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NCHEC

NeighborWorks® Center for Homeownership Education and Counseling



President Announces Foreclosure Prevention Program

Today, President Obama announced a \$75 billion foreclosure prevention program, which will help homeowners current or delinquent on their mortgages modify their loans to affordable terms. Though the plan was announced today, the program will not be in place until March 4, 2009.

Since your organization may receive inquiries about this program, the NeighborWorks Center for Homeownership Education and Counseling (NCHEC) is pleased to share with you the scripts that Federal agencies are using to respond to inquiries from consumers interested in participating in the program (see below). You may use these as they are or adapt them to suit your organization's needs. Details of the program are still under development, and consumers are being directed to www.financialstability.gov, where information about the program, and a list of frequently asked questions, will be posted. It is our understanding that this site will be updated frequently as additional details are determined. NeighborWorks America also provides additional tools to support your work as they become available; please visit us regularly at www.nw.org/nchec.

Recommended Call Center Recorded Message

If you are calling about the Homeowner Affordability and Stability Plan, the \$75 billion dollar federal program to prevent mortgage foreclosures, please press ____

On February 18, President Obama announced a comprehensive plan to help responsible homeowners avoid foreclosure by providing affordable and sustainable mortgage loans. The Homeowner Affordability and Stability Plan provides for a sweeping loan modification program targeted at borrowers who are at risk of foreclosure because their incomes are not sufficient to make their mortgage payments. It also includes refinance opportunities for borrowers who are current on their mortgage payments but have been unable to refinance because their homes have decreased in value.

To learn more about the loan modification initiative press ____

To learn more about the refinance initiative press ____

Loan Modification Recorded Message

Under the Homeowner Stability Initiative, Treasury will spend up to \$75 billion dollars to make mortgage payments affordable and sustainable for middle income American families that are at risk of foreclosure.

Borrowers who are delinquent on the mortgage for their primary residence and borrowers who, due to a loss of income or increase in expenses, are struggling to keep their

payments current may be eligible for a loan modification.

Treasury, HUD and other Federal Agencies are working with lenders and nonprofit housing counselors to put all the systems in place to implement this massive program by March 4, 2009. In the meantime, borrowers can get additional information at www.financialstability.gov. Again, the Web site is W-W-W-DOT-F-I-N-A-N-C-I-A-L-S-T-A-B-I-L-I-T-Y-DOT-G-O-V. This site includes questions and answers that will help homeowners determine if they are eligible for modification assistance.

There is no fee to borrowers for assistance through the Homeowner Stability Initiative. Beware of any organization that attempts to charge a fee for housing counseling or modification of a delinquent loan, especially if they ask for money in advance.

Borrowers who are delinquent and have not yet been in contact with their lender should call their servicer or a HUD-approved housing counselor immediately, whether or not they believe they are eligible for the Homeowner Stability Initiative. The Financial Stability Web site provides links to HUD-approved housing counselors and lists phone numbers for most lenders.

Refinance Recorded Message

Under the Homeowner Affordability and Stability Plan, borrowers who are current on their mortgage but have been unable to refinance because their house has decreased in value, may now have the opportunity to refinance into a 30 year, fixed rate loan. Through the program, Fannie Mae and Freddie Mac will allow the refinance of mortgage loans that they hold in their portfolios or that they guarantee in their own mortgage-backed securities. Lenders will be able to begin accepting refinance applications on March 4, 2009. To determine if your loan is owned or has been securitized by Fannie Mae or Freddie Mac and is eligible for this refinance, you should contact your mortgage lender after March 4.

In the meantime, borrowers can get additional information at www.financialstability.gov. Again, the Web site is W-W-W-DOT-F-I-N-A-N-C-I-A-L-S-T-A-B-I-L-I-T-Y-DOT-G-O-V. This site includes questions and answers that will help homeowners determine if they are eligible for refinance assistance. Information is also available at www.fanniemae.com and www.freddiemac.com.

Borrowers should beware of any organization that attempts to charge a fee for housing counseling or "assisting" you in finding a lender that will provide a refinance under the Homeowner Affordability and Stability Plan, especially if they ask for money in advance.
