



## MORTGAGE SETTLEMENT ASSISTANCE FACT SHEET

On February, 9, 2012, U.S. Attorney General Eric Holder, Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, Iowa Attorney General Tom Miller and Colorado Attorney General John W. Suthers announced that the federal government and 49 state attorneys general have reached a landmark \$25 billion agreement with the nation's five largest mortgage servicers to address mortgage loan servicing and foreclosure abuses. The agreement provides substantial financial relief to homeowners and establishes significant new homeowner protections for the future.

### WHO MAY BE ELIGIBLE FOR ASSISTANCE

Because of the complexity of the mortgage market and this agreement, which will be performed over a three-year period, **borrowers will not immediately know** if they are eligible for relief. Borrowers from states who did not sign the settlement will not be eligible for any of the relief directly to homeowners. Borrowers from Oklahoma will not be eligible for any of the relief directly to homeowners because Oklahoma elected not to join the settlement.

The settlement provides assistance for:

**Homeowners needing loan modifications now**, including first and second lien principal reduction. The servicers are required to work off up to \$17 billion in principal reduction and other forms of loan modification relief nationwide.

State attorneys general anticipate the settlement's requirement for principal reduction will show other lenders that principal reduction is one effective tool in combating foreclosure and that it will not lead to widespread defaults by borrowers who really can afford to pay.

**Borrowers who are current, but underwater**. Borrowers will be able to refinance at today's historically low interest rates. Servicers will have to provide up to \$3 billion in refinancing relief nationwide.

**Borrowers who lost their homes to foreclosure** with no requirement to prove financial harm and without having to release private claims against the servicers or the right to participate in the OCC review process. \$1.5 billion will be distributed nationwide to some 750,000 eligible borrowers.

**Protection for Military personnel**. The banks/servicers shall comply with Service Members Civil Relief Act (SCRA) and similar state laws and the banks/servicers shall engage independent consultants to review foreclosures from January 1, 2009 to December 31, 2010 for compliance with SCRA.

### TIMELINE

Over the next **30 to 60 days**, settlement negotiators will be selecting an administrator to handle the logistics of the settlement and monitor compliance.

Over the next **six to nine months**, the settlement administrator, attorneys general and the mortgage servicers will work to identify homeowners eligible for the immediate cash payments, principal reductions and refinancing. Those eligible will receive letters.

This settlement will be executed over the **next three years**.

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## WHERE YOU CAN GO FOR HELP

**For loan modifications and refinance options**, borrowers may be contacted directly by one of the five participating mortgage servicers. Keeping in mind the timeline above, you may contact the banks directly if you need additional information:

Ally/GMAC: 800-766-4622

Bank of America: 877-488-7814 (Available M-F 7am - 9pm CT and Saturdays 8am CT - 5pm CT)

Citi: 866-272-4749

JPMorgan Chase: 866-372-6901

Wells Fargo: 800-288-3212

Loans owned by Fannie Mae or Freddie Mac are not impacted by this settlement. You may visit the following websites to learn if your loan is owned by either Fannie Mae or Freddie Mac:

[www.fanniemae.com/loanlookup](http://www.fanniemae.com/loanlookup)

[www.freddiemac.com/mymortgage](http://www.freddiemac.com/mymortgage)

These sites will also include links to information about mortgage and foreclosure programs you may be eligible to access. You may also call 1-888-995-HOPE (4673)

**For borrowers who lost their home to foreclosure between Jan. 1, 2008 and Dec. 31, 2011**, a settlement administrator designated by the attorneys general will send claim forms to persons eligible for cash restitution.

If you believe you are eligible for relief under this settlement but are concerned you will be difficult to locate, please contact your Attorney General's Office.

**For additional information visit:**



**[www.nationalmortgagesettlement.com](http://www.nationalmortgagesettlement.com)**

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