

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at <http://www.hud.gov/hopeforhomeowners/consumerfactsheet.cfm>.



## Basic Consumer Facts about the HOPE for Homeowners Program

- Information by State
- Esta página en español
- Print version

<b>What is the HOPE for Homeowners Program?</b>	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.
<b>When does H4H Begin?</b>	The program begins October 1, 2008 and ends September 30, 2011.
<b>Who is eligible?</b>	<p>You should contact your lender to determine eligibility, but you may be eligible if, among other factors:</p> <ul style="list-style-type: none"> <li>• The home is your primary residence, and you have no ownership interest in any other residential property, such as second homes.</li> <li>• Your existing mortgage was originated on or before January 1, 2008 and you have made at least six payments.</li> <li>• You are not able to pay your existing mortgage without help.</li> <li>• As of March 2008, your total monthly mortgage payments due were more than 31 percent of your gross monthly income.</li> <li>• 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).</li> </ul>
<b>Who should I contact?</b>	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.
<b>How much can I borrow?</b>	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.
<b>What costs do I have to pay?</b>	<ul style="list-style-type: none"> <li>• The new mortgage, if approved, will replace all of the current mortgages on your home. You</li> </ul>

	<p>will not owe any payments, fees or debts on mortgages you now hold.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• You will need to pay closing costs on the loan. You will receive a Good Faith Estimate of these costs.</li> </ul>
<p><b>Will my new interest rate be lower than my current rate?</b></p>	<p>The interest rate for the new mortgage will be based on current market interest rates and will be provided by the lender.</p>
<p><b>I currently have a second mortgage. If needed, can I take out a second mortgage under this program?</b></p>	<p>You cannot take out a second mortgage for the first five years of the loan, except under certain circumstances for emergency repairs.</p>
<p><b>How can I learn more about the program and start the application process?</b></p>	<ul style="list-style-type: none"> <li>• Review the Frequently Asked Questions page at <a href="http://www.fha.gov">www.fha.gov</a> to learn more about the program.</li> <li>• Contact an FHA-approved lender to apply. You can find a list of lenders at <a href="http://www.fha.gov">www.fha.gov</a></li> <li>• Contact a Housing Counselor. A list of Housing Counselors can be found at <a href="http://www.fha.gov">www.fha.gov</a></li> </ul> <p>Consumer Disclosure</p>

Content current as of October 2, 2008

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