



The lending industry has changed a great deal recently. Depending on when you purchased or last refinanced your home, better mortgage options may be available to you. Lenders are now working with new parameters that allow them to make loans that are more beneficial to homeowners.

# IS YOUR MORTGAGE BEST FOR YOU?

## REFINANCING OPTIONS

It's no secret that when the credit crisis hit, many homeowners found themselves in a difficult position. That's why the Homeowner Affordability and Stability Plan (HASP) or "Making Home Affordable Program" was created. It's designed to do a couple of helpful things:

- 1) Allow for rate and term refinancing up to 105% loan-to-value for homeowners with good payment histories on loans owned by Fannie Mae or Freddie Mac. This allows homeowners to take advantage of lower interest rates or refinance adjustable-rate loans into 30-year fixed rate loans. To qualify, your home must be your primary residence and your loan balance can't exceed \$729,750.
- 2) Reduce monthly home loan payments for eligible homeowners who have experienced financial hardship. At-risk borrowers can decrease the payment amount on their existing loan if they have a fixed or adjustable-rate loan.

**To pre-qualify for the HASP refinance, you must be able to answer "yes" to the following:**

- Is your home your primary residence?
- Do you have a Fannie Mae or Freddie Mac loan?
- Is the amount you owe on your first mortgage the same or less than the current value of your home?
- Are you current on your mortgage payments (not more than 30 days late in the last 12 months)?

## ADVANTAGES TO BUYING TODAY

There are a number of government programs, incentives and credits available for home buyers and owners. This year, there is an \$8,000 tax credit available for first-time buyers that does not have to be paid back unless you sell your home within three years.

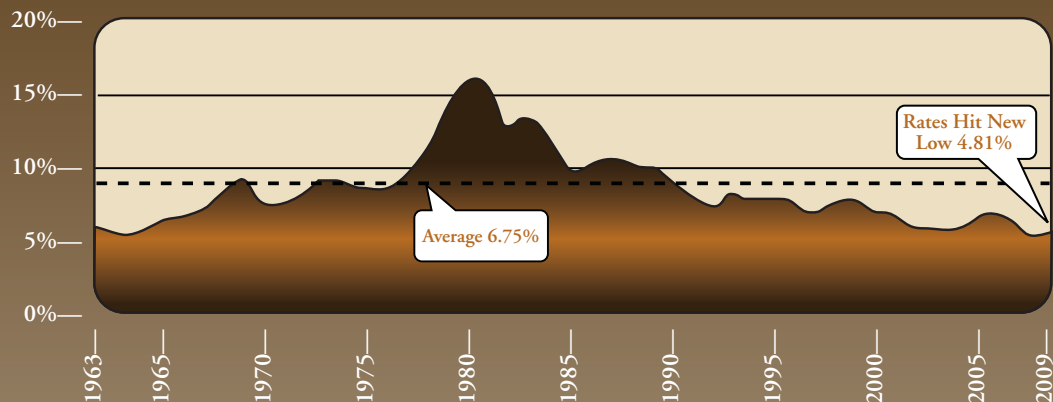
Also, the interest you pay on your home loan is tax-deductible (up to \$1 million), and you can deduct your local property taxes. In addition, if you or the seller paid points to the lender to secure your mortgage, you may be able to deduct those points as well.

Home buyers can deduct mortgage insurance premiums for policies issued after 2006 and before 2010, but buyers should be aware that there are income limits.

Qualifying tax payers who don't itemize but pay property tax can receive up to a \$500 deduction if single and \$1,000 if filing jointly.

## 30-year Fixed Mortgage Rates

Record Low Rates Equal Affordability



### For more information visit:

Federal Reserve  
[www.federalreserve.gov](http://www.federalreserve.gov)  
Department of Housing and Urban Development  
[www.hud.gov](http://www.hud.gov)  
FDIC  
[www.fdic.gov](http://www.fdic.gov)

Today's ever-changing mortgage environment makes knowing the best options for your situation nearly impossible. That's why turning to a trusted professional is in your best interest. Contact your mortgage representative to help answer all your questions and guide you through the process.



# Having Trouble Keeping Up With Your Mortgage Payments?

Here's What  
You Should Know.

You've probably heard it before, but lenders really don't want your home. They are the ones who have to pay the mortgage or property taxes if they take possession of your home. That's why lenders have "workout options" to help you keep your home, but these options work best when your loan is only one or two payments behind. The further behind you are on your payments, the fewer options available. Let's go through a few of your options. Hopefully, you'll never need any of them, but if you do, at least you'll know what's possible:

## Reinstatement

This is when the lender accepts the total amount owed to them in a lump sum by a specific date. It's often combined with forbearance.

## Forbearance

In the case of forbearance, the lender allows you to reduce or suspend payments for a short period of time after which another option must be agreed upon to bring your loan current.

## Repayment Plan

Simply put, this is an agreement to resume making your regular monthly payments, in addition to a portion of the past due payments each month. This happens until your loan is current.

## Mortgage Modification

If you can make the payments on your loan but can't bring your account current or afford the total amount of your payment, your lender may be able to make your payment more affordable. Your loan could be permanently changed in one or more ways by:

- Adding the missed payments to the existing loan balance
- Changing the interest rate
- Extending the number of years you have to repay

## Claim Advance

If your mortgage is insured, you may qualify for an interest-free loan from your mortgage guarantor to bring your account current. Then, the repayment of this loan may be delayed for several years.

## Rent the Property

In some cases, homeowners facing foreclosure will have payments low enough to allow them to rent their property and keep up their mortgage payments.

## Short Sale

When homeowners owe more on a property than it is currently worth and one of the previous solutions does not apply to their situation, there is the option of pursuing a short sale.

***A SHOCKING FACT:***  
*7 out of 10 homeowners  
facing foreclosure proceed  
without the assistance  
or advice of real estate  
or lending professionals.*

Source: Distressed Property Institute, LLC