

Help for America's Homeowners

MAKING HOME AFFORDABLE

Streamline HAMP Modification Process
Training for Trusted Advisors

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Agenda

1	Overview
2	Eligibility Criteria
3	Streamline HAMP Policy
4	Streamline HAMP Process
5	Resources

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MHA Offers Solutions
MHA and related programs work together to help homeowners avoid foreclosure

AVOIDING FORECLOSURE

- Historically Low Mortgage Interest Rates
- Breathing Room for Unemployed
- More Affordable Payments
- Help When You Owe More Than the Home is Worth
- Transition from Home Ownership

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Overview

What is Streamline HAMP

- Provide assistance to homeowners who:
 - Meet the basic HAMP eligibility criteria; and
 - Have not completed an application by the time their loan is 90 days delinquent (or 60 days delinquent within a 12 month period following an interest rate step-up under HAMP Tier 1).
- Effective Date – January 1, 2016
- Prior to January 1, 2016, servicers could begin offering Streamline HAMP once the servicer's Streamline HAMP Policy was in place.

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Streamline HAMP Eligibility Scenarios

Criteria	Guideline	Streamline HAMP
Origination	The mortgage loan is a first lien originated on or before January 1, 2009.	✓
Property Condition	The property securing the mortgage loan has not been condemned.	✓
Financial Hardship	The homeowner must be able to certify as to a financial hardship.	✓
Unpaid Principal Balance Limits	The unpaid principal balance, prior to capitalization, must be less than or equal to: <ul style="list-style-type: none"> \$729,750 for a one-unit property \$934,200 for a two-unit property \$1,129,250 for a three-unit property \$1,403,400 for a four-unit property 	✓
Single Family Property	The mortgage loan is secured by a one-to-four unit property.	✓

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Streamline HAMP Eligibility

Program Cut-off

- A homeowner is NOT required to submit an Initial Package; however, 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.
 - A servicer may also make a Streamline HAMP offer after December 30, 2016 in response to a borrower'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 borrower has submitted at least one component of a Loss Mitigation Application and provided that the borrower meets all eligible criteria and the servicer's Streamline HAMP Policy allows for oral requests.
- The Modification Effective Date must be on or before December 1, 2017.

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Streamline HAMP Eligibility Scenarios (continued)

Criteria	Guideline	Streamline HAMP
Owner Occupied	The mortgage loan must be secured by a single family property that is either owner-occupied (i.e. occupied by homeowner as his or her principal residence) or used for rental purposes.	✓
Rental Property	The mortgage loan is secured by a single-family property that is used by the homeowner for rental purposes only and not occupied by the homeowner, as a principal residence, second home, or vacation home.	✓
Delinquency	<ul style="list-style-type: none"> The mortgage loan is at least 90 days delinquent; or 60 days delinquent if within the 12 month period following an interest rate step-up under HAMP Tier 1. 	✓

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Streamline HAMP Eligibility Scenarios (continued)

Criteria	Guideline	Streamline HAMP
Previous Solicitation for HAMP	<ul style="list-style-type: none"> The homeowner was previously solicited for a HAMP modification. If the loan was previously evaluated for, but not offered a HAMP modification, the servicer may, but is not required to, offer Streamline HAMP. 	✓
Previous HAMP Tier 1 or Tier 2 Permanent modification	<ul style="list-style-type: none"> 12 months have passed since the previous Modification Effective Date; or The homeowner has experienced a change in circumstance. 	✓
Unexpired Loss Mitigation Offer	The mortgage loan is not subject to a loss mitigation offer for which the acceptance period has not expired.	✓
Active Loss Mitigation Solution	The mortgage loan is not currently performing under a loss mitigation solution.	✓

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Streamline HAMP Eligibility

Limit on Multiple Modifications

Homeowners may receive permanent HAMP modifications on up to six properties.

- Homeowners or co-borrowers may receive one permanent modification under Streamline HAMP on an owner-occupied property.
 - If the homeowner receives a HAMP Tier 1 or HAMP Tier 2 modification, the homeowner may also receive a Streamline HAMP permanent modification on the same loan.
 - If the homeowner receives a Streamline HAMP permanent modification, the homeowner may also receive either a HAMP Tier 1 or a HAMP Tier 2 modification on the same loan.
- Homeowners may receive a permanent modification under Streamline HAMP for each of five other properties.

Homeowners may not receive more than two permanent modifications or default on more than two Trial Period Plans, or TPPs (or a combination of both) with respect to the same loan under HAMP.

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Streamline HAMP Eligibility

Bankruptcy

- Servicers may, but are not required to, offer Streamline HAMP to homeowners in active Chapter 7 or Chapter 13 bankruptcy cases.
- Homeowners who are currently in a Streamline HAMP TPP and subsequently file for bankruptcy may not be denied a permanent modification due to bankruptcy.

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Prohibitions on Streamline HAMP Modifications

Guidelines

The homeowner is not eligible to receive a subsequent Streamline HAMP modification on the same loan if:

- The homeowner previously failed a Streamline HAMP TPP after accepting the trial by making the first payment;
- The homeowner successfully completed a Streamline HAMP TPP but failed to return the Streamline HAMP Modification Agreement and/or the Streamline HAMP Affidavit in a timely manner; or
- The homeowner previously lost good standing under a Streamline HAMP permanent modification.

However, if the homeowner submits an Initial Package, the homeowner may be eligible for a HAMP Tier 1 or HAMP Tier 2, subject to limitations on multiple modifications.

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Streamline HAMP Ineligibility

HAMP Tier 1 or Tier 2 Consideration

A loan that is not eligible for Streamline HAMP may be considered for HAMP Tier 1 or HAMP Tier 2 if:

- The homeowner has submitted an Initial Package;
- The loan meets the eligibility criteria for HAMP Tier 1 or HAMP Tier 2; and
- The homeowner has not previously received two permanent modifications or defaulted on two TPPs (or a combination of both) with respect to the same loan under HAMP.

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Streamline HAMP Policy

The Streamline HAMP Policy describes the basis on which servicers will consider homeowners for Streamline HAMP. A servicer's Streamline HAMP Policy must include (as applicable):

- ✓ The date by which the servicer will begin to offer Streamline HAMP (if servicer decides to participate)
- ✓ The manner in which the servicer will offer Streamline HAMP using an alternative waterfall
- ✓ Frequency with which the servicer's portfolio will be evaluated using the Streamline HAMP NPV Tool
- ✓ Description of the servicer's continued outreach efforts for Streamline HAMP offers
- ✓ Segmentation of the servicer's portfolio for evaluation with the Streamline HAMP NPV Tool
- ✓ The percentage of P&I reduction (if any) required by the servicer for Streamline HAMP
- ✓ Eligibility Criteria (if in addition to or more restrictive than standard Streamline HAMP criteria)
- ✓ Whether Streamline HAMP offers will be made to homeowners who default on HAMP Tier 1 or HAMP Tier 2 TPPs on or after December 31, 2016

Servicers must provide a copy of their Streamline HAMP Policy to Treasury and the Program Administrator upon request.

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Streamline HAMP Process

Streamline HAMP Offer

- Describes the terms and conditions of the three-month trial period and outlines the required payment due dates.
- Homeowner is not required to sign or return the Streamline HAMP Offer.
- A copy must be retained in the mortgage file and include the date the Streamline HAMP Offer was mailed to homeowner.

Effective Date

- Streamline HAMP Offer is transmitted on or before the 15th calendar day = TPP Effective date is the first day of the next month. *Example: Transmit date June 5th = TPP Effective Date July 1st.*
- Streamline HAMP Offer is transmitted on the 16th calendar day or later = TPP Effective Date is the first day of the second month (or following month, if homeowner agrees). *Example: Transmit date June 17th = TPP Effective Date August 1st or (July 1st, with homeowner's consent).*

Servicers required or who have elected to offer counseling under the Handbook, must refer any homeowner who accepts a Streamline HAMP Offer to financial counseling, promptly following acceptance.

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Streamline HAMP Process

Streamline HAMP TPP Offer

- ✓ After a Streamline Offer is sent, a loan will continue to be eligible for Streamline HAMP even if the homeowner subsequently makes payments that reduce the delinquency of the loan less than 90 days, or 60 days as applicable, provided the loan is at least 30 days or more delinquent at the start of the TPP.
- ✓ Servicers may include the Streamline HAMP Affidavit with the Streamline HAMP Offer, but may not require the homeowner to sign or return the Streamline HAMP Affidavit as a condition of the acceptance of the Streamline HAMP TPP.
- ✓ If the servicer receives the executed Streamline HAMP Affidavit before the servicer sends the homeowner the Streamline HAMP documents for signature, the servicer does not have to re-send the Streamline HAMP Affidavit with the Streamline HAMP modification agreement.

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Streamline HAMP Process

Streamline HAMP Offer

- Servicers are not required to verify the homeowner's income, nor is there a Debt-to-Income (DTI) ratio required.
- Receipt of the first payment (on or before the last day of the month in which the payment is due) is evidence of homeowner acceptance of the Streamline HAMP Offer and the terms.
- A homeowner that fails to make a current trial period payment for a Streamline HAMP TPP is not eligible for a Streamline HAMP permanent modification of that loan.

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Streamline HAMP Process

Protections Against Unnecessary Foreclosure

- The servicer may not refer a loan to foreclosure or conduct a scheduled foreclosure sale after the homeowner has accepted a Streamline HAMP Offer.
- If the loan already has a scheduled foreclosure date, servicers must state in the Streamline HAMP Offer that the homeowner must make the first trial payment before the scheduled foreclosure sale date (or an earlier date as specified by the servicer).

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Evaluation Upon Submission of an Initial Package

Evaluation	Guideline
Submits Initial Package <i>before</i> Streamline HAMP Offer	<ul style="list-style-type: none"> Homeowner must be evaluated as defined in section 4.6.1 of Chapter II of the Handbook before the servicer may send the Streamline HAMP Offer. If the homeowner is not eligible for HAMP Tier 1, HAMP Tier 2, or other modification alternative, servicer may send a Streamline HAMP Offer.
Submits Initial Package <i>after</i> Streamline HAMP Offer	<ul style="list-style-type: none"> If the homeowner has not accepted the offer, and the period of acceptance has not expired, the homeowner must be evaluated as defined in section 4.6.1 of Chapter II of the Handbook. If the homeowner is not eligible for HAMP Tier 1, HAMP Tier 2, or any other modification alternative, the homeowner remains eligible for that offer of Streamline HAMP as long as the Streamline HAMP TPP is accepted before the period of acceptance has expired.
Submits Initial Package <i>following acceptance</i> of Streamline HAMP Offer	<ul style="list-style-type: none"> If the servicer has not sent the Streamline HAMP Documents to the homeowner for signature, the homeowner must be evaluated for HAMP Tier 1 or HAMP Tier 2 only. If the homeowner is not eligible for HAMP Tier 1 or HAMP Tier 2, the homeowner remains eligible for Streamline HAMP, per the terms of the Streamline HAMP Offer.

Note: On and after December 31, 2016, servicers may, but are not required to, consider a homeowner for HAMP Tier 1 or HAMP Tier 2 who submits an Initial Package on or before December 30, 2016 and has either accepted a Streamline HAMP offer or in receipt of an offer that has not been accepted and the acceptance period has not expired.

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Streamline HAMP Process

Communication of Evaluation Outcome

Following the acceptance of a Streamline HAMP TPP Offer:

- Servicers may not offer a HAMP Tier 1 or 2 with a P&I payment greater than the Streamline HAMP P&I payment.
- If the homeowner is determined to be **eligible** for a modification under HAMP Tier 1 or 2 with revised terms, the servicer must notify the homeowner in writing stating the revised terms, provided the homeowner makes all trial payments on time and returns the modification agreement.
- If the homeowner is **ineligible** for a modification under HAMP Tier 1 or 2 with revised terms, the servicer must notify the homeowner in writing that they will receive a permanent Streamline HAMP, provided the homeowner makes all trial payments on time and returns the modification agreement and Streamline HAMP Affidavit.

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Streamline HAMP Process

Interactions With Other MHA Programs

Second Lien Modification (2MP) Program

- First lien loans in TPPS or permanent modifications under Streamline HAMP are not eligible for a matching second lien mortgage modification under 2MP

Home Affordable Unemployment (UP) Program

- A loan may not be in a HAMP TPP and an UP forbearance plan simultaneously.
- A homeowner in a Streamline HAMP permanent modification that loses good standing may be eligible for an UP forbearance plan.
- A homeowner who, while making timely payments under a prior Streamline HAMP, became unemployed and requested UP forbearance, continues to be eligible for Streamline HAMP on that mortgage loan.
- A homeowner who experienced a payment default under a prior Streamline HAMP TPP, or who lost good standing in a prior Streamline HAMP permanent modification, is not eligible for another Streamline HAMP on that mortgage loan.

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Resources

Additional Resources

HAMP Solution Center
support@hmpadmin.com

www.HMPadmin.com

- Training Resources
- NPV tools and documents
- Reporting resources
- Live webinar training calendar

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Understand MHA Options

Visit the **NEW** MakingHomeAffordable.gov

Find information on MHA programs and participating mortgage companies.




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Discussion/Questions



Thank You

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