

From: Housing.Counseling
Sent: Monday, March 29, 2010 3:33 PM
To: 'sf-housing-counseling-l@hudlist.hud.gov'
Subject: Adjustments to HAMP and FHA programs

To: All HUD-Approved Counseling Agencies;

On Friday, March 26, 2010, as part of its ongoing commitment to continuously improve housing relief efforts, the Obama Administration announced adjustments to the Home Affordable Modification Program (HAMP) and to the Federal Housing Administration (FHA) programs. These program adjustments will better assist responsible homeowners who have been affected by the economic crisis through no fault of their own. The program modifications will expand flexibility for mortgage servicers and originators to assist more unemployed homeowners and to help more people who owe more on their mortgage than their home is worth because of their local markets saw large declines in home values. These changes will help the Administration meet its goal of stabilizing housing markets by offering a second chance to up to 3 - 4 million struggling homeowners through the end of 2012. Costs will be shared between the private sector and the Federal Government; the Federal cost of these changes will be funded through the \$50 billion allocation for housing programs under the Troubled Asset Relief Program (TARP).

Improvements to HAMP

1. Temporary assistance for unemployed homeowners while they search for re-employment.
2. Requires servicers to consider alternative principal; write-down approach and increased principal write-down incentives.
3. Improvements to reach more borrowers with HAMP modifications.
4. Helping homeowners move to more affordable housing.

FHA Refinance Option

1. FHA Refinance Option for underwater loans - encouraging responsible restructuring and refinancing
 - a. Voluntary option encourages lenders and borrower to work together, when appropriate to restructure underwater mortgages.
2. Incentives for principal write-downs on second liens.
3. Transparency on impact of these refinancings
4. TARP funded support to expand impact of refinance option.

HUD and the Department of the Treasury will be providing a conference call on these two new efforts to housing counseling agencies in the near future. Another email will be sent with the date, time and any instructions necessary to access this session.

To read the press release, please go to http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-058 The release contains links to Frequently Asked Questions and other information pertaining to these program modifications.

This message has gone out to the email addresses provided by all active HECM Counseling agencies in HUD's Housing Counseling Program. All Parent Agencies should make sure their sub-agencies have received this information. Please direct questions or comments to your HUD point of contact or email Housing.Counseling@hud.gov

Sincerely,

Betsy Cromwell
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