
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
September 7, 2012

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HARP Refinances Continue Strong Pace in July

Washington, D.C. – The Federal Housing Finance Agency (FHFA) today released its July *Refinance Report*, which shows a key milestone was reached when more than 519,000 loans were refinanced through Fannie Mae and Freddie Mac under the Home Affordable Refinance Program (HARP) since the beginning of this year. The continued high volume of HARP loans is attributed to record-low mortgage rates and program enhancements announced last year including removal of the loan-to-value (LTV) ceiling for borrowers who refinance into fixed-rate loans and the elimination or lowering of fees for certain borrowers.

“When we announced additional program changes to HARP last fall, we were cautiously optimistic that the changes would double or more the number of HARP refinances,” said Acting Director Edward J. DeMarco. “With more than half-a-million homeowners taking advantage of the program in the first seven months of this year Fannie Mae and Freddie Mac are on track to meet or surpass our original estimates.”

Also in the report:

- Fannie Mae and Freddie Mac refinanced **519,339** loans in the first seven months of this year through HARP – more than all HARP refinances – 400,024 – last year.
- Since the program’s inception in 2009, Fannie Mae and Freddie Mac have financed more than **1.5 million** loans through HARP.
- Borrowers in June and July 2012 with LTV ratios greater than 105 percent accounted for more than half the volume of HARP loans as lenders began to sell Fannie Mae and Freddie Mac securities containing these loans with LTV ratios greater than 125 percent as of June 1.
- In July, 20 percent of underwater borrowers chose shorter-term 15- and 20-year mortgages, which help build equity faster.
- In July, HARP refinances represented nearly 60 percent or more of total refinances in states hard-hit by the housing downturn – Nevada, Arizona and Florida – compared with 27 percent of total refinances nationwide.
- In Nevada, Arizona and Florida, underwater borrowers with LTV ratios greater than 105 percent represented more than 70 percent of HARP volume in July.

[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.