

Neighborhood Housing Services of Jamaica, Inc.

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Refinements to Existing Programs Designed to Help Unemployed and Underwater Borrowers

On March 26, 2010, President Obama's Administration announced adjustments to the Home Affordable Modification Program (HAMP) and to the Federal Housing Administration (FHA) programs. These program adjustments will better assist responsible homeowners who have been affected by the economic crisis through no fault of their own. The program modifications will expand flexibility for mortgage servicers and originators to assist more **unemployed homeowners and to help more people who owe more on their mortgage than their home is worth.**

HOW DOES A HOMEOWNER QUALIFY FOR TEMPORARY ASSISTANCE FOR UNEMPLOYED BORROWERS?

Servicers participating in HAMP will be required to offer assistance to all unemployed Borrowers who meet these eligibility criteria:

Homeowner's mortgage meets HAMP eligibility requirements, including that the house is owner-occupied and the loan balance is below \$729,000.

Borrower submits evidence that they are receiving unemployment insurance (UI) benefits.

Borrower must request temporary assistance in the first 90 days of delinquency.

The program will require servicers to provide a minimum of 3 months, and up to six months for some borrowers, of temporary forbearance for eligible unemployed borrowers, during which their payments will be reduced to no more than 31 percent of their monthly income.

After the forbearance period, borrowers will be evaluated for a HAMP modification if they have a mortgage payment greater than 31 percent of their monthly income and meet other income documentation and property eligibility requirements.

At the end of the temporary assistance period, homeowners who have a mortgage payment greater than 31 percent of their monthly income must be considered for a permanent HAMP modification.

To receive the permanent HAMP modification, homeowners must verify qualifying income with standard documentation and must be current on forbearance plan payments and the modified loan must pass the standard net present value (NPV) test.

After the forbearance period, if the borrower cannot qualify for a HAMP modification their lender will be required to consider them for an alternative to foreclosure, such as a short sale or deed-in-lieu of foreclosure as part of the Home Affordable Foreclosure Alternatives Program (HAFA).

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**HUD CERTIFIED HOMEOWNERSHIP
CENTER**

OUR MISSION

NHS of Jamaica, Inc is a not-for-profit community-based organization that is committed to revitalizing neighborhoods in Southern Queens by providing pre-and post purchase counseling, technical, and financial assistance to low and moderate income residents.

89-70 162nd Street

Jamaica NY, 11432

Tel: 718-291-7400

Fax: 718-298-6505

Website: www.nhsj.com

Open: Monday - Friday

Hours: 9:00AM-5:00PM

By Appts. Evening and Saturdays

What first-time Homebuyers really need to know.

It's a buyer's market.

This means that there are too many homes on the market in relation to the number of buyers. Housing inventory consists of foreclosures, pre-foreclosures, REOs (homes that were auctioned off at a foreclosure sale and are now being marketed to the public) and just regular "for sale" homes. In a buyer's market, because there are so many homes for sale, they usually take longer to sell. The prospective home-buyer may therefore have an advantage when negotiating the final sales price.

You need to get pre-approval before going to look for a home.

A pre-approval is a commitment in writing from a lender to lend you a specific amount to buy a home under certain conditions (e.g. with a certain interest rate). A pre-approval holds more weight than a loan pre-qualification, which is an **estimate** of how much you may be able to borrow. A pre-approval allows you to tailor your search more specifically to a price range that you will be qualified for.

A home inspection is always recommended (preferably before signing a contract).

Purchasing a home is presumably the largest investment that you will ever make in your life. Hiring a professional Home Inspector will cost you a couple hundred dollars, but may potentially save you thousands of dollars. The Inspector usually does a visual inspection of the structure and components of the home to find items that are not performing correctly or are unsafe. If a significant problem or defect is found, the home inspector will include a description of the problem in a written report. You would use this report to decide whether to proceed with the purchase or as leverage to revisit the negotiation of the purchase price with the seller.

Always make an appointment to meet with a HUD-certified Housing Counselor as soon as you think

that you are interested in becoming a homeowner.

Housing Counselors at NHSJ are HUD-certified and could guide you through the entire process. Additionally, you may qualify for grants for down-payment assistance and/or closing costs, if you are income-eligible.

Check with your tax preparer to see if you qualify for the Home-buyer Credit.

First time homebuyers who purchase a home by April 30, 2010 and close by June 30, 2010, may be eligible for a credit of up to \$8,000 when filing your income tax returns.



Not all "foreclosures" are good deals.

Many first-time homebuyers seem to want to purchase a foreclosed property. They look at the price and think that they are getting a really cheap property. Often-times the previous owner of the foreclosed property didn't have enough money to make the monthly mortgage payment and as a result, they were not able to do any maintenance for many years. The roof and /or the plumbing and electrical systems may need to be replaced, which may be very costly. An inspection should be done on the property and certified contractors should be taken in to give estimates for the repair work, if the situation warrants it.



Principles for Homeownership Success

Homeowners should budget wisely.

Create a spending and savings plan. Build in a "monthly savings" in your budget and save extra money for large projects. Become accustomed to "living within your means".

Preserve the equity in your home.

If you have a low, fixed rate mortgage, avoid refinancing for frivolous reasons, as this taps into the equity in your home. Often, when you refinance, you incur closing costs and your principal balance increases.

Keep records in a neat, organized file.

At the end of the year, it will be an easy task for you to get the file and visit your tax-preparer.

Review your homeowner's insurance policy annually with your insurer.

This is to make sure that the provisions of the policy are still meeting your needs adequately.





What Queens Communities need to Know

On April 8th, Patricia Kerr, *Program Director* and Bridgett Bush, *Staff Attorney* met with Council Member Thomas White of the 28th District, Rafael Cestero From Housing Preservation and Development, and Mike Hickey from the Center For New York Neighborhoods to discuss the on going problem of foreclosure. As time moves forward, homes are being taken away from hard working homeowners that are trying their best to live the American dream.

During the meeting, Bridgett Bush explained how NHSJ is committed to helping as many homeowners in foreclosure as possible. NHSJ is known for doing their best to prevent homeowners from resorting to foreclosure. In 2009, NHSJ helped more than 1,100 homeowners within the subprime coalition.



Patricia's Corner

NHSJ has been on the front line trying to help and support Southeast Queens. Our goal is to ensure that our community gains the trust in us that we will serve them with their best interest in mind.

We hope that our partners in the fight to strengthen Southeast Queens do not give up. We will empower people in believing in our community.

Message from the Program Director

NHSJ believes if there is a chance, there is a way to help as many as we can. During the meeting, it was a great privilege to introduce a success story to show why NHSJ has the highest number of foreclosed homes saved. A client of Ms. Bush, explained her story and how she was almost out of her home. Once she entered NHSJ doors, she knew she was in the right hands.



EYE ON IT Tips to Prevent Foreclosure

First, Be proactive, don't ignore the problem. The longer you wait, the more difficult it will be to reinstate your loan. Make the time to seek help from your lender and advice from NHSJ Counselors.

Second, Take the time to understand your mortgage agreement. Some of the terms can be intimidating and confusing, but know that our on-line Glossary is a great place to start. NHSJ will be able to explain the terms of your agreement and give you peace of mind.

Third, Avoid Foreclosure Prevention companies or sales people. Assistance in foreclosure prevention should be **FREE** and HUD certified. Anyone charging a significant fee may have questionable intentions.

Four, Know what your expenses are each month of your family. Include a savings plan.

Five, Contact NHSJ for financial Fitness and assistance with Emergency Repairs.

Six, Keep an eye on your credit report. Know what your scores are for all reporting agencies.

Solutions for Non-Profits NHSJ extends an invitation.

It seems that non-profit organizations have been the last on the list to receive funding to help in their communities. Urban and low-income neighborhoods are suffering due to lack-of-funds to revive the neighborhoods. To NHSJ, refuses to think this is a "no-win" situation. What can be done? How can we bring our communities back from an economic down fall?

Let all organizations that are ready to gain respect in there communities unite. Lets come together and fight for our communities. Lets bring hope back into neighborhoods that have been affected in these hard times. Call us at 718.291.7400



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PAID
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PERMIT NO. 843

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UPCOMING EVENTS

May 1, 2010: Homeownership Orientation

Location: NHSJ Office

May 6, 2010: Lead Safe Work Practice

Location: NHSJ Office

May 8, 2010: Foreclosure Prevention Clinic

Location: 90-32 161st at Jamaica Avenue

May 15, 2010: Community Health Fair

Location: P.S 223Q, 125-20 Sutphin Blvd

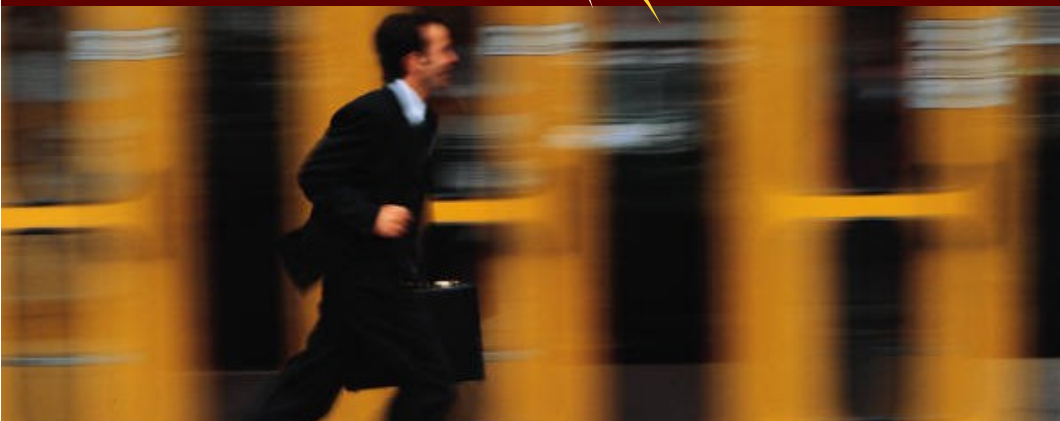
May 17, 2010: Male Initiative Fair

Location: York College, 90-20 Guy R. Brewer

Next Issue

- First-Time Homebuyers Grants
- Lead Prevention Program and Grants
- Predatory Lending
- NHSJ Construction Services

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CONTINUE RUNNING
FOR YOUR DREAMS
OF HOMEOWNERSHIP