



## Fact Sheet: Helping Responsible Homeowners Avoid Foreclosure

*The Federal Government Is Addressing Housing Market Challenges And Assisting Struggling Homeowners Across Our Nation*

### In Focus: Homeownership

"[T]he decline in the housing market has left many Americans concerned about [White House News](#) losing their homes. My Administration launched the HOPE NOW Alliance, which brings together homeowners and lenders and mortgage servicers and others to find ways to prevent foreclosure. We're also making it easier for responsible homeowners to refinance into affordable mortgages insured by the Federal Housing Administration. Americans ... can know that if you're struggling to meet your mortgage there are ways you can get help."

– President George W. Bush, 10/11/08

**The Federal Government is collaborating with State and local partners to use the best tools available to keep homeowners in their homes.** Americans need to know that help is available. The actions of the Federal Government are helping to address a key problem in the housing market: the excess supply of homes on the market. By helping responsible borrowers facing preventable foreclosures stay in their homes and ensuring that mortgage financing remains available to consumers, our housing market will be able to recover – and that recovery will help our broader economy grow.

**The Administration's actions have helped more than two million responsible borrowers keep their homes.** President Bush and his Administration have:

- **Facilitated the formation of HOPE NOW:** This program helped bring together lenders, mortgage servicers, and others to facilitate loan refinancing and develop other ways to prevent foreclosures.
- **Increased access to government guaranteed home loans through the Department of Housing and Urban Development's Federal Housing Administration (FHA):** FHA offers refinancing to homeowners who have good credit histories but cannot afford their mortgage payments. FHA remains a safe and affordable alternative to the high-priced mortgage loans that threaten homeowners' ability to retain their homes.
  - ***FHA Secure*** – launched by President Bush and his Administration – helps American families avoid foreclosure by refinancing mortgages for borrowers who can afford a new loan insured by FHA.
  - ***HOPE for Homeowners*** is another program that has just been implemented to help struggling families refinance their mortgages with FHA. The *HOPE for Homeowners* program will refinance mortgages for borrowers who are having difficulty making their payments but can afford a new loan insured by FHA. Since President Bush signed this legislation into law this past July, the *government* has worked diligently to develop and implement the *Hope for Homeowners* program as directed by Congress.
- **Neighborhood stabilization:** HUD recently announced \$4 billion in grants to States and local communities to provide targeted emergency assistance to acquire and redevelop foreclosed and abandoned properties that might otherwise have hurt their communities.
- **Workshops on homeowner solutions:** HUD recently hosted more than 800 Federal, State, and community leaders from around the Nation for a two-day housing summit. Regional workshops are also scheduled to discuss best practices and innovative approaches to help struggling homeowners.
- **Housing counseling grants:** The Administration has dramatically increased funding for housing counseling grants and foreclosure prevention activities. Nearly 400 State and local non-profits are among the recipients

that will benefit from more than \$400 million in grants this year. This counseling can be the key to helping families keep their homes.

**As The Treasury Department And The GSEs Increase Their Purchases Of Mortgage-Related Assets, Affordability Should Improve For Americans**

The Federal Government now has the authority to purchase mortgages and mortgage-backed securities (MBS), which will help stabilize mortgage financing and other lending, help remove uncertainty from selling institutions, and help homeowners. The Treasury Department's new asset purchase authorities are aimed at getting the mortgage loan and credit markets working again by purchasing mortgages and MBS from financial institutions, thereby improving their ability to offer new loans, reducing the pressure on mortgage rates, and promoting market stability. The Treasury Department is also working with HUD and the Federal Deposit Insurance Corporation to help as many homeowners as possible stay in their homes, while protecting taxpayers.

The Federal Housing Finance Agency (FHFA), the new regulator for government sponsored enterprises (GSEs) is working with the GSEs to preserve the availability of mortgage financing. Shortly after the housing bill was enacted, FHFA placed Fannie and Freddie into conservatorship and is working with them to ensure they continue to fulfill their mission to make mortgage financing available to consumers.

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