

Supplemental Directive 11-03

May 2, 2011

Making Home Affordable Program – Handbook for Servicers Version 3.1

In February 2009, the Obama Administration introduced the Making Home Affordable (MHA) Program, a plan to stabilize the housing market and help struggling homeowners get relief and avoid foreclosure. In March 2009, the Treasury Department (Treasury) issued uniform guidance for loan modifications by participants in MHA across the mortgage industry and subsequently updated and expanded that guidance in a series of Supplemental Directives, frequently asked questions (FAQs) and waivers.

In this Supplemental Directive, Treasury is issuing Version 3.1 of the *Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages (Handbook)*, a consolidated resource for guidance related to the MHA Program for mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (Non-GSE Mortgages). Servicers of mortgage loans that are owned or guaranteed by Fannie Mae or Freddie Mac should refer to any relevant guidance issued by the applicable GSE. In addition to the applicable guidance in the *Handbook*, servicers of mortgage loans insured or guaranteed by a federal agency, such as the Federal Housing Administration or Rural Housing Service, should refer to any relevant guidance issued by the applicable agency.

In general, Version 3.1 of the *Handbook* includes revisions to existing sections of Version 3.0 of the *Handbook* that have been issued in Supplemental Directives released after the publication of Version 3.0 of the *Handbook*.

Version 3.1 of the *Handbook* incorporates and supersedes in their entirety Supplemental Directives 10-16 and 11-01. Version 3.1 of the *Handbook* also incorporates and supersedes Supplemental Directive 10-18 to the extent that a provision of Supplemental Directive 10-18 was not later amended by Supplemental Directive 11-02. Version 3.1 of the *Handbook* also incorporates and supersedes portions of Supplemental Directive 11-02 which were either effective on its publication date of March 30, 2011 or considered clarifications to existing guidance. Furthermore, any references to effective dates that have past or provisions that were only effective until a certain date (which has past) have been deleted. If a servicer identifies a discrepancy between the *Handbook* and a previously issued Supplemental Directive, FAQ or waiver, the servicer should rely on the guidance in the *Handbook*.

Finally, Version 3.1 of the *Handbook* also includes some clean-up revisions to the following existing sections of Version 3.0 of the *Handbook* which are deemed to have been issued in other Supplemental Directives or FAQs:

- Chapter I – Making Home Affordable Program (MHA):
 - Transfers of Servicing (Sec. 1.4: second paragraph)
- Chapter II – Home Affordable Modification Program (HAMP):

- HAMP Eligibility Criteria (Sec. 1.1: “Minimum monthly mortgage payment ratio” criteria)
- Additional Factors Impacting HAMP Eligibility (Sec. 1.2: “Failure to file Tax Return”)
- Right Party Contact (Sec. 2.2.2: fourth bullet)
- Non-Approval Notices (Sec. 2.3.2: first bullet; last paragraph)
- Suspension of a Referral to Foreclosure (Sec. 3.1: divided into subsections)
- Certification Prior to Foreclosure (Sec. 3.4.3: clause (i))
- Chapter IV – Home Affordable Foreclosure Alternatives Program (HAFA)
 - Deed-In-Lieu Process (Sec 9: first paragraph)
- Exhibit A – Model Clauses for Borrower Notices
 - Trial Plan Default (Sec 12: first sentence)
 - NPV Input Data Fields and Values (“Imminent Default Flag”).

The *Handbook* will be updated periodically with new policy or procedural changes as they are announced. To the extent that any Supplemental Directive, FAQ or waiver has not been incorporated into and superseded by the *Handbook*, it continues to apply, and any references in such documents to guidance that has been incorporated into the *Handbook* are deemed to refer to the applicable Chapter and Section of the *Handbook* containing such guidance.

The *Handbook* is available on www.HMPadmin.com.