



## **Home Affordable Refinance Program (HARP)**

HARP, the Home Affordable Refinance Program, was created by the Federal Housing Finance Agency specifically to help homeowners who are current on their mortgage payments, but have little to no equity in their homes, refinance their mortgage. Those who owe as much, or more, than their homes are currently worth are eligible for a HARP refinance.

If you got your mortgage loan at a bank, credit union or mortgage company, it may be owned by Fannie Mae (**we cannot do Freddie Mac**). If so, you could qualify for HARP refinancing and you could save thousands with a lower interest rate or other more favorable terms. No minimum credit score is required and closing costs can be bundled into the new loan so you don't need much cash up front.

## **Questions and Answers**

**Q:** How do I know if I'm eligible for The H.A.R.P. Program?

1. *The mortgage **MUST** be owned or guaranteed by Fannie Mae (**we cannot do Freddie Mac**)*
2. *The mortgage **MUST** have been sold to Fannie Mae on or before May 31, 2009.*
3. *The mortgage **CANNOT** have been refinanced under HARP previously unless it is a Fannie Mae loan that was refinanced under HARP from March-May, 2009.*
4. *The borrower **MUST** be current on the mortgage at the time of the refinance, with no late payment in the past six months and no more than one late payment in the past 12 months.*
5. *You have a reasonable ability to pay the new mortgage payments.*
6. *The refinance improves the long term affordability or stability of your loan.*

**Q:** How do I know if my loan is owned by Fannie Mae?

*Fannie Mae has established toll-free telephone numbers and web submission processes to make this data available. Homeowners can enter information to determine if either agency owns or guaranteed the loan. This information is not a guarantee of eligibility for a refinance under HARP, as other qualifying criteria must also be met.*

For Fannie Mae: [www.fanniemae.com/loanlookup](http://www.fanniemae.com/loanlookup)



## **Q&A Continued....**

**Q:** Is there a maximum loan-to-value (LTV) ratio for HARP?

*There is no longer a maximum LTV limit for borrower eligibility. If the borrower refinances under HARP and their new loan has a fixed rate mortgage, there is no maximum LTV. If the borrower refinances under HARP and their new loan is an adjustable rate mortgage, their LTV may not be over 105%.*

**Q:** Can I get cash out to pay other debts?

*No. The Home Affordable Refinance will not return cash to the borrower*

**Q:** I have both a first lien and a second lien mortgage. Do I still qualify?

*Yes, there is no longer a maximum LTV limit for borrower eligibility. Homeowners with more than one mortgage may be eligible for a refinance under HARP. Your eligibility will depend, in part, on two additional requirements:*

- 1. The lender that has your junior lien mortgage must agree to remain in a junior lien position.*
- 2. You must be able to demonstrate your ability to meet the new payment terms on the first lien mortgage.*

**Q:** What are the circumstances under which appraisals are not required?

*We are further streamlining Fannie Mae's existing use of AVM (automated valuation model) estimates of properties. Where there is a reliable AVM estimate of value provided by Fannie Mae, a new appraisal will not be needed. Where there is not a reliable AVM value, a new appraisal will be required.*

**Q:** Will I need mortgage insurance?

*If your existing loan has private mortgage insurance, you will need the same amount of insurance coverage for a refinance under HARP. If your existing loan does not have private mortgage insurance, it will not be required as part of a refinance under HARP.*