



Connecting Older Adults with Community-based Resources and Options

Programs and Resources for People who are on the Verge of Foreclosure

Programs

Home Equity Conversion Mortgage (HECM), A.K.A., “Reverse Mortgage”-

Homeowners age 62 and older can borrow against the equity in their homes and receive payment in a fixed monthly amount, line of credit or a combination of both. Repayment occurs when the borrower dies, sells the home, no longer uses the home as a principal residence or fails to pay property taxes/hazard insurance. The amount of money an individual can get depends on their age, their home’s appraised value, current interest rates and loan limits (for FHA loans).

Home Equity Conversion Mortgage Saver (HECM Saver)-

Homeowners seeking to obtain a FHA Home Equity Conversion Mortgage (HECM) will have the option of reducing their closing costs by selecting HECM Saver as their initial insurance premium. The HECM Saver differs from the traditional HECM Standard Program in that eligible borrowers 62 and older will be charged significantly lower upfront fees. However, the lower upfront fees do result in less money being available to the borrower than is available under the HECM Standard.

Home Affordable Modification Program (HAMP)-

Many homeowners are struggling to make their monthly mortgage payments on time perhaps because their interest rate has increased or they have less income. The Home Affordable Modification Program may provide qualified homeowners with more affordable mortgage payments. HAMP can lower your monthly mortgage payment to 31 percent of your verified monthly gross (pre-tax) income, which usually provides savings of hundreds of dollars per month.

Home Affordable Refinance Program (HARP)-

Many homeowners pay their mortgages on time but are not able to refinance to take advantage of today’s lower mortgage rates. The Home Affordable Refinance Program may help many of these homeowners who otherwise would be unable to refinance and whose loans are held by Fannie Mae or Freddie Mac refinance into a more affordable or more stable mortgage. HARP refinance loans require a loan application and will undergo the underwriting process. Refinance fees will apply.

The Area Agency on Aging of Suburban Cook County, since 1974

1048 Lake Street, Suite 300
Oak Park, Illinois 60301-1102

phone (800)699-9043
(708)383-0258

fax (708)524-0870
TTY (708)524-1653

www.ageoptions.org

Second Lien Modification Program (2MP)-

The Second Lien Modification Program may offer homeowners a way to lower payments on their second mortgage when their first mortgage is modified under the Home Affordable Modification Program.

Home Affordable Foreclosure Alternatives Program (HAFA)-

Some homeowners may feel that they can no longer afford their home, but want to avoid the negative effects of foreclosure. The Home Affordable Foreclosure Alternatives Program offers homeowners \$3,000 to help transition to more affordable housing when they complete a short sale or deed-in-lieu of foreclosure.

Hardest Hit Fund (HHF)

This program is designed to reduce the number of mortgage delinquencies and avoidable foreclosures caused by unemployment or underemployment. It works in two ways; Monthly Mortgage Payment Assistance and Reinstatement Assistance. The Monthly Mortgage Payment Assistance will be provided for up to 18 months while the homeowner looks for employment and/or participates in job training. Reinstatement Assistance pays the homeowner's delinquent balance and other associated fees and costs. The application begins on the website and then the homeowner is referred to a local agency for counseling. To find out more about this program go to <https://www.illinoishardesthit.org>.

Resources

Federal Housing Administration, U.S. Department of Housing and Urban Development- for more information on Reverse Mortgages, go to www.fha.gov or (800)CALL-FHA

Interfaith Housing Center of the Northern Suburbs- provides foreclosure prevention counseling. Go to www.interfaithhousingcenter.org or call (847)501-5760

Governor Quinn's Mortgage Relief Project- <http://www.idfpr.com/FinLit101/MRP.asp>

National Foreclosure Mitigation Counseling Program (NFMC)-
<http://www.ihda.org/ViewPage.aspx?PageID=321>

National Hope Hotline- free mortgage counseling and assistance. Go to <http://www.995hope.org/> or call (888)995-HOPE

Making Home Affordable.Gov- an official program of the Departments of Treasury and Housing and Urban Development. <http://www.makinghomeaffordable.gov/Pages/default.aspx>