
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Extends HARP to 2015

Washington, DC – The Federal Housing Finance Agency (FHFA) today directed Fannie Mae and Freddie Mac to extend the Home Affordable Refinance Program (HARP) by two years to December 31, 2015. The program was set to expire December 31, 2013.

“More than 2 million homeowners have refinanced through HARP, proving it a useful tool for reducing risk,” said FHFA Acting Director Edward J. DeMarco. “We are extending the program so more underwater borrowers can benefit from lower interest rates.”

In addition, FHFA will soon launch a nationwide campaign to inform homeowners about HARP. This campaign will educate consumers about HARP and its eligibility requirements and motivate them to explore their options and utilize HARP before the program ends. HARP is uniquely designed to allow borrowers who owe more than their home is worth the opportunity to refinance their mortgage. Extending the program will continue to provide borrowers opportunities to refinance, give clear guidance to lenders and reduce risk for Fannie Mae, Freddie Mac and taxpayers.

To be eligible for a HARP refinance homeowners must meet the following criteria:

- The loan must be owned or guaranteed by Fannie Mae or Freddie Mac.
- The mortgage must have been sold to Fannie Mae or Freddie Mac on or before May 31, 2009.
- The mortgage cannot have been refinanced under HARP previously unless it is a Fannie Mae loan that was refinanced under HARP from March-May, 2009.
- The current loan-to-value (LTV) ratio must be greater than 80 percent.
- The borrower must be current on their mortgage payments with no late payments in the last six months and no more than one late payment in the last 12 months.

Frequently Asked Questions **Home Affordable Refinance Program (HARP) Extended to 2015**

Overview of the Home Affordable Refinance Program (HARP)

The Federal Housing Finance Agency (FHFA) and the U.S. Department of the Treasury introduced the Home Affordable Refinance Program (HARP) in early 2009 as part of the Making Home Affordable program. HARP provides borrowers, who may not otherwise qualify for a refinance because of declining home values or reduced access to mortgage insurance, the ability to refinance their mortgage into a lower interest rate and/or more stable mortgage product.

Why is FHFA extending the deadline?

FHFA determined that extending the program now will provide borrowers additional opportunities to refinance, give clear guidance to lenders, and reduce losses for Fannie Mae, Freddie Mac and taxpayers.

How many homeowners have been helped by HARP since its inception?

As of January 2013, more than 2.2 million borrowers refinanced through HARP since its inception in April 2009.

How many additional homeowners does FHFA estimate will be able to participate in HARP?

HARP has been successful thus far, with nearly 2.2 million borrowers participating in the program, and FHFA will soon be implementing a nationwide public relations campaign to educate consumers about HARP. The goal of this campaign is to reach as many eligible borrowers as possible and inform them of the value of refinancing under HARP and to motivate them to explore their options and utilize HARP before the program expires. So while we can't provide hard estimates, we are hopeful that a substantial number of eligible borrowers will participate in the program going forward.

Are there any other changes to HARP?

Aside from extending the deadline, FHFA is not announcing any substantive changes to HARP or its eligibility criteria today.

Is there a maximum loan-to-value (LTV) ratio for HARP?

There is no maximum LTV limit for borrower eligibility. If the borrower refinances under HARP and their new loan is a fixed rate mortgage, there is no maximum LTV. If the borrower refinances and their new loan is an adjustable rate mortgage, their LTV may not be above 105 percent.

Is HARP the only refinance program available to borrowers?

HARP is only one of several refinancing options available to homeowners and is unique in that it is the only refinance program that enables borrowers with little to no equity in their homes to take advantage of low interest rates and other refinancing benefits.

How can I tell whether companies promising to help borrowers get HARP loans are legitimate?

Borrowers do not need to use third-party companies that advertise themselves as “mortgage experts” or “foreclosure specialists” to apply for a HARP loan. Before calling such companies borrowers should talk first with their mortgage lender.

Are mortgages on condominiums and investment properties eligible for refinance under HARP?

Yes.

What do borrowers need to do to take advantage of HARP?

The first step for the borrower is to learn if his or her mortgage is owned or guaranteed by Freddie Mac or Fannie Mae. The next step is to contact the borrower’s existing lender or participating lenders offering HARP refinances. Check here to see if your loan is owned by [Fannie Mae](#) or [Freddie Mac](#).

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.

