



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

www.fha.gov

1-800-CALL-FHA

What if I have a prepayment penalty and other refinancing costs and there isn't enough equity in my home to refinance?

If you do not have sufficient equity in your home to add your prepayment penalty and/or other refinancing costs into your new FHA mortgage, then you should ask your lender to consider a second mortgage to pay the difference or a short payoff on your existing loan. Offering either of these options is at the discretion of the lender.

Are there any programs for people already in foreclosure?

It is possible that *FHA Secure* may help homeowners already in foreclosure but each situation is unique and depends upon the value of your home and how much you owe, and if the lender is willing to offer a second mortgage. Homeowners facing foreclosure are strongly encouraged to talk with their lenders, possibly with the assistance of a HUD-approved housing counseling agency, to determine the best course of action. To find a HUD-approved housing counselor, please call 1-800-569-4287 or search online at www.fha.gov/fhasecure.

What if the average home price is above the FHA loan limit for my area? Are the FHA loan limits changing for this program?

FHA's geographical loan limits and how much it can insure are established by law. Although the FHA-insured mortgage cannot exceed those loan limits, when a lender is willing to combine a first and second mortgage, the amount of the second could exceed the maximum loan limit for your area.

Does it matter that the value of my home is now less than what I still owe?

Not to FHA, but the mortgage lender considering the refinance would have to be willing to accept a short payoff on the existing loan OR to hold a second mortgage to make up the difference needed to pay off the existing mortgage and the home's value.

Why should I consider refinancing into a FHA-insured mortgage?

FHA-insured mortgages do not come with prepayment penalties, have no teaser rates nor balloon payments. They are offered at market rate with terms up to 30 years and are fully amortized, meaning that you pay towards principal and interest every month.

Search online at www.fha.gov/fhasecure for the nearest FHA-approved lender, or for more information phone 1-800-CALL-FHA (1-800-225-5342).

To find a HUD-approved housing counselor near you visit www.fha.gov/fhasecure.

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*Insuring the American dream of homeownership
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Do you need help with your mortgage? Afraid you can't refinance or that you'll face foreclosure?

The Federal Housing Administration may be able to help

If you have an adjustable rate mortgage coming due or your interest rate is already too high, you owe it to yourself to look at the safe and affordable financing options provided by government-insured mortgages through the Federal Housing Administration (FHA). We provide mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA insures mortgages on single family, multifamily, manufactured homes and healthcare facilities.

Information about *FHASecure*

How can FHA help homeowners stay in their homes?

FHASecure gives homeowners with non-FHA adjustable rate mortgages (ARMs), current or delinquent and regardless of reset status, the ability to refinance into a FHA-insured mortgage. With *FHASecure*, the lender will not automatically disqualify you because you are delinquent on your loan, and the lender may offer you a second mortgage to make up the difference between the value of your property and what you owe.

Must I be delinquent in order to be eligible?

No. FHA encourages homeowners facing reset to refinance before they fall behind. But even if you do fall behind, you may be eligible.

How far behind can you be on a mortgage to qualify? What about more than 90 days?

There isn't a limit on how far behind you can be on your mortgage or how many payments you've missed. Whether you're current, one month behind or multiple payments behind, the amount you can refinance will depend on the value of your property and how much you owe and if the lender, or another eligible source, is willing to take back a second mortgage to help bridge the gap between what is owed and your home's value.

I have an interest-only mortgage. Am I eligible for *FHASecure*?

Yes. If you are current on your mortgage, you are eligible for an *FHASecure* refinance; and if you are delinquent, the default must have been due to the payment shock of an interest rate reset or, in the case of an Option ARM, the "recasting" of the mortgage to fully amortizing.

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