all of 2011. In May, borrowers with greater than 105 percent LTV accounted for nearly one-third of HARP volume.

Also in the May FHFA *Refinance Report:*

- An increasing number of underwater borrowers refinancing through HARP chose shorter-term 15- or 20-year mortgages, which build equity faster than traditional 30-year mortgages.
- HARP refinances represented over 40 percent of total refinances in Nevada, Arizona, Michigan and Florida, compared to 20 percent nationwide.
- Underwater borrowers represented more than half of HARP volume in Nevada and Arizona and 40 to 50 percent of HARP refinances in Florida, Idaho and California.

Link to Refinance Report

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than $5.7 trillion in funding for the U.S. mortgage markets and financial institutions.