

Help for America's Homeowners

MAKING HOME AFFORDABLE

MHA Program Sunset Overview
Training for Trusted Advisors

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- 1 MHA Program Sunset Overview
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MHA Sunset Overview

HAMP Eligibility

Eligibility

- Homeowners must submit an Initial Package on or before **December 30, 2016** to be considered for HAMP Tier 1 or HAMP Tier 2.
- A homeowner who submits an Initial package on or before December 30, 2016 must be evaluated for HAMP, provided that the homeowner meets all applicable eligibility requirements.
- To be considered for an offer under Streamline HAMP on or after December 31, 2016, a homeowner must submit at least one component of the Loss Mitigation Application on or before December 30, 2016, and the servicer must not have already sent a Non-Approval Notice in response to such application.
 - o A servicer may also make a Streamline HAMP offer after December 30, 2016 in response to a homeowner's oral request to be evaluated for a loss mitigation solution on or before December 30, 2016. Such offer can be made regardless of whether the homeowner has submitted at least one component of a Loss Mitigation Application and provided that the homeowner meets all eligible criteria and the servicer's Streamline HAMP Policy allows for oral requests.

The permanent Modification Effective Date for all HAMP modifications (whether Tier 1, Tier 2 or Streamline) must be on or before December 1, 2017.

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MHA Sunset Overview

HAMP Program Updates

Homeowner Outreach

Effective September 1, 2016, servicers are no longer required to proactively solicit nor to satisfy the Reasonable Effort standard with respect to any homeowner who becomes eligible for HAMP after September 1, 2016.

- Servicers will no longer be required to send a second Initial Package communication to a homeowner with whom Right Party Contact has been established, but who does not submit any documents in response to the Initial Package communication.
- For homeowners who lose good standing on a HAMP Tier 1 permanent modification on or after September 1, 2016, servicers must proactively solicit those homeowners for all loss mitigation options.

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HAMP Program Updates

HAMP Evaluation Following a Streamline Offer

- On and after December 31, 2016, a servicer may, but is not required to consider a homeowner for HAMP Tier 1 or HAMP Tier 2 if he or she submitted an initial package on or before December 30, 2016 and has either:
 - i) already accepted a Streamline HAMP Offer; or
 - ii) has received a Streamline HAMP Offer that has not yet been accepted for which the acceptance period has not yet expired.

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MHA Sunset Overview

HAMP Program Updates

Protections Against Unnecessary Foreclosure

- Servicers are required to suspend a scheduled foreclosure sale when a homeowner submits, no later than midnight of the 7th business day prior to the scheduled sale date, a request for HAMP consideration in the form of an Initial Package or a Loss Mitigation Application.
 - An Initial Package includes the RMA, 4506T-EZ, or most recent tax return and income documentation.
- If a Loss Mitigation Application is submitted, that application must include the components of an Initial Package.

Note: The servicer is not required to suspend a scheduled foreclosure sale in order to evaluate a homeowner for HAMP if the homeowner submits an Initial Package after December 30, 2016.

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MHA Sunset Overview

UP Eligibility

- ✓ Servicers are required to evaluate a homeowner or co-borrower who is unemployed and requests assistance for an UP forbearance plan and, if qualified, offer a forbearance plan to the homeowner or co-borrower.
- ✓ To be eligible for UP, the homeowner must submit a request on or before the date specified by the servicer and documented in the servicer's policy (which shall be no earlier than May 1, 2016), and which should be on or before December 30, 2016.
- ✓ In order for a homeowner to be eligible for UP, the servicer must offer the homeowner a forbearance plan under the program on or before **December 30, 2016**.
- ✓ As of May 1, 2016 a servicer may consider a homeowner for a proprietary forbearance plan in lieu of an UP forbearance plan. The servicer must document its decision to offer such proprietary plan as well as the date from which it will be offered.

Note: Homeowners who enter an UP forbearance plan after May 1, 2016 must be notified verbally or in writing of the loss mitigation options that may be available once the UP forbearance plan ends.

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MHA Sunset Overview

UP Program Updates

Protections Against Unnecessary Foreclosure

Servicers opting to consider homeowners for proprietary forbearance plans in lieu of an UP forbearance plan may not refer the loan to foreclosure or conduct a scheduled foreclosure sale:

- while the servicer evaluates the homeowner for a proprietary forbearance plan;
- after the servicer mails an offer of a proprietary forbearance plan;
- during the initial proprietary forbearance plan; or
- following a proprietary forbearance plan while the homeowner is being evaluated for HAMP or HAFA.

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UP Program Updates

Consideration of Homeowners for HAMP after Forbearance

Servicers may not consider homeowners for HAMP who, on or after December 31, 2016, complete an UP forbearance plan, become re-employed, or request to be considered for other loss mitigation alternatives except when the homeowner submits either on or before **December 30, 2016**:

- An Initial Package (HAMP Tier 1 or Tier 2); or
- at least one component of a Loss Mitigation Application (Streamline HAMP).

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HAFA Eligibility

Eligibility

In order for a loan to be eligible for HAFA, the homeowner must have submitted a request on or before a date determined by the servicer and specified in the servicer's HAFA Policy (no earlier than September 1, 2016).

For all offers of HAFA, the servicer must send to the homeowner on or before **December 30, 2016**:

- The short sale notice containing the pre-approval of a HAFA short sale or DIL of foreclosure;
- the offer of a DIL of foreclosure transaction; or
- the approval of an executed sales contract for a short sale.

The transaction closing date must be on or before **December 1, 2017**.

Note: Effective September 1, 2016, servicers are no longer required to proactively notify potentially eligible homeowners of the availability for HAFA.

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HAFA Program Updates

Pre-Determined Hardship

- Servicers are no longer required to obtain or assess the homeowner's FICO score, provided the exclusion of the FICO requirement is indicated in the servicer's HAFA Policy.

Bankruptcy

- Pursuant to any extensions necessary to accommodate delays in obtaining any court or trustee approvals in connection with a Chapter 7 or Chapter 13 bankruptcy, the short sale notice, offer for DIL transaction or approval of an executed sales contract must be sent on or before **December 30, 2016** and the Closing Date must be no later than **December 1, 2017**.

Short Sale Notice

- The short sale notice now requires a fixed termination date, including any extension of its term, to be no later than **December 1, 2017**.

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2MP Eligibility

Eligibility based on 1st lien match under HAMP

To be eligible for 2MP, an Initial Package or Loan Modification Application for the corresponding 1st lien under HAMP must be submitted on or before **December 30, 2016**.

- Notification of match to a 1st lien under HAMP from BKFTS must be received on or before **March 31, 2017**.
 - Servicers continue to be permitted to offer 2MP outside the Black Knight Matching process in certain circumstances.*
- Servicers should exercise good business judgement to offer 2MP modifications after March 31, 2017.
- The 2MP Modification Date and the date for any full or partial extinguishment must be on or before **December 1, 2017**.

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2MP Program Updates

2MP Matched With GSE Standard Modifications

For a second lien loan to be eligible for 2MP based on a match with a GSE Standard Modification:

- The GSE Standard Modification must have a permanent modification effective date on or before December 1, 2016.
- Servicer must send the 2MP offer based on the GSE Standard Modification on or before December 30, 2016.
- The 2MP Modification Date and the date for any full or partial extinguishment must be on or before December 1, 2017.

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MHA Sunset Policy Updates

Case Escalations

- Effective **December 1, 2017**, MHA Help and the HAMP Solution Center (HSC) will no longer accept new cases or escalate new cases to servicers.
- Any cases that have been escalated to MHA Help or HSC must be resolved by **May 1, 2018**.
- If a homeowner is determined eligible for assistance under the MHA Program, but the servicer is unable to convert the homeowner to a permanent modification, DIL, or short sale by **December 1, 2017**, the servicer must consider the homeowner for comparable solutions.

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MHA Sunset Policy Updates

Single Point of Contact

Relationship Managers

- After **December 30, 2016**, servicers are no longer required to assign relationship managers to homeowners.
- Any relationship manager who is assigned to a homeowner on or before December 30, 2016 must fulfill all obligations until the later of:
 - Resolution of all applicable escalations, and
 - December 1, 2017.

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MHA Sunset Policy Updates

Post Modification Counseling Requirements

Servicers must continue to offer financial counseling to homeowners who are at risk of default and who meet eligibility criteria until the later of:

- The sixth anniversary of the month in which the homeowner's HAMP trial period plan effective date occurred; and
- The final interest rate step-up for a modification under HAMP Tier 1.

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MHA Sunset Summary

MHA Program Key Sunset Deadlines

HAMP	UP	HAFSA	2MP
<ul style="list-style-type: none"> HAMP Tier 1 or HAMP Tier 2: Initial Package must be submitted by the homeowner on or before December 30, 2016 Streamline HAMP: For offers on or after December 31, 2016, homeowner must have submitted one component of the Loss Mitigation Application on or before December 30, 2016. 	<ul style="list-style-type: none"> Homeowner must have submitted a request on or before a date determined by the servicer. UP Forbearance Plan must be sent on or before December 30, 2016. Effective May 1, 2016, servicers may begin to offer proprietary forbearance plans instead of UP. 	<ul style="list-style-type: none"> Homeowner must have submitted a request on or before a date determined by the servicer. The servicer must have sent the homeowner on or before December 30, 2016: <ul style="list-style-type: none"> short sale notice containing the pre-approval of a HAFSA short sale or DIL of foreclosure; the offer of a DIL of foreclosure transaction; or the approval of an executed sales contract for a short sale. 	<ul style="list-style-type: none"> HAMP first lien: Initial Package must be submitted on or before December 30, 2016 to be eligible for 2MP consideration after that date. GSE HAMP first liens: Loan modification application made by the homeowner must be submitted on or before December 30, 2016 to be eligible for 2MP consideration after that date. HAMP or GSE HAMP first liens: Servicer must receive notification of the 1st lien match on or before March 31, 2017 (via BKFS). GSE Standard Modification first liens: The GSE Standard Modification must have a permanent modification effective date on or before December 1, 2016 and 2MP offer must be sent on or before December 30, 2016.

Note: For HAMP, HAFSA and 2MP the latest permanent modification effective date and the latest closing date for modifications, transactions and extinguishments is December 1, 2017. All transactions must be reported before May 1, 2018.

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Resources

Additional Resources

HAMP Solution Center
support@hmpadmin.com

www.HMPAdmin.com

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Find information on MHA programs and participating mortgage companies.




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Discussion/Questions



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