Basic Consumer Facts about the HOPE for Homeowners Program

What is the HOPE for Homeowners Program?	This is a new program for borrowers at risk of default and foreclosure. The program provides new, 30-year, fixed rate mortgages that are insured by the Federal Housing Administration (FHA). It may help you refinance your mortgage into a more affordable payment. H4H is voluntary. Both lender(s) and borrower(s) must agree to participate.
When does H4H Begin?	The program begins October 1, 2008 and ends September 30, 2011.
Who is eligible?	You should contact your lender to determine eligibility, but you may be eligible if, among other factors: • The home is your primary residence, and you have no ownership interest in any other residential property, such as second homes. • Your existing mortgage was originated on or before January 1, 2008 and you have made at least six payments. • You are not able to pay your existing mortgage without help. • As of March 2008, your total monthly mortgage payments due were more than 31 percent of your gross monthly income. • You certify that you have not been convicted of fraud in the past 10 years, intentionally defaulted on debts; and did not knowingly or willingly provide material false information to obtain existing mortgage(s).
Who should I contact?	FHA does not accept loan applications. Borrowers seeking help should contact their lender, another FHA-approved lender, or a housing counselor to apply or learn more about their options.
How much can I borrow?	Your new H4H mortgage will be no more than 90% of the new appraised value of your home with the lender essentially writing down your current mortgage to that amount.
What costs do I have to pay?	• The new mortgage, if approved, will replace all of the current mortgages on your home. You will not owe any payments, fees or debts on mortgages you now hold. • **You must agree to share both the equity created at the beginning of this new mortgage and a portion of any future appreciation in the value of your home.** • In addition to an upfront mortgage insurance payment of 3%, you will pay a 1.5% annual mortgage insurance premium on your outstanding mortgage balance. This premium will be included in your monthly payments. • You will need to pay closing costs on the loan. You will receive a

	Good Faith Estimate of these costs.
Will my new interest rate be lower than my current rate?	The interest rate for the new mortgage will be based on current market interest rates and will be provided by the lender.
I currently have a second mortgage. If needed, can I take out a second mortgage under this program?	You cannot take out a second mortgage for the first five years of the loan, except under certain circumstances for emergency repairs.
How can I learn more about the program and start the application process?	• Review the Frequently Asked Questions page at **www.fha.gov** to learn more about the program. • Contact an FHA-approved lender to apply. You can find a list of lenders at **www.fha.gov** • Contact a Housing Counselor. A list of Housing Counselors can be found at **www.fha.gov** **Consumer Disclosure**