

U.S. OFFICIALS ARE HELPING TO REFINANCE HOMEOWNERS

On Wednesday, a top housing official said that U.S. officials are discussing how they might help a wider range of homeowners refinance by building on an effort targeted at borrowers who owe more than what their home is worth. The idea would be to help only the homeowners who have ample equity, but have had trouble refinancing, says Housing and Development Secretary Shaun Donovan. "There is a real opportunity to improve and increase refinancing more broadly, given where interest rates are," Donovan told reporters. The recent adjustments made to the Home Affordable Refinance Program might be extended to borrowers who do not qualify, Donovan said. Right now, HARP is only limited to the loans that Fannie Mae and Freddie Mac guarantee and the borrowers who owe at least 80 percent of their home's value, and maybe even those who have no equity at all. Donovan said the administration is in discussions with the regulator of the two mortgage-financing giants. They're discussing how "innovations of HARP" could be applied to those homeowners who owe less than the 80 percent of their home's value. "Our hope would be that these practices could become adopted industry-wide so that it could help streamline the refinancing process more broadly," says Donovan. The Obama administration introduced HARP to assist homeowners at risk for foreclosure and it is designed to reach borrowers who are making their mortgage payments but have not been locked out of refinancing because they little or maybe even no equity. The regulator, the Federal Housing Agency, lifted some of the barriers last week to increase the participation. Donovan has said that potential changes to streamline the refinancing process to those borrowers who are, currently, not eligible for HARP could include finding ways for the mortgage industry to lift certain fees and specific appraisal requirements when the borrowers lock into the new terms for loaning. Currently hovering around 4 percent for a 30-year-fixed-rate loan, mortgage rates have yet to spur the much needed refinancing wave. The goal that the administration had in mind when changing HARP was only to lower mortgage payments for as many as 1 million homeowners. In doing so, this freed up cash for other spending. According to Donovan, the administration has not yet changed it's position on whether or not higher limits for mortgages guaranteed by the government should be restored. But some of the members of the U.S. House of Representatives are trying to encourage leaders to introduce legislation to raise the maximum size of a home loan backed by none other than Fannie Mae, Freddie Mac and the Federal Housing Administration to \$729,750. Last month, the cap fell to \$525,500 in



the most expensive real estate markets. "Honestly, we'll have to see what the House decides," Donovan says.

<https://blog.granted.com/>