

Refinancing in a Down Market

NewsUSA

(NU) - Falling home values are a cause for concern for millions of American homeowners, mortgage lenders and the federal government.

To help families dealing with lower home values and other personal crises, the Obama Administration announced the Making Home Affordable initiative that is designed to help between 7 million and 9 million Americans improve the affordability of their mortgage and prevent foreclosure.

Understand Your Options

There are several programs under the Making Home Affordable initiative. One of these initiatives is the Home Affordable Refinance Program (HARP). HARP is a refinance program for homeowners who are current on their mortgage but unable to take advantage of the current low interest rates due to their home's depressed value.

To be eligible for the HARP program, your loan must be owned or guaranteed by either Fannie Mae or Freddie Mac and you must work directly through your lender (the company that currently services your loan).

Borrowers can easily determine whether their loan is either Fannie Mae or Freddie Mac owned or guaranteed by entering the required information in the following Web sites:

- <http://loanlookup.fanniemae.com/loanlookup/>
- <https://ww3.freddiemac.com/corporate/>

Borrowers interested in knowing if they qualify for a



If you're struggling to meet payments, don't hesitate to contact your mortgage lender.

HARP refinance program must contact their lender. General information about this program can be obtained on the Making Home Affordable Web site: http://www.makinghomeaffordable.gov/loan_lookup.html.

Before your lender can make you an offer, you will need to fully document your income, which generally requires providing: your form W-2, recent bank statements and pay stubs. The PMI Mortgage Insurance Co. has a helpful mortgage assessment form at www.homesafepmi.com to input and print out your information for you lender.

Given the backlog of requests, the process from phone call to decision may take 60 to 90 days. So don't be surprised if you don't get an answer right away. And be sure to follow-up frequently.