



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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CONTACT: Treasury Public Affairs
(202) 622-2960

RELIEF FOR RESPONSIBLE HOMEOWNERS ONE STEP CLOSER UNDER NEW TREASURY GUIDELINES

*With Detailed Program Requirements, Servicers Can Now Begin
'Making Home Affordable' Loan Modifications*

Extensive Borrower Outreach Efforts Underway

Washington, DC – The Obama Administration today announced new U.S. Department of the Treasury guidelines to enable servicers to begin modifications of eligible mortgages under the Administration's Homeowner Affordability and Stability Plan – announced by President Barack Obama just two weeks ago. The release of detailed requirements for the “Making Home Affordable” program facilitates implementation of the critical provisions that will help bring relief to responsible homeowners struggling to make their mortgage payments, while preventing neighborhoods and communities from suffering the negative spillover effects of foreclosure such as lower housing prices, increased crime and higher taxes.

“Two weeks ago, the President laid out a clear path forward to helping up to nine million families restructure or refinance their mortgages to a payment that is affordable now and into the future. Today, we are providing servicers with the details they need to begin helping eligible borrowers,” said Treasury Secretary Tim Geithner. “It is imperative that we continue to move with speed to help make housing more affordable and help arrest the damaging spiral in our housing markets, just as we work to stabilize our financial system, create jobs and help businesses thrive. Economic recovery requires action on all three fronts.”

"Only two weeks after the President unveiled his plan to help promote homeowner affordability, we are moving forward today with these guidelines to implement that plan," HUD Secretary Shaun Donovan said. "This step forward represents a tremendous coordinated effort between

major government and regulatory agencies to help bring relief to America's housing market and homeowners. This plan will help make home ownership more affordable for nine million American families and in doing so, help to stop the damaging impact that declining home prices have on all Americans."

The guidelines will implement financial incentives for mortgage lenders to modify existing first mortgages and set standard industry practice for modifications.

Treasury announced today that the Making Home Affordable program will also include additional incentives for efforts made to extinguish second liens on loans modified under this program. Extinguishing second liens will make mortgages more affordable, improve loan performance, and help prevent foreclosures.

In conjunction with the release of the new guidelines, Treasury, HUD and other members of a broad interagency task force have prepared consumer friendly Q&A and eligibility assessment tools for borrowers available at FinancialStability.gov. To ensure the program can be implemented as quickly as possible, the agencies also have conducted extensive outreach with housing counselors and mortgage servicers, including the development of call center phone scripts, a training plan and detailed guides, to prepare them for incoming inquiries from borrowers in the wake of the guidelines release.

An expanded online resource will soon be available for borrowers, and agency representatives will fan out across the country in the coming weeks to conduct outreach at homeownership events in communities hardest hit by the housing crisis.

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