HARP 2.0
Home Affordable Refinance Program
http://harpprogram.org

Fannie and Freddie Detail New HARP Guidelines

2-6-2012 DataQuick: Changes made to the Home Affordable Refinance Program could open the platform up to nearly double the number of homeowners eligible per previous requirements. A study from San Diego-based DataQuick found an additional 6.7 million households may qualify under HARP 2.0, according to new loan-to-value ratio requirements. That excludes the 4.1 million borrowers at least 30 days past due on their mortgage, today according to **Lender Processing Services.** DataQuick compiled the results from its 120-million-mortgage database, which represents between 80% and 85% of the nation's mortgages. They limited the study's results to only Fannie or Freddie-owned loans, per HARP requirements.

Only 5% of subprime residential mortgage-backed securities borrowers have been able to refinance into lower interest rates in the past two years, compared to 40% of all prime RMBS borrowers per Fitch Ratings.

New guidelines for the Home Affordable Refinance Program (HARP) were released by Fannie Mae and Freddie Mac on November 15th, 2011.

The updated guidelines come on the heels of the October 24th announcement by The Federal Housing Finance Agency (FHFA) about expanding HARP.

The goal of expanding HARP is to allow borrowers who are upside-down on their homes or who have little equity to refinance at today's low interest rates. The hope is that this will both stabilize the housing market and boost the overall economy, by putting extra dollars in the pockets of consumers who are likely to spend them.

Mortgage experts are optimistic about the new HARP. Although there is still a good deal of uncertainty surrounding the specifics of how the expanded HARP program will be implemented at the individual lender level, the November 15 announcements from Fannie and Freddie do provide a source of encouragement for the equity challenged segment of the market.

Approximately 4 million Fannie and Freddie borrowers owe more on their mortgage than their homes are worth. Across the US, nearly 11 million are underwater, or about 22.5% of all outstanding loans, according to CoreLogic, a data provider to mortgage underwriters. About 2.4 million hold less than 5% equity in their homes.

HARP At a Glance

HARP allows homeowners facing difficulties refinancing their mortgage through conventional methods to apply for a refinance of their mortgage. A homeowner that is current with their monthly payments but unable to refinance due to a drop in the value is the typical prime candidate for the HARP program. The ultimate goal is to allow a homeowner to do a mortgage refinance with their existing mortgage company or via another bank offering the program for a lower interest rate and overall monthly payment. Here are the general eligibility guidelines for HARP:

- There is no loan-to-value cap in the new HARP, for fixed-rate loans. This is the most significant change of HARP 2.0. Under previous versions of HARP, the LTV could not exceed 125%
- The loan on your property is owned or guaranteed by Fannie Mae or Freddie Mac.
- At the time you apply, you are current on your mortgage payments. You can have one 30-day late payment in the past 12 months, but none within the past 6 months
- The current loan-to-value (LTV) ratio must be greater than 80%
- You have a reasonable ability to pay the new mortgage payments
- The mortgage cannot have been refinanced under HARP previously unless it is a Fannie Mae loan that was refinanced under HARP from March-May, 2009
- The refinance improves the long-term affordability or stability of your loan
- If you are refinancing from a fixed-rate mortgage into an adjustable-rate mortgage, the maximum LTV is 105 percent
- No pre-payment penalty
- Borrowers may be removed for any reason, provided the remaining borrower(s) provide proof of making payments from their own funds for 12 months, and the borrower being removed is also removed from the deed
- Borrowers may be added in the new transaction, provided the original borrowers remain on the loan
- Maximum loan amount: 1 Unit $417.000, 2 Unit $533,850
- Property type: owner occupant, second home, investment property, PUD, condo - Although Fannie Mae permits multi-unit second homes, if borrower currently receives rental income or has ever received rental income from the property, the subject property must be treated as an investment property. May not have a combined total of more than 4 residential properties financed at the time of application.

- Available all 50 states
- Private Mortgage Insurance - If the mortgage being refinanced currently does not have mortgage insurance coverage, no mortgage insurance coverage is required for the new refinance mortgage, even if the LTV ratio is greater than 80%. If the mortgage being refinanced has mortgage insurance coverage, the same percentage of coverage must be maintained for the new refinance mortgage on the entire unpaid principal balance.
- Escrow Account – standard guidelines apply
- Temporary buydowns are not permitted
- MyCommunityMortgage® Loans, Bond Programs, Construction to Permanent, Cash-Out Refinance not eligible

HARP Changes for Lenders and Effects on Borrowers
The following is a summary of key changes found in HARP 2.0. Some key underwriting details are not yet announced, and are expected to be released before March 2012.

Limited Liability
What's new: A key provision of the new HARP is that it limits lenders' liability in cases of loan default. Essentially, Fannie and Freddie will not force the lender to buy back a non-performing loan.

Effect on you: This change should greatly expand HARP's reach. Lenders will be much more eager to offer HARP loans, where they were previously reluctant. With more lenders participating, you will have an easier time getting a HARP mortgage.

Lender Fees Dropped
What's new: Fees that Fannie and Freddie charge lenders for high LTV loans are being cut.

Effect on you: The reduced fees are passed on to you, making your loan cheaper. If you are financing to a 15-year or 20-year loan, the fees are cut even further.

Credit Score and Income Requirements Relaxed
What's new: As long as your new HARP monthly payment is not more than 20% greater than your current payment, specific credit and income guidelines do not apply. The lender will have to determine that the borrower is an "acceptable credit risk" (and what that means is yet to be determined).

Effect on you: A low credit score or high DTI is not enough to automatically disqualify a borrower. Also, if your family is now a one-income family when it was a two-income family on the original loan, you only have to show proof of one income, as opposed to conventional loans where all borrowers listed on the application must document income.

Underwriting Requirements Relaxed
What's new No. 1: Mortgage Payment History: A HARP lender can approve a loan that has one late mortgage payment in past 12 months, as long as it did not take place in the last six months.

Effect on you: You won't be counted out for a mortgage late, when that could normally eliminate your ability to get refinanced at the lowest rates available. If you have a recent mortgage late, you can still apply for HARP, once you meet the relaxed mortgage late requirements.

Relaxed Foreclosure and Bankruptcy Rules
Your HARP loan could be approved, regardless of how recently a borrower filed bankruptcy or experienced a foreclosure.

Effect on you: Normally, if you filed for bankruptcy or experienced a foreclosure you would have to wait years before you could successfully refinance.

Occupancy Requirements Relaxed
What's new: Owner Occupancy: HARP loans are no longer restricted only to owner-occupants.

Effect on you: You can now use HARP to refinance your second home or investment property.

What's new: Lenders must show that the HARP mortgage borrower benefits in the new loan.

Homeowner Benefit - What is meant by "movement to a more stable product"?
Generally, a more stable product would include movement from:

- A mortgage loan with an interest-only feature to a fully amortizing mortgage product (provides amortization of principal and accumulation of equity in the property);
- An adjustable-rate mortgage (ARM) to a fixed-rate mortgage (FRM) (elimination of the potential for payment shock);
- An ARM to a new ARM with an initial fixed period of five years or more, and equal to or greater than that of the existing mortgage (elimination of pending payment shock and movement to the same or longer initial fixed-interest rate period); or
- A 30-year FRM to a 15-, 20-, or 25-year FRM (accelerated amortization of principal and building of equity).

Movement to a more stable product would *not* include simply an extension of the mortgage term, e.g. a 30-year FRM to a 40-year FRM, but this type of transaction is permissible if, and only if, the borrower realizes a reduction in the mortgage payment.

Relaxed Condominium Requirements
HARP eligibility used to require that no more than 10% of units in the complex be owned by one person and that no more than 20% of owners in the complex be behind on their HOA dues. <u>These requirements are now removed.</u>

Effect on you: More condo owners will now qualify for HARP. If you own a condo, your qualifying for the HARP program is no longer dependent on your neighbors' finances.

"Condominium owners have perhaps the best reason to be optimistic; lenders are being relieved of the responsibility (for HARP refinance loans only) to ensure that condo projects meet the often strict project approval requirements of Fannie Mae and Freddie Mac. Homeowners living in condominium projects that have seen a sharp increase in the number of renters, or those that have experienced some level of budgetary stress, will be much more likely to find relief under HARP 2.0 than they have under existing programs (as long as their loans are owned by Fannie or Freddie).

Hold your horses….

Important Points! – Fannie Mae and Freddie's Desktop Underwriter (DU) will be updated in March 2012. Components that will affect your HARP refinance.

Mortgage Servicer
Good Faith Estimate
Truth in Lending Disclosure
Underwriting Methods

Mortgage Servicer

When you get a mortgage, you may think that the lender will hold and service your loan until you pay it off or sell your home. That's often not the case. In today's market, loans and the rights to service them often are bought and sold. In many cases, the company that you send your payment to is not the company that owns your loan. A mortgage servicer is responsible for the day-to-day management of your mortgage loan account, including collecting and crediting your monthly loan payments, and handling your escrow account, if you have one. The servicer is who you contact if you have questions about your mortgage loan account.

The purpose of the **Good Faith Estimate** (GFE) is exactly what you say: to provide the borrower with an itemized list of fees and cost associated with the load. Unfortunately, it doesn't serve this purpose, either with or without the companion disclosure called **Truth in Lending Disclosure Statement** (TIL).

Borrowers should be mainly concerned with the mortgage price: the interest rate, points -- an upfront charge expressed as a percent of the loan, and other lender fees expressed in dollars. The GFE shows the interest rate. The TIL shows the APR, which is the interest rate adjusted for points and some lender fees.

Both disclosures must be provided by the mortgage lender as required by the Real Estate Settlement Procedures Act (RESPA) to the customer within three business days of applying for a loan.

Underwriting

Underwriting is a crucial part to the loan process. Underwriting is the step in which your loan application goes through review and is either approved or denied. There are different types of ways your loan can be approved. It can be approved through the use **of automated underwriting** or it can be approved through **manual underwriting.** Automated underwriting is an electronic process which can offer very quick approvals. Manual underwriting usually takes two to five days.

Fannie Mae's Desktop Originator (DO) and Desktop Underwriter (DU) are the most popular automated underwriting systems in the mortgage industry. DO is used by brokers and DU by lenders. Mortgage professionals can get loan approvals in literally minutes with these automated underwriting systems.

Desktop Underwriting

Both Fannie and Freddie must update their automated loan underwriting/approval software by March, 2012. Until then, while lenders may approve HARP mortgages by manually underwriting the loans, loans that are manually underwritten expose the lender to greater risk. If a manually underwritten loan defaults, the lender will be required to buy back the loan.

Given the protections that the lender will have once the automated underwriting programs are updated and ready in March, 2012, it seems very likely that most loan originators will wait until March, 2012. Be ready to move forward with an application, once lenders start taking them, but be prepared for a very long process before your loan closes.

Although applications may be submitted for new HARP 2.0 mortgages in December, 2011, I believe the bulk of HARP mortgages will not be approved until March, 2012. It appears that many lenders are going to participate in the program, although we won't know for sure until individual investors release their own overlays for this program.

Recourse, Non-recourse, and Anti-deficiency
Before refinancing, borrowers should know whether their current loan is a recourse or non-recourse loan and also be familiar with their state's anti-deficiency laws. Refinancing a non-recourse loan could expose the borrower to responsibility for a potentially huge financial obligation where no such obligation currently exists.

- **Recourse** means that you are personally liable for loan in a foreclosure (so the lender can come after you for any shortage / deficiency).
- **Non-recourse** means that the lender can only come after the collateral.
- **Deficiency** - A deficiency is the difference between the principal balance due and the amount received, providing the amount received is less than the amount owed. You may be liable for taxes on the deficiency regardless of whether the loan is recourse or non-recourse. Speak to a tax consultant.

In some states, refinancing can remove the consumer protections, called anti-deficiency laws, which protect underwater homeowners who default on their mortgages I recommend homeowners learn the anti-deficiency laws in their states, and determine if a mortgage refinance changes their rights. Anyone with a non-recourse loan should carefully weigh the decision to turn a non-recourse loan into a recourse loan.

Georgia is both --- if the lender just does the foreclosure, it cannot go against the borrower personally BUT if the lender forecloses AND files a CONFIRMATION action the Superior Court within 30 days, they will be able to proceed against the person for the deficiency IF THEY WIN THE CONFIRMATION PROCEEDING --- rare in residential properties in Georgia.

Generally speaking, as follows:

If the loan is in a "recourse" state, the lender can pursue the borrower for a deficiency in the event of default, i.e. if the lender forecloses, they have a way of proceeding against the borrower personally. Here is a link that may help http://en.wikipedia.org/wiki/Recourse_debt

If it is a "without recourse" state, the lender CAN NOT pursue the borrower for a deficiency in the event of default. ---- Non-recourse debt or a non-recourse loan is a secured loan (debt) that is secured by a pledge of collateral, typically real property, but for which the borrower is not personally liable. http://en.wikipedia.org/wiki/Nonrecourse_debt

Look at these links for comparisons between the two.

http://banking.about.com/od/loans/a/recourseloan.htm
http://www.loansafe.org/forum/foreclosure-laws/4130-recourse-v-non-recourse-states.html

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If you are among the more than 7 million who are expected to qualify under the expanded guidelines, there are several preparatory steps you need to take to ensure your application is reviewed first.

Basic HARP Requirements
Not everyone who is underwater will qualify for HARP 2.0. Below is a summary of the basic requirements:

☐Determine loan eligibility and who owns the loan:

Fannie Mae: http://www.fanniemae.com/loanlookup - (800)-7FANNIE (732-6643)
Freddie Mac: https://ww3.freddiemac.com/corporate - (800) FREDDIE (373-3343)

HUD-Approved Housing Counselors – 888-995-HOPE (4673) – Available help 24/27 in more than 160 languages

These websites do not determine refinance or loan modification eligibility for homeowners

☐When was the home purchased?

☐Who is the current servicer servicing the loan?

☐What's the homeowner's mortgage payment history? No more than 0x30 in the most recent 6 months and no more than 1 x 30 in months 7-12

☐The loan was sold to Fannie Mae or Freddie Mac on or before May 31, 2009

☐The loan was not refinanced under HARP previously, unless it is a Fannie Mae loan that was refinanced under HARP from March through May, 2009

☐The loan's current loan-to-value (LTV) is greater than 80% by performing a CMA or a BPO

☐Is there a combined loan-to-value ratio (CLTV) or home equity CLTV

☐Credit score – No minimum if manually manual underwritten. If the LTV is less than 80% there may be limits on CLTV and required credit scores.

☐Homeowner must provide the source of income, assets and reasonable ability to repay Maximum debt-to-income 45% of the gross monthly income.

☐Appraisal or a AVM (Automatic Value Modular) may or may not be requirement

☐Occupancy – Fannie Mae requires owner occupant. Freddie Mac requires owner occupant if the LTV/CLTV is above 80%/105%

☐Homeowner's benefit

Since lenders will be crushed with new refinance applications, underwriters will prefer to deal with the "cleanest" files first. There is a distinct advantage of being first in line with an underwriter – not only can your loan close sooner, you may qualify for better loan terms. More HARP updates will be released both by lenders and by Fannie and Freddie later in December, so keep checking with your lender to stay updated on details of the new HARP program.

Other Programs

Making Home Affordable Unemployment Program (UP)
Depending on your situation, your mortgage payments may be reduced to 31 percent of your income or suspended altogether for 12 months or more. You may be eligible for UP if you meet all of the following criteria:

- You are unemployed and eligible for unemployment benefits
- You occupy the house as your primary residence
- You have not previously received a HAMPSM modification
- You obtained your mortgage on or before January 1, 2009
- You owe up to $729,750 on your home

Program Availability

- More than 100 HAMP-participating servicers can offer UP to eligible unemployed homeowners
- You may be required to make a partial payment, not to exceed 31 percent of your verified monthly gross (pre-tax) income including unemployment benefits
- You will be evaluated for a HAMP mortgage modification at the end of your UP forbearance period if it is available at that time
- UP is not currently available for homeowners with mortgages held by Fannie Mae and Freddie Mac; however, both have their own forbearance arrangements for unemployed homeowners
- Program ends December 31, 2012

Please contact your mortgage servicer to see if you are eligible.

Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HHF)

Early in 2010, Treasury announced that the Hardest Hit Fund would provide more than $7.6 billion in aid for homeowners in states hit hardest by the economic crisis. Since then, state housing finance agencies have used the fund to develop programs that stabilize local housing markets and help families avoid foreclosure. Hardest Hit Fund programs complement the Making Home Affordable Program but are not limited to homeowners eligible for Making Home Affordable.

Hardest Hit Fund Programs

Vary State to State

- Mortgage payment assistance for unemployed or underemployed homeowners
- Principal reduction to help homeowners get into more affordable mortgages

- Funding to eliminate homeowners' second lien loans
- Help for homeowners who are transitioning out of their homes and into more affordable places of residence.

In total, $7.6 billion have been allocated to 18 states plus the District of Columbia. If you live in one of these states or DC, contact your housing finance agency's program office:

- **Florida -** https://www.flhardesthithelp.org
- Illinois - https://www.illinoishardesthit.org
- Georgia - http://www.dca.state.ga.us/housing/homeownership/programs/hardesthitfund.asp
- Michigan - http://www.michigan.gov/mshda/0,1607,7-141--235359--,00.html
- Ohio - http://www.ohiohome.org/restoringstability
- Nevada - http://nevadahardesthitfunds.org
- California - http://keepyourhomecalifornia.org/servicer.htm
- Alabama - http://www.hardesthitalabama.com
- Arizona - http://www.needhelppayingbills.com/html/arizona_hardest_hit_fund_.html
- New Jersey - http://www.njhomekeeper.gov
- North Carolina - http://www.ncforeclosureprevention.gov
- Oregon - http://oregonhardesthitfund.posterous.com
- Illinois – https://www.illinoishardesthit.org
- Rhode Island – http://www.rhodeislandhousing.org/sp.cfm?pageid=844
- Indiana – http://www.in.gov/ihcda/files/HHF_RFP_for_Counselors_(mjw_10-18-10).pdf
- South Carolina - www.SCMortgageHelp.com
- Kentucky - http://www.kyhousing.org/protect
- Tennessee - http://www.needhelppayingbills.com/html/tennessee_hardest_hit_fund.html
- Washington, D.C. -
- Mississippi - http://www.mshomecorp.com

Resources

- Neighborworks America's EHLP (Emergency Homeonwers'Long Program): ehlp.nw.org - http://findehlp.com
- **EHLP States that are handled by Neighborworks America are:**
  Alaska, Arkansas, Colorado, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming as well as the Commonwealth of Puerto Rico.
- **EHLP States who administer the Program directly are:**
  Connecticut, Delaware, Idaho, Maryland, and Pennsylvania
- **Fannie Mae FAQs may be acquired at:**
  https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/ll1012.pdf
- **Freddie Mac FAQs may be acquired at:**
  http://www.freddiemac.com/singlefamily/service/docs/HFA_Q&A.pdf
- **HUD Emergency Homeowners' Loan Program (EHLP):**
  http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ehlp/ehlphome

Federal Trade Commission

FTC MAP Rule
Affective August 19, 2011 the Federal Trade Commission ("FTC") issued the Mortgage Acts and Practices ("MAP") Rule which bans deceptive claims and practices that may occur with regard to mortgage advertising or other types of commercial communications.

The **Rule** imposes requirements on those that provide information about mortgage credit products to consumers by prohibiting misrepresentations during these communications and also imposing recordkeeping requirements. The Rule is to protect the consumer from misinformation about loans and loan costs and the Rule will apply when a real estate professional provides information about a specific mortgage product (Short Sale) to a consumer. It covers both oral and written communications which must be saved by the salesperson/broker for 2 years and should contain disclosures.

Without exception, all entities within the FTC's jurisdiction that advertise mortgages, including mortgage lenders, brokers, and servicers; real estate agents and brokers; advertising agencies; home builders; lead generators; rate aggregators; and others fall under the auspices of the Final Rule. While the FTC and other state and federal agencies have promulgated separate rules that prohibit false or misleading advertising, none of the other statutes or regulations duplicates "the specificity and breadth of practices and diversity of entities covered in the Final Rule."

NAR Model Disclaimer Language for MAP Advertising
Although the rule does not specifically impose an affirmative disclosure requirement, based on FTC commentary accompanying the rule in the Federal Register, the National Association of REALTORS® ("NAR") recommends that "real estate professionals should always include a disclaimer when providing information to consumers about the terms of a mortgage credit product, as a properly crafted disclaimer can protect against later misrepresentation claims." NAR has provided the following model MAP disclaimer:

This communication is provided to you for informational purposes only and should not be relied upon by you.

[Name of brokerage] is not a mortgage lender and so you should contact [entity providing mortgage product(s) identified] directly to learn more about its mortgage products and your eligibility for such products.

NAR advises that the disclaimer be provided in text at least as large as the body text and be placed in a location so that the disclaimer is readily apparent to the consumer receiving the mortgage information.

See: www.realtor.org/letterlw.nsf/pages/0811maprule?OpenDocument&Login

S.A.F.E. ACT
The Secure and Fair Enforcement for Mortgage Licensing Act Of 2008

http://mortgage.nationwidelicensingsystem.org

Effective January 1, 2010, The SAFE Act mandates increased federal regulation of the mortgage lending industry, enhanced licensing requirements, and professional liability for mortgage loan originators (MLOs) who fail to comply. The definition of "acting as a mortgage broker" will include negotiating the terms or conditions of an existing mortgage loan on behalf of a borrower.

The Georgia Department of Banking and Finance

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dbf.georgia.gov

The Department of Banking and Finance (Department) is the state agency that regulates and examines banks, credit unions, and trust companies chartered by the State of Georgia. The Department also has regulatory and/or licensing authority over mortgage brokers, lenders, processors and originators; money service businesses; international banking organizations, and bank holding companies conducting business in Georgia.

How do these two acts work together?

- Georgia Residential Mortgage Act (GRMA)
- The Secure and Fair Enforcement for Mortgage Licensing (S.A.F.E. Act)

GRMA and SAFE Act Applicability to Real Estate Brokers

GRMA: A real estate broker or real estate salesperson not actively engaged in the business of negotiating mortgage loans; however, a real estate broker or real estate salesperson who receives any fee, commission, kickback, rebate, or other payment for directly or indirectly negotiating, placing, or finding a mortgage for others shall not be exempt from the provisions of this article.

Disclosures for Ads Meant For a General Audience
The Rule requires certain disclosures in what it calls "general commercial communications" – that is, advertising meant for a general audience, like ads on TV, radio, or the Internet. In those ads, you must clearly and prominently disclose two key facts, in these words:

1. "(Name of your company) is not associated with the government, and our service is not approved by the government or your lender;" and
2. "Even if you accept this offer and use our service, your lender may not agree to change your loan."

Disclosures for Communications with Prospective Customers
Additional disclosures in any "consumer-specific commercial communication" – that is, a letter, phone call, email, text, or the like, directed at a specific person you're soliciting for your service. In every communication you have with prospective customers, the Rule requires that you clearly and prominently disclose three key facts, in these words:

1. "You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender (or servicer). If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us (insert amount or method for calculating the amount) for our

services."
2. "(Name of your company) is not associated with the government, and our service is not approved by the government or your lender;" and
3. "Even if you accept this offer and use our service, your lender may not agree to change your loan."

The three disclosures must be presented together. The Rule has specific requirements for presenting these disclosures to prospective customers.

New Campaign to Fight Loan Modification Scams

Recognize and Avoid Mortgage Fraud, Loan Assistance Scams and Other Common Schemes

- Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a past due loan
- Beware of anyone who says they can "save" your home if you sign or transfer over the deed to your house
- Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage servicer to forgive your debt
- Never make your mortgage payments to anyone other than your mortgage servicer without their approval

Website Includes Form for Reporting Fraud and Database Listing Scammers
For more information, including additional national and local partners and tips on how to avoid and report scammers, please visit www.PreventLoanScams.org or call the Homeowners Hope Hotline. 888-995-HOPE (4673).

Loan Modification Scam Alert - www.loanscamalert.org **- How to Spot a Scam – Beware Of A Company or Person Who**

- Asks for a fee in advance to work with your lender to modify, refinance or reinstate your mortgage
- Guarantees they can stop a foreclosure or get your loan modified
- Advises you to stop paying your mortgage company and pay them instead
- Pressures you to sign over the deed to your home or sign any paperwork that you haven't had a chance to read, and you don't fully understand.
- Claims to offer "government-approved" or "official government" loan modifications.
- Asks you to release personal financial information online or over the phone and you have not been working with this person and/or do not know them
- Offers to fill out paperwork for you
- Offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale
- Encourages you to lease your home so you can buy it back over time
- Collects a fee before providing you with any services
- Instructs you not to contact your lender, lawyer, or credit or housing counselor

Recognizing Scams
Most scams involve one or more of the following:

- Inquiry from someone far away, often in another country
- Western Union, Money Gram, cashier's check, money order, shipping, escrow service, or a "guarantee"
- Inability or refusal to meet face-to-face before consummating transaction

The federal government provides help for FREE! Just call 888-995-HOPE (4673)

Thank You for Attending Today's Class!

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