

# Obama's Housing Plan

To Help 1 in 9 Homeowners



## Making Home Affordable

*The new mortgage refinance and modification options*

The Obama administration announced details of a housing-rescue plan it said would help as many as one in nine homeowners, from low-income Americans struggling to avoid foreclosure to well-off borrowers who owe more than their homes are worth. The package represents an effort to tackle the political challenges inherent in any housing rescue. While the administration wants a sweeping

program that would prevent millions of foreclosures, it doesn't want to be seen as rewarding the greedy or reckless.

The plan is two-part; there is a refinance option or a loan modification option. In both instances the borrower would be responsible for signing an affidavit of financial hardship as well as agreeing to auditing and full

disclosure of all current debt.

The Making Home Affordable loan modification is aimed at helping homeowners who cannot afford their payment because their interest rate has risen or their income has fallen. This program will modify your current loan by lowering your interest rate (rate floor of 2%), extending your amortization period (to maximum of 40 years), or both. The goal is to get the mortgage payment down to no more than 31% of your income. In order to qualify your home must be your primary residence, the amount you owe must be equal or less than \$729,750, and you must have obtained your current mortgage before January 1, 2009.

The Making Home Affordable refinance option is for home owners who are current on their mortgages but have been unable to take advantage of today's low rates because the value of their homes has dropped. In order to qualify for this refinance option your home must be your primary residence, your current loan must be owned by Fannie Mae or Freddie Mac, you must be current on your payments and your home value must be less than what you currently owe.

If you feel you may qualify, contact your lender or mortgage broker to start the process or for more information log onto:  
[www.financialstability.gov](http://www.financialstability.gov).

\*Source: [www.wsj.com](http://www.wsj.com) and [www.financialstability.gov](http://www.financialstability.gov)

### Beware of Foreclosure Scams!

- There is never a fee to get assistance or information about Making Home Affordable from your lender.
- Beware of anyone who asks you to pay a fee in exchange for housing counseling or modification.
- Do not transfer your deed or make mortgage payments to anyone other than your lender.

# Financially Fit Questions

1. Making Home Affordable is the new mortgage rescue plan from the Obama Administration.

True

False

2. What are the indicators that you may qualify for the refinance option under Making Home Affordable? Circle all that apply.

A) You are behind on your mortgage

B) The home is your primary residence

C) Your mortgage is owned by Fannie Mae or Freddy Mac

D) You are currently upside down in your mortgage (you owe more than the house is worth)

3. Under Making Home Affordable, you can refinance a second or vacation home to a lower interest rate.

True

False

4. What are the indicators that you may qualify for the loan modification plan under Making Home Affordable? Circle all that apply.

A) You can no longer afford your mortgage payment because your interest rate has risen, or your income has fallen.

B) You must have obtained your mortgage before January 1, 2009

C) Your amount owed must be greater than or equal to \$800,000

D) Your home must be your primary residence

When contacting your lender or mortgage broker for more information or to start the qualification process for Making Home Affordable, be aware that you may need to pay a fee.

True

False