

# HARP is a "No Brainer" -FHFA

By: Jann Swanson | Mon, Sep 23 2013, 12:23 PM

Feeling that they may have **reached only about half** of the families who could benefit from the program, the Federal Housing Finance Agency (FHFA) **launched a campaign** today to inform homeowners about the Home Affordable Refinance Program (HARP). The campaign is aimed at those with higher than prevailing interest rates who are current on their mortgages but have too little equity in their homes to refinance through traditional programs.

FHFA, along with the government sponsored enterprises (GSEs) Freddie Mac and Fannie Mae, are working with mortgage companies throughout the country to get the word out about the **benefits of HARP** and FHFA has launched a new website, [www.HARP.gov](http://www.HARP.gov). It has also enlisted Mike Aubrey, star of HGTV's *Power Broker* to do a series of public service ads about HARP. These will air in nine cities that suffered exceptionally large price declines in the housing bust and thus where homeowners are most likely to have little or no equity.

Aubrey called HARP "**an absolute no brainer** for eligible homeowners." The program, he said, allows underwater homeowners the option to refinance at a lower rate, "and in my book that is a great deal. I spend my time on TV and as a realtor trying to get great deals for my clients. FHFA has already done the legwork to create an amazing deal. It's as simple as finding out if you qualify, getting the refinance done and watching the savings add up."

Acting FHFA Director Edward J. DeMarco said that 2.8 million homeowners have refinanced through HARP but with mortgage rates still historically low and HARP eligibility requirements expanded, other qualified homeowners could reduce their monthly mortgage payments or build their equity faster with a shorter term mortgage through the program.

DeMarco told *Bloomberg News* in an interview this weekend that FHFA used focus groups to find out why borrowers with high rates hadn't yet tried to refinance through HARP. They found many didn't realize they were eligible. They thought they had to be delinquent on their mortgages before the government would help them. DeMarco said he hoped the educational outreach would bring in **an additional 2 million** HARP borrowers.

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 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.

To find out if a mortgage is owned or guaranteed by Fannie Mae or Freddie Mac, borrowers can confirm their mortgage by visiting <http://knowyouroptions.com/loanlookup> or <https://ww3.freddie.mac.com/corporate/>.

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