

How to Avoid Foreclosure... use HAFA

The government's Home Affordable Foreclosure Alternatives Program (HAFA) or the expanded Home Affordable program introduces new benefits for those homeowners who are no longer able to retain their home but would still like to avoid foreclosure. To qualify under Home Affordable Foreclosure Alternatives (HAFA), you must meet the eligibility criteria for the Home Affordable Modification Program (HAMP).

Why should I consider a HAFA short sale?

If you owe more on your mortgage than your home is worth and are unable to keep up with your mortgage payments, a HAFA-eligible short sale will:

- Help you avoid foreclosure
- Allow you to be "fully released" from any further liability on your mortgage
- Provide financial assistance of \$3,000 to help with relocation expenses

Am I eligible?

Homeowners who meet the eligibility requirements for the Home Affordable Modification program are eligible under the Home Affordable Foreclosure Alternative program, even if you have been unable to complete the Home Affordable modification process. Following are some general eligibility criteria:

- You are facing hardship which prevents you from being able to maintain the monthly mortgage payments.
- Your mortgage is on your primary residence
- Your mortgage is a first lien mortgage originated on or before January 1, 2009
- The outstanding balance of the loan is under \$729,750 for single family property.
- Your total monthly payment on your primary mortgage is more than 31% of the gross income of all borrowers on the mortgage.
- You have already been considered for Home Affordable Modification and one of the following are true:
 - You do not qualify for a Trial Period Plan
 - You have not successfully completed the Trial Period Plan
 - You are delinquent on your Home Affordable Modification, missing at least two consecutive payments
 - You request a short sale or a deed-in-lieu

How is the HAFA program different than a regular short sale?

The HAFA program is part of President Obama's Home Affordable program. This provides new guidelines designed to simplify and speed up the short sale and deed-in-lieu process as well as offer homeowners some additional financial assistance. The eligibility criteria are based on the terms set forth under this government initiative. If you do not meet the eligibility criteria under HAFA, you may still be able to work with your lender on a short sale. We have adapted the same Short Sale Information Packet to meet the needs of all our customers interested in exploring short sale as a workout option.

Do I have to complete more paperwork?

If you've recently completed a loan modification request, some of the documentation related to the Request for Modification and Affidavit can be used, but we will still need new information specific to the short sale of your home.

What if I don't qualify under HAFA but am interested in a short sale?

Your lender may still consider a regular short sale, even if you do not meet the HAFA eligibility requirements. To be considered for a short sale, request a Short Sale Package from your lender. Gather all information requested and sign in the required places. Submit by fax to the number indicated on the form or return it directly to your assigned homeownership specialist.

How is the value of my property determined?

Your lender will independently establish property value and an approved list price. We'll provide you with instructions regarding the list price and any permissible price reductions. The home's selling price may be based on either:

- an appraisal performed in accordance with standard appraisal practices
- one or more Broker Price Opinions, of which must be dated within 120 days of the Short Sale Agreement

How long will the short sale process take?

- You will be allowed 120 days* to market and sell the property.
- The property must be listed with a licensed real estate agent experienced in selling properties in the neighborhood.
- Marketing of the property may run at the same time as the foreclosure process. No foreclosure sale can take place during the marketing period specified in the Short Sale Agreement as long as you're acting in good faith to sell the property.
- *Extensions to the 120 day selling period would be considered on a case by case basis (capped at maximum of 1 year per program requirements), so speak to your real estate agent and your lender's Short Sale specialist if more time is needed.

Can I select my own real estate agent?

Yes.

Is there a fee to participate in HAFA?

No.

How long will this program be offered?

This program will accept eligible borrowers until December 31, 2012.