

HAMP UPDATE

August 6, 2010

New Guidance on FHA2LP Program Announced

Today, August 6, 2010, [Supplemental Directive 10-08: Making Home Affordable Program -- Treasury/FHA Second Lien Program \(FHA2LP\) to Support FHA Refinance of Borrowers in Negative Equity Positions](#) was issued.

Details

The Federal Housing Authority (FHA) released guidance today, August 6, 2010, for implementing the FHA Refinance of Borrowers in Negative Equity Positions (FHA Refinance) Program through Mortgagee Letter 2010-23 ([ML 10-23](#)). This initiative provides refinancing opportunities for borrowers who are current on their mortgage, but owe more on their home than its current value (negative equity). **Note: FHA Refinance and FHA2LP are not yet effective; additional guidance will be communicated when they are operational.**

Supplemental Directive 10-08 provides additional guidance on the FHA Refinance program for servicers of non-GSE mortgages and includes the following:

- second lien servicers -- details policy for adopting and implementing the corresponding Treasury/FHA Second Lien Program (FHA2LP).
- first lien servicers -- details guidance on how to terminate Home Affordable Modification Program (HAMP) loans in the Treasury's system of record once the loan has refinanced/closed under the FHA Refinance program.

Review SD 10-08 for additional specifics on eligibility requirements, full/partial extinguishment of second lien loans, incentive compensation, program reporting requirements and more.

Questions?

Contact theHAMP Solution Center at support@hmpadmin.com or 1-866-939-4469.