

Are You Eligible for Mortgage Relief?

OVERVIEW

The [National Mortgage Settlement](#) will offer various forms of relief for distressed families who qualify. Details are still being ironed out, but this preliminary guide offers information for those who may be eligible.



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Over the next six to nine months, the Settlement administrators (designated by participating states*), state attorneys general and the mortgage servicers** involved in the lawsuit will identify homeowners eligible for benefits. These benefits may include immediate cash payments, loan modifications with mortgage balance reductions, or refinancing. If you are eligible, you should receive a letter from the administrator in your state. All actions resulting from the settlement are scheduled to take place over the next three and a half years.

Please note that benefits are not guaranteed even if you meet eligibility requirements; every case will be considered individually. However, you **may** be eligible for help under the national mortgage settlement if any one of these situations applies to you:

- You lost your home to foreclosure between 2008 and 2011; OR
- You are current on your mortgage payments, but underwater (you owe more on your mortgage than the current value of the house); OR
- You are behind on your mortgage or at immediate risk of falling behind.

For the most up-to-date information, go to www.nationalmortgagesettlement.com.



www.responsiblelending.org



*All states are participating except Oklahoma.

**Mortgage servicers are the companies or banks that receive and process mortgage payments and handle other administrative tasks related to home loans.

Am I Eligible for Help Under the National Mortgage Settlement?



Scenario 1: You have already lost your home to foreclosure.

Potential Benefits

- Cash payment of approximately \$1,800-\$2,000
- If you still owe any money on the mortgage because of an outstanding balance after a foreclosure sale, you may have an opportunity to have some or all of that debt forgiven.

Preliminary Checklist for Eligibility

- When you owned the home, you occupied the house as the owner, and the property had no more than four separate units.
- Your foreclosure sale was completed between Jan. 1, 2008 and Dec. 31, 2011.
- Your mortgage was serviced **or** owned by Bank of America, JPMorgan Chase, Citibank, Wells Fargo or Ally Financial (formerly GMAC).

Process

If you are eligible for benefits, you should receive a claim form in the mail from the settlement administrator. If you are concerned you will be difficult to locate, you should contact your [Attorney General's Office](#), and they will forward your information to the appropriate person to ensure you are contacted if you are eligible.

WATCH OUT FOR SCAMMERS!

Stay alert because scammers will certainly try to pose as "helpers" on these initiatives. Don't give any information or money to anyone who approaches you offering to "assist you in navigating the settlement." The Federal Trade Commission offers good [general tips](#) for avoiding scams, and don't hesitate to call your state's Attorney General office to check whether an offer is valid.

Am I Eligible for Help Under the National Mortgage Settlement?



Scenario 2: You are current on your loan, but underwater.

Potential Benefits

Eligible underwater borrowers may have an opportunity to refinance loans at lower interest rates.

Preliminary Checklist for Eligibility

- You own and occupy your property, and your property has no more than four separate units.
- Your mortgage is serviced **and** owned by one of these banks: Bank of America, JPMorgan Chase, Citibank, Wells Fargo, and Ally Financial (formerly GMAC). Note that Fannie Mae and Freddie Mac-owned loans may be eligible for refinance under a separate program called [HARP](#). To see if your loan is owned by Fannie Mae or Freddie Mac, go [here](#).
- Your mortgage is underwater—i.e., you owe more on the loan than the current value of the house.
- You have not made any late mortgage payments within the last 12 months.
- You have not been through a bankruptcy or foreclosure in the last 24 months.
- Your current interest rate is at least 5.25%
- The refinance would reduce your interest rate by $\frac{1}{4}$ of a percentage point or your monthly payment by at least \$100.
- Your mortgage is not a manufactured home loan, and it is not insured by the [Federal Housing Administration](#) (FHA) or the [Veterans' Administration](#) (VA).
- There are no restrictions on when your mortgage was made – could be any date.

Process

The participating banks (BoFA, JPMorgan Chase, Citibank, Wells Fargo and Ally Financial) are required to notify eligible borrowers of the availability of the refinance program, but borrowers may also contact the banks directly for information. The application process has yet to be determined.

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Scenario 3: You're late on your mortgage or at imminent risk of missing payments.

Potential Benefits

- Loan modification. You may have opportunity to receive a loan modification with a principal write-down (i.e., a reduction in the amount you owe) that would reduce your monthly payments.
- Forbearance. If you are unemployed, you may have an opportunity to get mortgage payment forbearance (the lender will delay foreclosure and offer a plan for allowing you to catch up on payments).
- Short sale. You may have the opportunity to have the bank facilitate a short sale (i.e., you would sell your property for less than the amount of the mortgage to avoid a foreclosure).
- Deed in lieu. You may have an opportunity to proceed with a "deed in lieu of foreclosure" (i.e., you give the lender all legal rights to the property in exchange for its agreement not to pursue foreclosure formally).
- Relocation assistance. You may be able to get funds to help pay relocation expenses following a foreclosure.
- Relief from further financial obligations after home sale. You may have an opportunity to receive relief from paying some or all of the amounts that might still be legally owed on the mortgage loan following a foreclosure sale or short sale.

Preliminary Checklist for Eligibility

- You own and occupy your property, and your property has no more than four separate units.
- Your mortgage is serviced **or** owned by Bank of America, JPMorgan Chase, Citibank, Wells Fargo or Ally Financial (formerly GMAC).
- Mortgages owned by Fannie Mae or Freddie Mac are not eligible. To see if your loan is owned by Fannie or Freddie, go to www.makinghomeaffordable.gov/tools/does-fannie-or-freddie-own-your-loan/Pages/default.aspx.
- There are no restrictions on when your mortgage was made – could be any date.

Process

- You may be contacted directly by one of the five participating mortgage servicers, but you should also contact your servicer to request consideration for the range of options that might be available to you.
- You may want to consult a [HUD-certified housing counselor](#) for assistance.
- Some details of the process are yet to be determined.

What About the Independent Foreclosure Review?

The Office of the Comptroller of the Currency and the Federal Reserve Board are overseeing an [Independent Foreclosure Review](#). This is a separate effort from the national mortgage settlement. This initiative could result in cash payouts to borrowers who suffered financial harm due to improper foreclosures.



Potential Benefits

You may be eligible to receive cash remedies if the Review shows (1) your loan was serviced by one of the banks or companies listed below, and if (2) if you suffered financial harm due to errors, misrepresentations or other deficiencies in the foreclosure process. If you are a candidate for this benefit, you must apply and submit paperwork to participate in the Review. Deadline for submitting a request for review is **July 31, 2012**.

Basic Eligibility

- You were in any stage of the foreclosure process on a home that was your primary residence from January 1, 2009 to December 31, 2010.
- Your mortgage servicer (the company that received your mortgage payments) was one of these businesses:

America's Servicing Company
Aurora Loan Services
BAC Home Loans Servicing
Bank of America
Beneficial
Chase
Citibank
CitiFinancial
CitiMortgage

Countrywide
EMC
Everbank/Everhome
Financial Freedom
GMAC Mortgage
HFC
HSBC
IndyMac Mortgage Services
Metlife Bank

National City
PNC
Sovereign Bank
SunTrust Mortgage
U.S. Bank
Wachovia
Washington Mutual
Wells Fargo
Wilshire Credit

Find Out More about the Independent Foreclosure Review

Answers to questions about the process and borrower eligibility are available at (888) 952-9105, Monday through Friday from 8 a.m. to 10 p.m. (ET), and Saturday from 8 a.m. to 5 p.m. (ET). You can also get more information about the review at a website set up by the servicers, www.IndependentForeclosureReview.com.

Click here to see *Frequently Asked Questions and Answers*:
<http://independentforeclosurereview.com/faq.aspx>.