

MAKING HOME AFFORDABLE PROGRAMS: REFINANCE QUESTIONS & ANSWERS

Q- What is the Making Home Affordable Refinance Program?

A- Making Home Affordable Refinance Program offers help to borrowers who are current on their mortgages but have been unable to take advantage of today's lower interest rates because their homes have decreased in value. Through this program, borrowers may have an opportunity to refinance into a 30-year or 15-year fixed rate loan.

Q- How do I know if I am eligible for the Making Home Affordable Refinance Program?

A- Eligibility to participate in the program is based on the following:

- Owner occupant of a 1-4 unit home
- Mortgage Loan is owned or controlled by Fannie Mae or Freddie Mac
- You are current on your mortgage payments (i.e. you haven't been more than 30 days late on your mortgage payment in the last 12 months)
- You believe the amount you owe on your first mortgage is the same or slightly less than the current value of your home
- You have stable income sufficient to support the new mortgage payment

Q- How do I know if my loan is owned or controlled by Fannie Mae or Freddie Mac?

A- Contact your mortgage company and ask about the program or contact Fannie Mae at (800) 7FANNIE or Freddie Mac at (800) FREDDIE.

Q- How do I apply for a Home Affordable Refinance Program?

A- Contact your mortgage company and ask about the Home Affordable Refinance application process. Additionally, beginning April 4, 2009, borrowers whose loans are owned or securitized by Fannie Mae may also apply through any Fannie Mae approved lender. Nearly all major banks and mortgage brokers are approved to work with Fannie Mae. Ask the lender you choose if it is authorized to provide a Home Affordable Refinance.

Q- I owe more than my property is worth. Do I still qualify for the Home Affordable Refinance Program?

A- Eligible loans will include those where the first mortgage will not exceed 105% of the current market value of the property.

Q- Does the City of Atlanta or the Atlanta Development Authority (ADA) manage the Making Home Affordable Programs?

A- Neither the City of Atlanta nor ADA manages the Making Home Affordable Programs. For additional information about the Making Home Affordable Programs, please visit www.makinghomeaffordable.com or contact (888) 995-HOPE.

Q- Is the Making Home Affordable Programs apart of the Neighborhood Stabilization Program?

A- No, the Making Home Affordable Programs is separate from the Neighborhood Stabilization Program. For information about the City of Atlanta's Neighborhood Stabilization Program, please visit http://www.atlantaga.gov/government/planning/foreclosures_101408.aspx.

MAKING HOME AFFORDABLE PROGRAMS: MODIFICATION QUESTIONS & ANSWERS

Q- What is the Making Home Affordable Modification Program?

A- Making Home Affordable Modification Program offers help to borrowers who are already behind on their mortgage payments or who are struggling to keep their loans current. The borrower's mortgage does not have to be owned or securitized by Fannie Mae or Freddie Mac.

Q- How do I know if I am eligible for the Making Home Affordable Modification Program?

A- Eligibility to participate in the program is based on the following:

- Owner occupant of a 1-4 unit property
- Have an unpaid balance that is equal to or less than \$729,750 for a 1-unit property or higher for a 2-4 unit property
- Have a mortgage loan that originated prior to January 1, 2009
- Have a mortgage payment (including taxes, insurance and HOAs) that is more than 31% of your gross monthly income
- Have a mortgage payment that is no longer affordable, due to significant changes in income or expenses

Q- How do I apply for a Home Affordable Modification Program?

A- Contact your mortgage company and ask about the Home Affordable Modification application process.

Q- How low can my interest rate go and what happens if that is not enough to get an affordable payment?

A- Treasury is providing incentives to your investor to write the interest down to as low as 2%, if necessary to get to a payment that you can afford based on your income. If a 2% interest rate does not result in a payment that is affordable (no more than 31% of your gross monthly income), your servicer will:

- First, try to extend your payment term. At the servicer's option, your payments could be extended out to 40 years.
- If that is still not sufficient, your servicer may defer repayment on a portion of the amount you owe until a later time. This is called a principal forbearance.
- A portion of the debt could be also be forgiven. This is optional on the part of the investor. There is no requirement for principal forgiveness.

Q- I have an FHA loan. Can it be modified under the making Home Affordable Program? Are all loans eligible?

A- Most conventional loans including prime, subprime and adjustable loans, loans owned by Fannie Mae, Freddie Mac and private lenders and most loans in mortgage-backed securities are eligible for a Home Affordable Modification. The Administration is working with the Congress to enact legislation that will allow FHA and VA to offer modifications consistent with Making Home Affordable in the near future. Currently loans insured or guaranteed by these agencies are being modified under other programs that also enable borrowers to retain homeownership.