Windermere Real Estate

HOPE for Homeowners Program	
What is the HOPE for Homeowners Program?	This is a new program for borrowers at risk of default and foreclosure. The program provides new, 30-year or 40-year, fixed rate mortgages that are insured by the Federal Housing Administration (FHA). It may help you refinance your mortgage into a more affordable payment. H4H is voluntary. Both lender(s) and borrower(s) must agree to participate.
When does H4H Begin?	The program begins October 1, 2008 and ends September 30, 2011.

Who is eligible?	You should contact your lender to determine eligibility, but you may be eligible if, among other factors:
	
	• The home is your primary residence, and you have no ownership interest in any other residential property, such as second homes.
	• Your existing mortgage was originated on or before January 1, 2008 and you have made at least six payments.
	• You are not able to pay your existing mortgage without help.
	• Your total monthly mortgage payments due were more than 31 percent of your gross monthly income.
	  ✓ As of March 1, 2008 if you have a fixed rate mortgage
	  ✓ As of March 1, 2008 <u>or</u> the date of your loan application if you have an ARM
	• You certify that you have not been convicted of fraud in the past 10 years, intentionally defaulted on debts; and did not knowingly or willingly provide material false information to obtain existing mortgage(s).

Who should I contact?	Contact your existing lender or another FHA-approved lender to see if they are participating in the H4H program. FHA does not accept loan applications. Like all FHA programs, you can only apply through a participating lender. You may also wish to contact a housing counselor to learn more about your options.
How much can I borrow?	Your new H4H mortgage will be no more than 96.5 percent of the new appraised value of your home, with your lender essentially writing down your current mortgage to that amount. Please note: Your lender may choose not to write down your mortgage, in which case you would not be able to participate in the program.
What costs do I have to pay?	• The new mortgage, if approved, will replace all of the current mortgages on your home. You will not owe any payments, fees or debts on mortgages you now hold. • You must agree to share both the equity created at the beginning of this new mortgage and a portion of any future appreciation in the value of your home. • In addition to an upfront mortgage insurance payment of 3 percent, you will pay a 1.5 percent annual mortgage insurance premium on your outstanding mortgage balance. This premium will be included in your monthly payments.

	• You will need to pay closing costs on the loan. You will receive a Good Faith Estimate of these costs.
Will my new interest rate be lower than my current rate?	The interest rate for the new mortgage will be based on current market interest rates and will be provided by the lender.
If needed, can I take out a second mortgage under this program?	You cannot take out a second mortgage for the first five years of the loan, except under certain circumstances for emergency repairs.
How can I learn more about the program and start the application process?	• Review the Frequently Asked Questions page at www.fha.gov to learn more about the program. • Read the Consumer Disclosure on www.fha.gov. • Contact an FHA-approved lender to apply. You can find a list of lenders at www.fha.gov. • Contact a Housing Counselor. A list of Housing Counselors can be found at www.fha.gov. • Information on the shared equity and appreciation may be found by clicking HERE.