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HOPE NOW Adopts New Guidelines To Speed Help To Homeowners Facing Foreclosure

Washington, D.C. (June 17, 2008) – HOPE NOW, the industry alliance of mortgage lenders, servicers, investors, and counselors, today announced that its servicer members have agreed to a uniform set of procedures and guidelines that will greatly enhance the ability of homeowners to quickly receive the help they need and ensure that the assistance process is respectful, understandable, and transparent.

The agreement also includes the mortgage lending industry’s first-ever guidance for dealing with second mortgages and short sales.

“These new guidelines will greatly expedite the process of preventing foreclosures,” said Faith Schwartz, executive director of HOPE NOW. “The industry is committed to helping distressed borrowers stay in their homes whenever possible and these guidelines will help in that effort.”

For the first time, the new guidelines establish a common, streamlined timetable that will be used by each HOPE NOW mortgage servicer when working with a homeowner to prevent a foreclosure.

The guidelines establish a common set of principles on the possible foreclosure prevention alternatives including loan modifications, repayment plans, partial claims, and temporarily suspending the need to make monthly payments.

The agreement also includes procedures to keep homeowners informed about the status of their request to their servicer for help. Additionally, it encourages servicers to provide access to objective, independent, and free counseling for homeowners while putting in place detailed procedures that will allow servicers to reach out to homeowners who may be in danger of losing their home.

“The guidelines also include an agreement relating to second mortgages which is important to help clear the path for increased modifications and re-financing,” said Schwartz.

“It’s critical to remember that nobody benefits when a homeowner faces foreclosure,” said Jonathan L. Kempner, President and CEO of the Mortgage Bankers Association. “Creating these servicing procedures was the right thing to do, both for consumers and for the industry, and it’s something that the HOPE NOW Alliance is entirely united on as it continues to fulfill its mission of helping as many homeowners as possible stay in their homes each and every day.”

“This is another clear sign of the industry’s commitment to helping more homeowners avoid foreclosure,” said Steve Bartlett, President and CEO of the Financial Services Roundtable. “We are bringing more transparency and clarity to the process and that is a positive for the homeowner.”

“These new guidelines will bolster some of the existing policies that servicers have already had in place, while creating important new ones,” said John Dalton, President of the Housing Policy Council. “We are seeing more coordination within in the industry with the hope of preventing more foreclosures.”

The new agreement was developed between April and June 2008. “Although many of the HOPE NOW mortgage servicers have been implementing some procedures similar to many of these for some time, they are now agreeing to fully implement this uniform plan in 60 days or less.”

Please click here for the summary of the Servicer Guidelines.

[www.hopenow.com/upload/misc/files/Guidelines Summary.pdf](http://www.hopenow.com/upload/misc/files/Guidelines%20Summary.pdf)

Please click here for the full Servicer Guidelines.

[www.hopenow.com/upload/misc/files/Mortgage Servicing Guidelines.pdf](http://www.hopenow.com/upload/misc/files/Mortgage%20Servicing%20Guidelines.pdf)

ABOUT HOPE NOW

HOPE NOW is an alliance between counselors, mortgage market participants, and mortgage servicers to create a unified, coordinated plan to reach and help as many homeowners as possible. For more information on HOPE NOW, and to see the full membership of the Alliance, please visit www.HOPENOW.com.

The Homeownership Preservation Foundation’s HOPE Hotline (888-995-HOPE), which is available 24 hours a day 7 days a week, receives on average more than 4,000 a day. This is far in excess of what the mortgage lending industry has ever

had to field. There is no cost to borrowers for using HOPE NOW and the 1-888 995-HOPE Hotline.

In addition to the HOPE Hotline, HOPE NOW is coordinating a nationwide campaign to reach at-risk borrowers. So far, HOPE NOW has sent approximately 1.2 million letters. About 20 percent of homeowners receiving the HOPE NOW coordinated letters have contacted their servicer, 10 times more than the routine 2-3 percent response rate that servicers receive when they send their own mailings.

In the past 3 months, HOPE NOW has connected 4,000 homeowners with their lender and/or a HUD-certified housing counselor at workshops in 11 different cities in California, Georgia, Illinois, Pennsylvania, Ohio, Massachusetts, Minnesota, Wisconsin, and Indiana. HOPE NOW is continually looking for additional locations to host these workshops so that more troubled borrowers can be helped.

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