

Home Affordable Foreclosure Alternative (HAFA) Eligibility Worksheet

HAFA: A Making Home Affordable (MHA) Initiative

Loan Look Up

Determine the type of first lien (Fannie Mae, Freddie Mac or Treasury) and servicer to check HAFA participation and identify applicable eligibility criteria. You will need last 4 digits of borrower's social security number (and borrower permission) to search Fannie Mae and Freddie Mac loans. Note FHA and VA loans are not participating in HAFA at this time. Use the following links for the loan lookup step:

- Fannie Mae Loan Lookup: www.fanniemae.com/loanlookup
- Freddie Mac Loan Lookup: www.freddiemac.com/mymortgage
- Servicer Lookup: www.makinghomeaffordable.gov/contact_servicer.html

Basic HAMP/ HAFA Eligibility Checklists

Note: If eligible and not already denied/failed, borrower will generally be offered HAMP loan modification option while HAFA short sale or deed-in-lieu is considered. Borrower may deny modification option.

Basic HAMP Eligibility Checklist (Loan Modification)

Borrower must meet ALL of the conditions as follows:

- Borrower's principal residence
- Property must be owner occupied
- Loan must be delinquent or default reasonably foreseeable (current or less than 60 days delinquent - Loan in foreclosure is eligible)
- First loan must have originated on or before January 1, 2009
- Borrower's 1st loan monthly mortgage payment (*PITI & HOA fees*) must be greater than 31% of their current gross monthly income
- Borrower's current unpaid 1st loan principal balance is equal to or less than:
 - \$729,750 (1 unit)
 - \$934,200 (2 units)
 - \$1,129,250 (3 units)
 - \$1,403,400 (4 units)

If borrower met all above criteria, then they are eligible and may qualify for a HAMP loan modification. Borrower may be asked to complete a Request for Modification and Affidavit.

Basic HAFA Eligibility Checklist

(Short Sale or Deed-in-Lieu Eligibility)

Note: If eligible and not already denied/failed, Borrower will generally be evaluated for HAMP loan modification before a HAFA short sale or deed-in-lieu is offered. Borrower may deny modification and move direct to foreclosure alternative option.

Borrower must meet ALL of the conditions as follows:

- Must be or recently have been borrower's principal residence
- Property has been borrower occupied in the last 12 months
- Loan must be delinquent or default reasonably foreseeable (current or less than 60 days delinquent - Loan in foreclosure is eligible)
- First loan must have originated on or before January 1, 2009
- Borrower must be able to document a financial hardship.
(Use "Request for Modification and Affidavit" or "Hardship Affidavit")
- Borrower's current unpaid 1st loan principal balance is equal to or less than:
 - \$729,750 (1 unit)
 - \$934,200 (2 units)
 - \$1,129,250 (3 units)
 - \$1,403,400 (4 units)

If borrower met all above criteria and loan servicer is participating in HAFA, then they are eligible for a Treasury HAFA short sale or deed-in-lieu.

If the first loan is owned or guaranteed by Fannie Mae or Freddie Mac and the borrower met the above criteria then you must proceed to either the **Fannie Mae or Freddie Mac HAFA Eligibility Checklists**.

Additional Eligibility for HAFA Deed-In-Lieu:

- Borrower is interested in Deed-for-Lease/or repurchase program.

Note: This form should be used to evaluate borrower's eligibility for HAMP and/or HAFA based on federal guidelines published by the U.S. Treasury Department, Fannie Mae and Freddie Mac. Final program qualification can only be confirmed by the loan servicer and borrowers may wish to confirm the result of their eligibility – positive or negative – with their loan servicer.

Fannie Mae HAFA Eligibility Checklists

Use Basic HAFA Eligibility Checklist in addition to the following:

Additional Eligibility for Fannie Mae HAFA Short Sale:

- Borrower *may not* qualify if foreclosure sale (trustee sale date) is within 60 days of borrower's request of Fannie Mae HAFA short sale or deed-in-lieu;
- Borrower cannot have cash reserves equal to or exceeding three times borrower's total monthly payment (PITI & HOA) or \$5,000, whichever is greater;
- Borrower's first loan monthly mortgage payment (*PITI & HOA fees*) must be greater than 31% of their gross income;
- Is principal residence/owner occupied (or vacated within 90 days due to 100+ mile move for employment reasons).

Additional Eligibility for Fannie Mae HAFA Deed-In-Lieu:

- Property was listed for sale for 120 days or more and did not sell
(*This requirement can be waived under extenuating circumstances*)
AND/OR
- SSA was terminated prior to expiration stipulated in the SSA
AND/OR
- Borrower is interested in Fannie Mae's Deed-for-Lease (D4L) program

Source: Fannie Mae Announcement SVC-2010-07

Note: This form should be used to evaluate borrower's eligibility for HAMP and/or HAFA based on federal guidelines published by the U.S. Treasury Department, Fannie Mae and Freddie Mac. Final program qualification can only be approved by the loan servicer and borrowers may wish to confirm the result of their eligibility – positive or negative – with their loan servicer.

Freddie Mac HAFA Eligibility Checklists

Use Basic HAFA Eligibility Checklist in addition to the following:

Additional Eligibility for Freddie Mac HAFA Short Sale:

- Borrower must be 60+ days delinquent;
- Borrower cannot have cash reserves equal to or exceeding three times borrower's total monthly payment (*PITI & HOA*) or \$5,000, whichever is greater;
- Borrower was first considered for HAMP and all other Freddie Mac home retention options (borrower can refuse options);
- Borrower's first loan monthly mortgage payment (*PITI & HOA fees*) must be greater than 31% of their gross income;
- Is principal residence/owner occupied (or vacated within 90 days due to 100+ mile move for employment reasons).

Additional Eligibility for Freddie Mac HAFA Deed-In-Lieu:

- Property was marketed as a HAFA Short Sale for the full term of the SSA and did not sell. (*This requirement can be waived under extenuating circumstances.*)

Source: Freddie Mac Single-Family Seller/Servicer Guide, Volume 2/Chapters 64-69

Note: This form should be used to evaluate Borrower's eligibility for HAMP and/or HAFA based on federal guidelines published by the U.S. Treasury Department, Fannie Mae and Freddie Mac. Final program qualification can only be approved by the loan servicer and Borrowers may wish to confirm the result of their eligibility – positive or negative – with their loan servicer.

Calculate Borrower Debt-to-Income Ratio

In some cases, the fields in bold font may not be included in the monthly principal and interest mortgage payment amount per borrower's monthly statement. You may verify what is included in the monthly mortgage payment from the most recent mortgage payment coupon/statement to minimize calculation errors.

Monthly Mortgage Payment

Monthly Principal and Interest \$ _____

Insurance \$ _____

Taxes \$ _____

HOA fees \$ _____

Total (A) \$ _____

Gross (Pre-Tax) Monthly Income

Borrower #1 \$ _____

Borrower #2 \$ _____

Total (B) \$ _____

Debt to Income Ratio = (A divided by B) = _____%

Is the Debt-to-Income Ratio greater than 31%? If no, borrower is likely not eligible for a HAMP loan modification. You may call Loan Servicer to confirm calculation and program eligibility.