

Oct. 24, 2011

*Washington, D.C.* – Today, the Federal Housing Finance Agency (FHFA) announced that new rules will go into effect to allow more “underwater” homeowners to refinance at today’s low rates. This announcement came just weeks after Congressman McNerney and his colleagues from California demanded better relief for struggling homeowners in California.

“I am glad that a step has been taken in the right direction. I hope this has a positive effect, but if it does not deliver, I will continue to hold the Obama Administration accountable and demand relief for homeowners. We must do more to help the people of California who have been plagued by the foreclosure crisis from day one,” said Rep. McNerney.

The aim of the new rules is to help homeowners to avoid foreclosure by reducing their monthly payments. Previously, only borrowers who owed no more than 125 percent more than their homes are worth could participate in the program. Now, there is no cap on how much a borrower owes, and it is estimated that up to a million borrowers will use the program.

“For far too long, I have heard heartbreaking stories from people in our region: tales of people doing everything they can, and still being foreclosed upon. I will continue to fight for more real, commonsense solutions to the housing crisis and to keep the pressure on the folks in Washington to help our community,” said Rep. McNerney.

“We need to relieve some of the financial burden for homeowners who are ‘underwater,’ not only to more foreclosures, but to generate more money that will go into our local businesses. Helping the people of our region stay in their homes is step one to restoring our economy,” said Rep. McNerney.

Congressman McNerney has offices in Stockton and Pleasanton, where he and his staff are available for assistance. Below are the details as provided by the FHFA:

The new program enhancements address several other key aspects of the Home Affordable Refinance Program (HARP) including:

- Eliminating certain risk-based fees for borrowers who refinance into shorter-term mortgages and lowering fees for other borrowers;
- Removing the current 125 percent Loan-To-Value ceiling for fixed rate mortgages backed by Fannie Mae and Freddie Mac;
- Eliminating the need for a new property appraisal where there is a reliable model, thus streamlining the process;
- Extending the end date for HARP until Dec. 31, 2013.