

Home Affordable Foreclosure Alternatives

(Updates Effective June 1, 2012)

The Home Affordable Foreclosure Alternatives program (HAFA) is a government program that provides short sale and deed-in-lieu of foreclosure options to certain qualified distressed homeowners. It is one way to help those homeowners avoid foreclosure. Program updates (outlined in [Supplemental Directive 12-02](#)) are noted below in this handy chart.

	Currently...	As of June 1, 2012
Deadline	December 31, 2012	December 31, 2013
Occupancy Requirements	Owner must have resided in the property within the last 12 months	No occupancy requirements, but borrower cannot have purchased another property within the previous year
Relocation Assistance	\$3000	\$3000 limited to owner (or tenant) occupying property at time of sale
Income Requirements	Mortgage payments during the review term may not exceed 31% of owner's gross monthly income	Payments during the review term may exceed 31%, if the borrower wants to remain current on his/her loan
Junior Liens	Junior lienholders may receive up to \$6000	Junior lienholders may receive up to \$8500
Credit Reporting	No official guidance in this area	Credit bureau coding will now be Account Status Code = 13 (Paid or closed account/zero balance) or 65 (Paid in full/foreclosure was started), whichever is applicable

Information Courtesy of www.makinghomeaffordable.gov



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