

HUD Center for

FAITH-BASED

& Neighborhood Partnerships



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FORECLOSURE CLEARINGHOUSE

National Mortgage Settlement

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.



Principal reduction. At least \$10 billion will be dedicated to reducing principal for borrowers who, as of the date of the settlement, owe more on their mortgages than their homes are worth and are either delinquent or at imminent risk of default.

Refinancing. At least \$3 billion will be dedicated to a refinancing program for borrowers who are current on their mortgages but who owe more on their mortgages than their homes are worth. All borrowers who meet basic eligibility criteria will be eligible for the refinancing, which will reduce interest rates for borrowers who are currently paying much higher rates or whose adjustable rate mortgages are due to soon rise to much higher rates.

Other forms of relief. Servicers will be required to dedicate up to \$7 billion to other forms of relief, including forbearance of principal for unemployed borrowers, anti-blight programs, short sales and transitional assistance, benefits for service members who are forced to sell their homes at a loss as a result of a Permanent Change in Station, and other programs.

For bank telephone numbers and additional information visit: www.nationalmortgagesettlement.com

Independent Foreclosure Review • 1-888-952-9105 • Deadline: July 31, 2012

On April 13, 2011, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision announced enforcement actions against 14 large residential mortgage servicers and two third-party vendors for unsafe and unsound practices related to residential mortgage servicing and foreclosure processing. As part of those consent orders, federal regulators required servicers to engage independent firms to conduct a multi-faceted review of foreclosure actions in process in 2009 and 2010. Under the orders, independent consultants are charged with evaluating whether borrowers suffered financial injury through errors, misrepresentations, or other deficiencies in foreclosure practices and with determining appropriate remediation for those customers. Potentially eligible borrowers can request a review of their case if they believe they suffered financial injury as a result of errors, misrepresentations, or other deficiencies in foreclosure proceedings related to their primary residence between January 1, 2009 and December 31, 2010.

Borrowers may also visit www.independentforeclosurereview.com for more information about the review and claim process. Assistance with the form and answers to questions about the process are available at **1-888-952-9105**, Monday through Friday from 8 a.m. to 10 p.m. (ET) and Saturday from 8 a.m. to 5 p.m. (ET). **DEADLINE: requests for review must be received by July 31, 2012.**



FHA National Servicing Center (NSC)

The Federal Housing Administration (FHA), which is a part of the U.S. Department of Housing and Urban Development (HUD), is working aggressively to halt and reverse the losses represented by foreclosure. Through its National Servicing Center (NSC), FHA offers a number of various loss mitigation programs and informational resources to assist FHA-insured homeowners facing financial hardship, and whose mortgage is either in default or at risk of default. The goal of HUD's National Servicing Center (NSC) is to work with FHA homeowners and their lenders to find creative

solutions to avoid foreclosure. FHA staff are available to help answer your questions and assist you to better understand your options as an FHA borrower under these loss mitigation programs. Call the **NSC** at **1-877-622-8525**.

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/lossmit

FHA Streamline Refinance MIP

On March 6, 2012, Acting Federal Housing (FHA) Commissioner Carol Galante announced significant price cuts to FHA's Streamline Refinance Program that could benefit millions of borrowers whose mortgages are currently insured by FHA. Beginning June 11, 2012, FHA will lower its Upfront Mortgage Insurance Premium (UFMIP) to just .01 percent and reduce its annual premium to .55 percent for certain FHA borrowers. Currently, 3.4 million households with loans endorsed on or before May 31, 2009, pay more than a five percent annual interest rate on their FHA-insured mortgages. By refinancing through this streamlined process, it's estimated that the average qualified FHA-insured borrower will save approximately \$3,000 a year or \$250 per month. FHA's new discounted prices assume no greater risk to its Mutual Mortgage Insurance (MMI) Fund and will allow many of these borrowers to refinance into a lower cost FHA-insured mortgage without requiring additional underwriting. For more information call the **FHA Resource Center** at **1-800-CALL-FHA** or **1-800-225-5342**.

Making Home Affordable • 1-888-995-HOPE

Making Home Affordable (MHA) is the Obama Administration's initiative that helps struggling homeowners get mortgage relief through a variety of programs that aid in mortgage modifications, interest rate reductions, refinancing, deferred payment or transitioning out of your home while avoiding foreclosure.

To meet the various needs of homeowners across the country, Making Home Affordable® programs offer a range of solutions that may be able to help homeowners take action before it's too late. Help is a phone call away. Call the Hotline at 1-888-995-HOPE. Website: www.makinghomeaffordable.gov



Toolkit on Foreclosure Prevention and Scam Awareness for Faith-Based and Community Organizations

In 2010, the HUD Center for Faith Based and Neighborhood Partnerships created a Toolkit with foreclosure prevention and scam awareness resources from multiple Federal Agencies. Currently in its second revision, the Toolkit is available to the community via the web, cd or booklet.

Visit: www.hud.gov/offices/fbci

For copies of the cd or booklet, email: Partnerships@hud.gov

The Center for Faith-Based and Neighborhood Partnerships serves as a resource center for secular and faith-based non-profit organizations seeking to partner with HUD to address the housing and community development needs of the neighborhoods in which they operate. The Center builds partnerships and serves as a liaison between the grassroots and federal government, ensuring that groups have the latest information about HUD opportunities and programs as well as other federal resources available to their communities.

