



Top 10 Foreclosure Prevention and Response Initiatives

1. **Federal Housing Administration (FHA) Loss Mitigation Efforts**

HUD has helped more than half a million FHA-insured families avoid foreclosure through its loss mitigation efforts. These efforts, run by the FHA mortgage issuing division of HUD, include special forbearance, loan modifications, partial claim, and FHA-HAMP.

<http://www.hud.gov/offices/hsg/sfh/nsc/faqsctc.cfm>

2. **Home Affordable Modification Program (HAMP)**

Provides loan modifications to reduce distressed homeowners' monthly mortgage payments into affordable and sustainable levels. Homeowners in active permanent modifications have realized median monthly savings of more than \$527 (or 37% of the median before-modification monthly payment). Over 110 major lenders have signed onto the program, and over one million homeowners have received help through HAMP.

<http://makinghomeaffordable.gov/resources.html>

3. **Housing Counseling**

Each year, HUD awards grants to hundreds of local counseling agencies and State Housing Finance Agencies that offer a variety of services. HUD-approved counselors help clients learn how to avoid foreclosure, how to purchase or rent a home, how to improve credit scores, and how to qualify for a reverse mortgage. In 2009, HUD assisted over 2.5 million families through its housing counseling program. In 2010, HUD awarded \$79 million for housing counseling grants, a 27 percent increase over its 2009 funding.

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

4. **Home Affordable Refinance Program**

Gives homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to refinance into more affordable monthly payments.

<http://makinghomeaffordable.gov/resources.html>

5. **Home Affordable Foreclosure Alternatives Program**

Provides opportunities for homeowners who can no longer afford to stay in their home but want to avoid foreclosure to transition to more affordable housing through a short sale or deed-in-lieu of foreclosure.

<http://makinghomeaffordable.gov/resources.html>

6. Short Refinance Option

In 2010, FHA made available an option that offers underwater non-FHA borrowers, who are current on their existing mortgage and whose lenders agree to write off at least 10 percent of the unpaid principal balance of the first mortgage, the opportunity to qualify for a new FHA-insured mortgage.

http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-190

7. Emergency Homeowner Loan Program (EHLF)

In 2010, HUD announced \$1 billion of funding, which provides bridge loans of up to \$50,000 each to help families keep up with their mortgage payments while they seek employment.

http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-225

8. Neighborhood Stabilization Program

HUD has awarded \$7 billion in NSP grants, which are aimed at reversing the effects of the foreclosure crisis, reducing blight, bolstering neighborhood home values, creating jobs, and producing affordable housing. In September 2010, HUD announced its third-round NSP funds to provide targeted emergency assistance to state and local governments to acquire, redevelop, or demolish foreclosed properties.

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>

9. National First Look Program and FHA First Look Program

A partnership between HUD, the National Community Stabilization Trust and large financial institutions that offers NSP grantees an exclusive 12-14 day window to evaluate and bid on the majority of newly foreclosed properties prior to sale on the open market.

<http://www.stabilizationtrust.com/>

10. Third Party Mediation

HUD and the Department of Justice are promoting expanded use of third-party mediation as a way to prevent foreclosures. Over 25 mediation programs have been created, with some showing settlement rates of 70-75 percent that allow up to 60 percent of borrowers to remain in their homes.