

U.S. DEPARTMENT OF THE TREASURY

Press Center



Relief for Responsible Homeowners: Treasury Announces Requirements for the Making Home Affordable Program

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On March 4th, The Obama Administration 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.

Making Home Affordable will offer assistance to as many as 7 to 9 million homeowners, making their mortgages more affordable and helping to prevent the destructive impact of foreclosures on families, communities and the national economy.

The Home Affordable Refinance program will be available to 4 to 5 million homeowners who have a solid payment history on an existing mortgage owned by Fannie Mae or Freddie Mac. Normally, these borrowers would be unable to refinance because their homes have lost value, pushing their current loan-to-value ratios above 80%. Under the Home Affordable Refinance program, many of them will now be eligible to refinance their loan to take advantage of today's lower mortgage rates or to refinance an adjustable-rate mortgage into a more stable mortgage, such as a 30-year fixed rate loan.

GSE lenders and servicers already have much of the borrower's information on file, so documentation requirements are not likely to be burdensome. In addition, in some cases an appraisal will not be necessary. This flexibility will make the refinance quicker and less costly for both borrowers and lenders. The Home Affordable Refinance program ends in June 2010.

The Home Affordable Modification program will help up to 3 to 4 million at-risk homeowners avoid foreclosure by reducing monthly mortgage payments. Working with the banking and credit union regulators, the FHA, the VA, the USDA and the Federal Housing Finance Agency, the Treasury Department today announced program guidelines that are expected to become standard industry practice in pursuing affordable and sustainable mortgage modifications. This program will work in tandem with an expanded and improved Hope for Homeowners program.

With the information now available, servicers can begin immediately to modify eligible mortgages under the Modification program so that at-risk borrowers can better afford their payments.

Read more at <http://www.Financialstability.gov>.

- [Summary of Guidelines](#) 
- [Modification Program Guidelines](#) 

