



# Ten Things to Know About HARP

The Federal Government expanded its guidelines for HARP—the **Home Affordable Refinance Program**—so that more people qualify, opening the door for more homeowners to take advantage of today's historically low rates.

As a nationwide mortgage lender, PennyMac is committed to helping people with important loan decisions. We prepared this informative paper to help answer questions you may have about qualifying for HARP. For additional details, please give us a call. We can also provide you with a complimentary loan consultation to give you refinance options tailored to your own financial goals.

**1. Underwater?** There is no limit to how "underwater" your loan can be. HARP 2.0 allows for any eligible Fannie Mae or Freddie Mac underwater loan to be refinanced. However, each lender can establish a different loan-to-value ratio limit to which they will lend.

**2. Eligibility.** You may be eligible for HARP if your loan is insured by Fannie Mae or Freddie Mac, and your loan was sold to either of those agencies prior to June 2009. If you refinanced your home after June 2009 you are not eligible, even if your original purchase was before the June 2009 cutoff.

**3. Verify eligibility.** You can find out if your loan is insured by Fannie Mae or Freddie Mac at: [www.fanniemae.com/loanlookup](http://www.fanniemae.com/loanlookup) and [www.freddiemac.com/mymortgage](http://www.freddiemac.com/mymortgage)

Or, just give us a call and we can do this for you.

**4. Lender.** You do not need to refinance through your current lender. PennyMac, like any lender participating in HARP, can refinance your loan! While other lenders may take up to six months or longer to process your refinance application, PennyMac has developed efficient in-house processing that can get you into a lower payment much faster.

**5. Rental? Second Home?** Rental properties and second homes are eligible for a HARP refinance. You don't have to live in your property to be eligible for HARP.

**6. Terms.** You have the option to refinance into a shorter term. HARP allows you to choose whether you would like to refinance into a new 30, 20, 15 or 10 year term! You can choose to pay your loan off more quickly with a shorter term, and take advantage of even lower interest rates.

**7. Second Lien?** Loans with 2nd liens (or HELOCs) are eligible under the HARP program. You may not combine your 2nd and first lien as part of a HARP transaction, but you are eligible to reduce the payment of your first lien mortgage through a HARP refinance.

**8. Behind on Payments?** HARP requires you to be current on your loan. This means that you have had no 30-day late payments in the past 12 months. If you have had more than one 30-day delinquency in the past 12 months then keep making your payments on time—you may be eligible to qualify in the future!

**9. Streamlined documentation means fast processing.** In most cases you don't need to obtain an expensive appraisal, saving you time and money.

**10. Other options.** If your loan is not eligible for HARP, you may have other refinance options available. FHA loans, for example, provide financing to almost 100% of your home's value. If you believe that the value of your home is near your mortgage balance, this may be an option for you.

## Talk to PennyMac

PennyMac offers a variety of loan types, including fixed and adjustable rate as well as low down-payment loans. We offer a no-obligation loan consultation to anyone who calls. Contact our experienced mortgage lending team today to see what option is best for you.

**(888) 884-8194 Call for a Free Mortgage Consultation**



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