

FOR WHAT IT'S WORTH

For What It's Worth is a service for members of the Oklahoma Homebuyer Education Association. We welcome your responses or other information you would like to share with us. Send items to Tricia Auberle at HomebuyerEd@okacaa.org

Coming up from OHEA. OHEA will be holding a 5-day Train-the-Trainer class November 14 – 18 at the Oklahoma Weatherization Training Center in Edmond. The registration form is on the OHEA website at www.HomebuyerEducation.info

The National Housing Counseling Action Network (NHCAN) is a coalition of non-profit and government-sponsored organizations that either provide direct housing counseling services or support those who do. The members are working on funding, policies, and messaging. You can receive up-to-date information and share concerns about housing counseling issues through their Yahoo group https://login.yahoo.com/config/login_verify2?.intl=us&.src=ygrp&.done=http%3a//finance.groups.yahoo.com%2Fgroup%2FNHCAN%2Fjoin Please remember to review your organization's policies on political advocacy before participating in any of NHCAN's suggested letter-writing campaigns.

RESPA Changes. HUD has made "technical corrections and clarifying amendments" to the RESPA rule that became effective January 1, 2010. Here are a few highlights.

1. The lender or mortgage broker may charge a fee limited to the cost of a credit report, but no other fees can be charged until the applicant borrower expresses intent to continue with the loan.
2. The GFE does not remain binding indefinitely but expires 10 business days after the GRE is provided if the borrower does not express an intent to continue.
3. The loan originator can specify a longer period than 10 business days.
4. If the borrower requests changes to the loan that change the settlement charges or terms of the loan, the loan originator must provide a revised GFE within 2 business days of request. It may increase charges for services only to the extent that the requested changes actually result in higher charges.

Loss Mitigation for FHA loans. A trial payment plan is a tool for confirming a homeowner's ability to make regular, timely payments before a permanent modification or partial claim is finalized. The final payment under the permanent modification must be the same or lower than the trial mortgage payment. A recent Mortgagee Letter (2011-28) now requires the permanent rate for the modified loan be established when the servicer offers the trial plan. If the homeowner does not make the scheduled trial plan payments within 15 days of the due date or vacates the house the trial payment plan is deemed broken.

A homeowner can qualify for an automatic 90-day extension of the six-month time limit from default as long as the loss mitigation option was begun prior to the expiration of the six month period. Put another way, the trial mortgage payment period must begin within six months of default and cannot extend past six months plus 90 days. The servicer only receives an incentive payment if the finalized loan or partial claim is in effect within 60 days of successful completion of the trial payment plan.