

HB= MHA Handbook\*  
SD = HAMP Supplemental Directives  
Supp. FAQ = Supplemental Documentation FAQs  
Conv. FAQ = HAMP Conversion Campaign FAQs  
FAQ = Making Home Affordable.Gov FAQs

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\* The MHA Handbook version 3.3 replaces and supersedes all previous handbooks, SD11-06, SD 11-07, and all provisions of SD11-08 that took effect on August 9, 2011. Citations to the Handbook are to Chapter II, unless otherwise noted.

<sup>‡</sup> Supplemental Directive 11-04 applies only to those servicers with a Program Participation Cap of \$75,000,000 or more, although all servicers are encouraged to adopt SD11-04 they are not required to do so. The list of these servicers appears at the end of the index in footnote 2.

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*Required language (MERS)*, HB 7.3.5, Ch. V

**HAMP Supplemental Directives List of Contents**

1. **11-09 – Making Home Affordable Handbook (v. 3.3)<sup>1</sup>**
2. **11-08 – HAFA Policy Update**
3. **11-07 – Expansion of Unemployment Forbearance**
4. **11-06 – Update to Servicer Incentives**
5. **11-05 – Making Home Affordable Handbook (v.3.2)<sup>2</sup>**
6. **11-04 – MHA Single Point of Contact for Borrower Assistance<sup>3</sup>**
7. **11-03 – Making Home Affordable Handbook (v.3.1)<sup>4</sup>**
8. **11-02 – MHA Administrative Clarifications**
9. **11-01 – Dodd-Frank Certification, Internal Quality Assurance and Verification of Income Update**
10. **10-18 – HAFA Policy Update**
11. **10-17 – Making Home Affordable Handbook (v.3.0)<sup>5</sup>**
12. **10-16 – MHA Policy Update**
13. **10-15 – Case Escalation and NPV Notices**
14. **10-14 – Principal Reduction Alternative Update**
15. **10-13 – Program Participation Cap**
16. **10-12 – Treasury/FHA Second Lien Program Effective Date**
17. **10-11 – Dodd-Frank Certification Requirement**
18. **10-10 – Rural Housing Loan Modifications**
19. **10-09 – Making Home Affordable Handbook (v.1.0)<sup>6</sup>**
20. **10-08—FHA Refinance/ Second Lien Modification**
21. **10-07 –Coordination with Hardest Hit Funds**
22. **10-06—Servicer Certifications**
23. **10-05 - Principal Reduction Alternative**

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<sup>1</sup> Incorporated SD11-04, 11-05, 11-06, 11-07, and the provisions of SD 11-08 that took effect on August 9, 2011.

<sup>2</sup> Incorporated SD11-02 and revised Exhibit A-Model Clauses for Borrower Notices.

<sup>3</sup> SD11-04 applies to the following mortgage servicers: Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank/EMC, OneWest Bank, GMAC Mortgage, LLC, Ocwen Loan Servicing/HomEq Servicing, American Home Mortgage Servicing, Inc., CitiMortgage Inc, Litton Loan Servicing, LP, Select Portfolio Servicing, Inc., PNC Bank/National City, Saxon Mortgage Services, Inc., Aurora Loan Services LLC, Nationstar Mortgage LLC, Carrington Mortgage Services, LLC, U.S. Bank National Association, Green Tree Servicing LLC, Bayview Loan Servicing LLC, BankUnited, and Midland Mortgage Co.

<sup>4</sup> Replaced SD10-16 and 11-01. The portions of SD10-18 that were not amended by SD11-02 were incorporated in the handbook. This handbook also incorporated and superseded elements of SD11-02 that clarified existing guidance or took effect by March 30, 2011. The handbook updated the prior handbook by making changes to Chapters I, II, IV and Exhibit A.

<sup>5</sup> The MHA Handbook 3.0 replaced and superseded SD09-01-10-16. The only part of SD10-16 not superseded by the handbook contains provisions that became effective February 1, 2011. This version of the handbook segmented the guidance into eight chapters.

<sup>6</sup> The first version of the handbook incorporates and supersedes 09-01, 09-02, 09-03, 09-04, 09-06, 09-07, 09-08, 09-10, 10-01, 10-02 and 10-04 as well as the related FAQs and waivers. The directives in SD10-05 contained under the headings “Service Safe Harbor” and “Treatment of Principal.” Version 2.0, effective September 22, 2010, incorporates and supersedes SD 09-01; 09-02; 09-03; 09-04; 09-06; 09-07; 09-08; 09-10; 10-01; 10-02; 10-03; 10-04; and 10-10. The second version also supersedes the provisions in SD10-05 under “Servicer Safe Harbor” and “Treatment of Principal Forbearance in HAMP.”

- a. Principal Reduction Alternative
    - i. Requirements
  - b. Alternative Waterfall
  - c. Net Present Value Model
  - d. Application of Principal Reduction
  - e. Documentation Requirements
  - f. Servicer Reporting
  - g. Credit Bureau Reporting
  - h. Incentive Compensation
  - i. Compliance
  - j. Document Retention
  - k. Impact on Second Lien Modifications
  - l. Servicer Safe Harbor
  - m. Treatment of Principal Forbearance in HAMP
- 2. 10-04 - Unemployment**
- a. Unemployment Program
  - b. UP Forbearance Plan
    - i. Eligibility
    - ii. Terms
    - iii. Commencement
    - iv. Notice
    - v. Late Fees
  - c. Conversion from TPP to Forbearance Plan
  - d. Conversion from Forbearance to HAMP
  - e. Foreclosure Suspension
  - f. Servicer Reporting
  - g. Credit Reporting
  - h. Compliance
- 3. 10-03 – FHA Insured Loans**
- a. FHA Insured Loans
    - i. Eligibility and Underwriting
    - ii. Participation and Incentive Compensation
    - iii. Data Collection and Reporting
    - iv. Compliance
- 4. 10-02 – Borrower Outreach and Communication**
- a. Reasonable solicitation efforts
  - b. Pre-requisites to foreclosure
    - i. HAMP evaluation
    - ii. Reasonable solicitation efforts
  - c. Borrower response period before foreclosure
  - d. Written certification
  - e. Bankruptcy
  - f. Approval from Investors (reasonable efforts)
- 5. 10-01 - Resolution of Active Trial Modifications\*\***
- a. Requesting Consideration for Modification
    - i. Request for Modification and Affidavit (RMA) Form,
    - ii. IRS Form 4506-T or 4506T-EZ, and
    - iii. Evidence of Income
  - b. Acknowledgment and Review of Initial Package
    - i. Incomplete Information Notice
    - ii. Trial Period Plan Approval

- iii. Consideration for Alternative Loss Mitigation Options
    - iv. Continued Eligibility for HAMP
  - c. Income Verification & Documentation
    - i. Employment/Self-employment Income.
    - ii. Other earned income
    - iii. Benefit Income
    - iv. Unemployment Benefits
    - v. Rental income
    - vi. Alimony, Separation Maintenance, and Child Support Income
    - vii. 20% Threshold for Passive and Non-Wage Income
    - viii. Non-Borrower Income
    - ix. Association Fees
    - x. Principal Forbearance Limitation
    - xi. IRS Form 4506-T/4506T-EZ
    - xii. Credit Report and Occupancy Verification
    - xiii. Property Valuation Documentation
    - xiv. Document Perfection
    - xv. Borrower Signatures
    - xvi. Electronic Submission
    - xvii. Fraud Detection
  - d. Conversion from Trial to Permanent Modification
  - e. Resolution of Active Trial Modifications
  - f. Documentation Requirements
- 6. 09-10 - Temporary Review Period for Active Trial Modifications Scheduled to Expire on or before January 31, 2010**
- 7. 09-09 - Home Affordable Foreclosure Alternatives**
  - a. Foreclosure Alternatives
  - b. HAFA Consideration
  - c. Evaluation
  - d. Short Sale
  - e. Deed-in-Lieu
  - f. General Terms and Conditions
  - g. Incentive Compensation
  - h. Standard Form Documents
  - i. Reporting Requirements
  - j. Compliance
- 8. 09-08 - Borrower Notices**
  - a. HAMP Evaluation
  - b. Content of Notices
    - i. Non-Approval
    - ii. Payment Default during TPP
    - iii. Loan Paid Off or Reinstated
    - iv. Withdrawal of Request or Non-Acceptance of Offer
    - v. Incomplete Information
  - c. Compliance
- 9. 09-07 - Borrower Evaluation Process\*\***
  - a. MHA Request for Modification and Affidavit form
    - i. Borrower Income and Expense Information
      - 1. Verbal and Verified Income Analysis
      - 2. Debt to Income Calculation
      - 3. Analysis of ARM Resets

- 4. Monthly Gross Income
      - ii. Hardship Affidavit
      - iii. SIGTARP fraud notice
  - b. Income Documentation and Verification Requirements
    - i. IRS Form 4506-T
    - ii. Credit Report and Occupancy Verification
    - iii. Tax Return
    - iv. Employment/Self-employment Income
    - v. Other earned income
    - vi. Benefit Income
    - vii. Unemployment Benefits
    - viii. Rental income
    - ix. Alimony, Separation Maintenance, and Child Support Income
    - x. 20% Threshold for Passive and Non-Wage Income
    - xi. Property Valuation Documentation
    - xii. Document Perfection
    - xiii. Borrower Signatures
    - xiv. Electronic Submission
    - xv. Fraud Detection
    - xvi. Document Retention
  - c. Response Timeframes
  - d. TPP Notices
- 10. 09-06 – Data Collection and Reporting Requirements**
- 11. 09-05 – Second Lien Modification (Updated)**
  - a. Modification and Extinguishment Eligibility
  - b. Coordination with Other MHA Programs
  - c. Modification Process
  - d. Trial Period Requirements
  - e. Borrowers in Bankruptcy
  - f. Borrower Notice
  - g. 2MP Timing
  - h. 2MP Modification Documents
  - i. Mortgage and Other Insurer Approval
  - j. Use of Suspense Accounts and Application of Payments
  - k. Assignment to MERS
  - l. Reporting Requirements
  - m. Credit Bureau Reporting
  - n. Incentive Compensation
  - o. Extinguishment Option
  - p. Compliance
  - q. Document Retention
- 12. 09-04 - Home Price Decline Protection Incentives**
  - a. Eligibility
  - b. HPDP Calculation
  - c. Incentive Compensation
  - d. Compliance
- 13. 09-03 - Trial Period Guidance**
  - a. Commencement of Trial
  - b. Reporting Requirements
  - c. Commencement of Modification
- 14. 09-02 – Fair Housing Obligations in HAMP**

## 15. 09-01 - Introduction of the Home Affordable Modification Program\*\*

- a. HAMP Eligibility
- b. Underwriting
  - i. Hardship Affidavit
  - ii. Reasonably Foreseeable (Imminent) Default
    - 1. Documenting the Reason for and Timing of Imminent Default
  - iii. Net Present Value (NPV) Test
  - iv. Verifying Borrower Income and Occupancy Status
  - v. Standard Modification Waterfall
  - vi. Verifying Monthly Gross Expenses
  - vii. Total Monthly Debt Ratio
  - viii. Mortgages with No Due-on-Sale Provision
  - ix. Escrow Accounts
  - x. Compliance with Applicable Laws
- c. Modification Process
  - i. Borrower Solicitation
  - ii. Document Retention
  - iii. Temporary Suspension of Foreclosure Proceedings
  - iv. Mortgage Insurer Approval
  - v. Executing the HAMP Documents
    - 1. Acceptable Revisions to HAMP Documents
    - 2. Use of Electronic Records
    - 3. Mortgage Electronic Registration Systems, Inc. (MERS)
  - vi. Trial Payment Period
  - vii. Use of Suspense Accounts and Application of Payments
  - viii. Recording the Modification
  - ix. Monthly Statements
  - x. Redefault and Loss of Good Standing
- d. Reporting Requirements
  - i. Trial Period
  - ii. Loan Setup
  - iii. Monthly Loan Activity Reporting
  - iv. Additional Data Requirements
  - v. Reporting to Mortgage Insurers
  - vi. Transfers of Servicing
  - vii. Credit Bureau Reporting
- e. Fees and Compensation
  - i. Late Fees
  - ii. Administrative Costs
  - iii. Incentive Compensation
    - 1. Servicer Incentive Compensation
    - 2. Borrower's Incentive Compensation
    - 3. Investor Payment Reduction Cost Share and Up Front Incentives
- f. Compliance

\*\* 10-01 replaces 09-01 and 09-07, but that leaves 'income' 'ARM' and 'debt to income ratio calculations' undefined.

### **ADDITIONAL RESOURCES:**

**Home Affordable Modification Program Administrative Website:** Provides access to a HAMP overview plus servicer and borrower documents, including the Supplemental Directives, Supplemental Documentation FAQs and the Conversion FAQs.

<https://www.hmpadmin.com/portal/index.html>

**Making Home Affordable Website:** Contains a borrower eligibility quiz and borrower FAQs.

<http://makinghomeaffordable.gov/index.html>

**Participating Servicers:** A list is available at

[http://makinghomeaffordable.gov/contact\\_servicer.html](http://makinghomeaffordable.gov/contact_servicer.html). The actual SPAs can be found by searching <http://financialstability.gov/impact/contracts.html>.

**Fannie Mae/ Freddie Mac Loans:** Links for determining whether a loan is owned by Freddie or Fannie are available here: [http://makinghomeaffordable.gov/loan\\_lookup.html](http://makinghomeaffordable.gov/loan_lookup.html).

**Escalations for Non-GSE Loans:** [escalations@hmpadmin.com](mailto:escalations@hmpadmin.com) or (866) 939-4469 (each servicer should also have an internal escalations process)

**Escalations for GSE-Loans:** Fannie Mae, phone: 1-800-7FANNIE, [resource\\_center@fanniemae.com](mailto:resource_center@fanniemae.com)

Freddie Mac, phone: 1-800-FREDDIE, [borrower\\_outreach@freddiemac.com](mailto:borrower_outreach@freddiemac.com)

**Government Accountability Office Reports:** Available at <http://www.gao.gov>

**Congressional Oversight Panel Reports:** Available at <http://cop.senate.gov>

**SIG TARP Reports:** Available at [www.sig tarp.gov/reports](http://www.sig tarp.gov/reports)

**NPV Calculator:** Available at <https://checkmynpv.com>