

Fannie and Freddie Mac Programs Help Struggling Homeowners

In March of this year, the Obama Administration authorized a new federal program to help stabilize the housing industry. The feds poured a mere \$75 billion into the Making Home Affordable (MHA) mortgage program intended to avert further foreclosures, assist responsible home owners in retaining their homes and stabilize the nation's communities.

Home Affordable Refinancing Program (HARP) and Home Affordable Modification Program (HAMP) are the two initiatives under the umbrella of the MHA that are being used to distribute the funding for the program. The programs fall under the U.S. Department of Housing and Urban Development (HUD) secondary mortgage market lenders, Fannie Mae and Freddie Mac. Through the MHA programs, certain homeowners are provided assistance whose loans are either owned or guaranteed by Fannie Mae and Freddie Mac.

Over the following three years, the program is on target to assist three to four million homeowners. Currently, over 230,000 trial modifications have been started; although, over 500,000 is the goal to have in process by November 1, 2009. What's interesting is that more than 85 percent of mortgage loans out there today are covered by participating service providers.

HARP assists homeowners who are current on their mortgage payments, but are not able to refinance their loans due to a decrease in their home's market value. Homeowners may be afforded the opportunity to refinance their mortgage to a lower interest rate and to a lower-risk loan solution, both of which are part of the program.

General requirements to be eligible for HARP are as follows:

- * Must be the owner of a one- to four-unit home
- * Mortgage must be owned or guaranteed by Fannie Mae or Freddie Mac
- * Must be current on mortgage payments throughout the previous 12 months, which means that you've not been more than 30 days late on any mortgage payment within the previous year
- * Amount due on your first mortgage is not more than 125 percent of the current market value of your home

HAMP offers options for homeowners that may potentially reduce their monthly mortgage payments, or provide other alternatives that can assist them in keeping their homes. The program helps homeowners who are in the following situations with their mortgage:

- * Current, but have experienced recent significant hardship, including hardship that will inhibit their ability to pay mortgage payments going forward
- * Delinquent on their mortgage payments
- * Currently in the foreclosure process

For full details regarding the MHA, visit the MHA website.

Both sites offer a self-service lookup tool that tells you whether your home loan is owned by either. To find out more about the Fannie Mae or Freddie Mac MHA programs, or to see if your home loan is owned by either, see the information below:

- * Fannie Mae
- * Phone - (800) 7FANNIE (Hours - 8am to 8pm EST)
- * Freddie Mac
- * Phone - (800) FREDDIE (Hours - 8am to 8pm EST)

About the Author

Ki's website includes a searchable map of homes in the [Austin MLS](#). His site is focused on helping [Austin real estate](#) buyers. His site also provides a [mortgage widget](#) that shows current interest rates.

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