

From: Housing.Counseling  
Sent: Friday, January 29, 2010 2:30 PM  
To: 'SF-HOUSING-COUNSELING-L@hudlist.hud.gov'

Subject: HUD - Home Mortgage Modification Program (HAMP)

To all housing counseling agencies:

The Treasury Department and HUD yesterday released updated guidance for servicers participating in the Home Mortgage Modification Program (HAMP), aimed at refining documentation requirements to expedite conversions of current trial modifications to permanent ones. The updated process requires that key documents, including proof of income, be obtained from the borrower before a borrower evaluation can begin. Upfront documentation will make it easier and quicker to convert trial modifications to permanent modifications and enable servicers to use their resources more effectively.

The guidance, known as Supplemental Directive 10-01, provides updates on two major issues:

- New Requirements that Documentation be Provided Before Trial Modification Begins. The guidance refines the documentation process and makes it easier for eligible borrowers in trial modifications to get permanent modifications quickly. A standard package of documents will be required prior to the servicer's evaluation of the borrower for a trial modification. This process will be required for all new HAMP modifications that became effective after June 1, 2010, although mortgage servicers may implement it sooner.
- Converting Borrowers in the Temporary Review Period to Permanent Modifications. In December, Treasury implemented a review period through January 31 to provide servicers additional time to collect and submit missing documentation for borrowers in trial modifications, to require that borrowers be notified of any missing documents, and to give borrowers an opportunity to dispute and correct any erroneous information in their applications. The new guidance issued clarifies for servicers the proper procedures for conversion of those borrowers who are current on their monthly payments to permanent modifications.

You can view this new directive (10-01), along with previous Supplemental Directives at the following link:

<https://www.hmpadmin.com/portal/programs/directives.html>

Thanks,  
U.S. Department of Housing and Urban Development  
Office of Single Family Housing  
Program Support Division  
451 7th Street, SW, room 9274  
Washington, D.C. 20410