

Under the guidelines established by the Department of the Treasury for the Home Affordable Modification Program (HAMP), your servicer will need several documents from you in order to evaluate you for a HAMP modification.

the hardship affidavit

First, you will need to give an explanation of your financial hardship and the reason you cannot or believe you may soon not be able to make your mortgage payment. The government has given examples of acceptable hardships:

- Reduction in or loss of income that was supporting the mortgage.
- Change in household financial circumstances.
- Recent or upcoming increase in your monthly mortgage payment.
- An unavoidable increase in other expenses.
- A lack of cash reserves to maintain payment on the mortgage and cover basic living expenses at the same time. (Cash reserves include assets such as cash savings, money market funds, stocks or bonds, but exclude retirement accounts.)
- Excessive monthly debt payments and over-extensions with credit cards. For example, you have been using credit cards, a home equity loan or other credit to make your mortgage payment.
- Other reasons for hardship detailed by the borrower.

documentation you must provide

The HAMP program requires your servicer to collect the following information from you:

1. Your current monthly household income from all sources including salary or wages, tips, bonuses, alimony, retirement benefits, unemployment benefits or public assistance. Be sure to know when your unemployment or other benefits are scheduled to expire. It is important that you have evidence that unemployment benefits will continue for at least nine months. If applicable, borrowers should also provide documentation of other income including social security, disability, death benefits, pension or public assistance such as letters, insurance policies or statements and should be able to show the frequency and duration of the benefits. Borrower must also provide the two most recent bank statements showing receipt of such payments.
2. Two most recent pay stubs from your current employer showing year-to-date earnings.
3. IRS Form 4506T signed and dated by each borrower.
4. If you are self-employed, your most recent quarterly or year-to-date profit/loss statement.

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5. In certain cases, signed copies of your most recent federal tax return. (If you have filed electronically, print a copy and have all parties sign the hard copy.)
6. Household expenses, including but not limited to second mortgages, revolving debt, car payments, alimony/child support and homeowners' association (HOA) and/or condominium fees, if applicable.
7. Your hazard and flood insurance premiums, as applicable.
8. Your real estate/property taxes. This information is often available online from your county, city or other tax jurisdiction's web page.
9. Household assets, including but not limited to amounts in checking and savings accounts, certificates of deposit (CDs), stocks and bonds.

More information on HAMP can be found at www.makinghomeaffordable.gov.

other considerations

Finally, stay in contact with your servicer and/or mortgage counselor at all times. Notify your servicer/counselor of any change in your circumstances, including new employment or problems with making payments under any modification plan.

- Be realistic about your own financial conditions.
- Be cooperative, honest and keep your commitment on any modification agreement.
- A HAMP modification is not the only workout tool available. If you do not qualify for HAMP, ask your servicer about other alternatives, including postponements of regular payments (called forbearance), repayment plans, non-HAMP modifications and other workout options.

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