

REAL Eligibility Guidelines:

- The combined gross annual income of all borrowers may not exceed \$120,000. Certain exceptions may apply.
- You are no more than 59 days past due on your existing mortgage at the time of application.
- You must have a credit score of at least 620 OR meet the following conditions:
 - *Your mortgage payment adjusted in the last 12 months to a higher interest rate or a fully amortized payment and you have no more than two 30-day late payments since the adjustment. Your mortgage payment history 12 months prior to the adjustment must show no history of late payments.*
 - *Your credit history of other debt (car loan, credit cards, etc.) shows no more than three, 30-day late payments 12 months prior to the adjustment of your mortgage.*
- You may borrow up to 100 percent of your home's value based upon a current appraisal (or 95 percent for borrowers with a credit score below 620). The REAL loan may be used to finance items such as subordinate mortgages, closing costs, prepayment penalties, delinquent property taxes, and arrearages that have occurred within the past 12 months after the loan reset to a higher monthly payment amount.
- Your monthly total debt costs (credit cards, car loans, installment loans, REAL mortgage payment, student loans, etc.) may not be more than 50 percent of your total gross monthly income (or 45 percent for borrowers with a credit score below 620).

If you meet the conditions above, contact a PHFA-participating REAL lender. Call PHFA's toll-free consumer information hotline at 1.800.822.1174 for more details and the name of a participating lender in your area or visit the "Homeowners" section at www.phfa.org.

What if I don't qualify for REAL?

If you don't qualify for a mortgage refinance under the REAL program, PHFA's HERO program may be able to offer assistance. Read on for more information and to see if you might be eligible.

These Websites offer reliable information about foreclosure and delinquency:

PHFA – Additional Foreclosure Prevention Information
www.phfa.org/consumers/homeowners/foreclosureprevention.aspx

PHFA Forclore Mitigation Counseling Initiative
www.phfa.org/consumers/homeowners/fm_counseling.aspx

Your Money's Best Friend – Foreclosure
www.moneysbestfriend.com/default.aspx?id=211

NeighborWorks® – Center for Foreclosure Solutions
www.nw.org/network/foreclosure/default.asp

HUD – Avoiding Foreclosure
www.hud.gov/local/pa/homeownership/foreclosure.cfm

These organizations may be able to help you if you think you have been victimized by predatory lending practices or fraud:

Office of Attorney General
Bureau of Consumer Protection
717.787.9707
www.attorneygeneral.gov/consumers.aspx?id=397
(list of regional offices)

Department of Banking
Hotline: 1.800.PA.BANKS (1.800.722.2657)

The Pennsylvania Legal Aid Network, Inc.
717.236.9486 or 800.322.7572
www.palegalservices.org



211 North Front Street
Harrisburg, PA 17101 - 1406
www.phfa.org



Mortgage Refinance Opportunities

THE **REAL** PROGRAM
REFINANCE TO AN AFFORDABLE LOAN

THE **HERO** PROGRAM
HOMEOWNERS' EQUITY RECOVERY OPPORTUNITY

Edward G. Rendell, *Governor*
Brian A. Hudson, Sr., *Executive Director*

The *Pennsylvania Housing Finance Agency* takes great pride in helping Commonwealth citizens become homeowners and keep their homes. We have recently designed two new programs, REAL and HERO, to improve the financial situation of Pennsylvanians who are not able to afford their current mortgage payments.

Brian A. Hudson, Sr.

*PHFA Executive Director
& Chief Executive Officer*



THE REAL PROGRAM

REFINANCE TO AN AFFORDABLE LOAN

Are you at risk of losing your home unless you can refinance to more affordable terms?

If so, the REAL program may be your answer!

The REAL program offers attractive 30-year fixed rates. Because it combines 100 percent financing with flexible credit underwriting, it may offer relief to homeowners like you who otherwise may not qualify for typical mortgage refinance programs.

REAL program loans are originated by approved PHFA lenders and your payments will always be made to PHFA.

THE HERO PROGRAM

HOMEOWNERS' EQUITY RECOVERY OPPORTUNITY

Homeowners' Equity Recovery Opportunity Program (HERO)

The HERO program is for borrowers not eligible for PHFA's REAL program or another mortgage refinance product available in the general market due to credit issues or owing more than your home's current appraised value. Depending on the circumstances, PHFA either purchases your loan directly from your current lender and then sets up an affordable payment plan, or PHFA refinances your loan to affordable terms.

How can HERO help you?

HERO provides an affordable fixed-rate mortgage for up to 30 years in an amount up to 100 percent of your home's current value. PHFA services the loan so you don't have to worry about it being sold to another lender or servicer.

Property taxes and insurance (mortgage, homeowner's, and flood if applicable) are included in your monthly payment amount so you don't have to worry about budgeting for them on your own.

If you owe more than your home's current value, PHFA may be able to negotiate with your current lender to reduce the amount owed on your loan.

The HERO loan may be used to pay off: the current mortgage debt, closing costs, prepayment penalties (efforts should be made to have the current lender/servicer waive any prepayment penalties), and delinquent property taxes.

All approved borrowers must attend in-person financial counseling at a PHFA-approved agency. This will increase your financial knowledge and help you learn how to more effectively manage your debt, budget your income, and save your money.

HERO Eligibility Guidelines:

- The combined gross annual income of all borrowers may not exceed \$120,000. Certain exceptions may apply.
- You own the mortgaged property and reside in it as your permanent residence in Pennsylvania.
- You have made an effort to meet your financial obligations to the best of your ability. Any credit blemishes can be satisfactorily explained and documented.

- You have sufficient and stable income to support timely repayment of the HERO loan in regular, monthly installments. This will be determined by PHFA through an analysis of your net monthly income and household expenses. All borrowers must agree to make monthly mortgage payments by automatic payment directly from your bank account.
- If you have stopped making your mortgage payments, you can account for your cash flow by showing how you have escrowed, saved, or redirected those funds.
- The HERO loan must be in first lien position.

If you meet these conditions, contact a HERO Loan Program Specialist at 1.800.822.1174. A Loan Program Specialist will further explore whether HERO may be your answer. This may include sending you a prequalification form and requesting additional documentation relevant to your income, debts, and mortgage terms.

What if I don't qualify for HERO?

If you are behind on your mortgage payments due to a temporary setback in your income, health, or other reason beyond your control and just need help getting caught up, PHFA's Homeowners' Emergency Mortgage Assistance Program (HEMAP) may be able to help. For more information, visit the "Homeowners" section at www.phfa.org or call 800-342-2397.

You should contact whoever services your loan (there should be a phone number on your billing statement) to ask about possible solutions. They may be able to modify your loan to a more affordable fixed rate term, extend the time period of the low interest rate if you have an adjustable rate mortgage, allow you to sell your home for less than the amount you owe, etc.

Have you considered selling your home? While it may be heartbreaking to give up something you worked so hard to attain, selling your home may be your best option, especially if you act before too many other fees and arrearages accumulate on top of your mortgage. Selling your home and renting temporarily may be your best option for handling your current situation. It doesn't mean you won't ever own a home again. PHFA has an online resource called The Pennsylvania Affordable Apartment Locator (www.phfa.org/pal). This tool links consumers to affordable housing options throughout the state.