

HOPE for Homeowners (H4H)

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H4H

TOPICS

- Program Design Issues
- Mortgage Features
- Eligibility
- Equity and Appreciation Sharing
- Consumer Protections

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Program Design Issues

- Statutory requirements
- Striking balance between volume and performance
- Making the program attractive to lien holders

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Mortgage Features

- Extinguishes all liens
- 30-year fixed interest rate loan
- LTV capped at 90%
- Maximum loan limit is \$550,440
- 3.0% UFMIP and 1.5% Annual MIP
- Available 10/1/08 through 9/30/0111

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Eligible Borrower

- Existing mortgage payment DTI >31%
- Did not intentionally default
- Does not have ownership interest in other residential real estate
- Has not been convicted of mortgage fraud in last 10 years
- Did not provide false information to obtain mortgage that is being refinanced into H4H

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Eligible Mortgage

- Originated on/before January 1, 2008
- Prepayment penalties and default fees must be waived
- Prime, Alt-A, Subprime, FHA, RD, VA
- Fixed rate or ARM

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Eligible Properties

- Primary and only residence
- 1 unit
- All property types

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Equity Sharing

- Borrower and FHA share equity created by write down
- Sliding scale with 100% going to FHA in first year with 50/50 split after 5 years
- Borrower can extinguish equity note through refinance

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Appreciation Sharing

- Borrower and FHA share in future appreciation
- FHA can share its future appreciation entitlement with subordinate lien holders
- Borrower can extinguish the appreciation note through sale only.

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Consumer Protections

- Counseling encouraged but not required
- Consumer Disclosures explaining benefit v. cost of H4H mortgage
- Interest rate commensurate with similar loan types.