

# HAFA PROGRAMS – A BREAKDOWN OF THE DIFFERENCES

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	<b>US Treasury Department</b>	<b>Fannie Mae</b>	<b>Freddie Mac</b>
<b>Mandatory Effective Date</b>	<b>04/05/10</b>	<b>08/01/10</b>	<b>08/01/10</b>
<b>Borrower consideration for HAFA eligibility</b>	Anytime in pre-foreclosure or foreclosure process. Borrower must be delinquent or default is reasonably foreseeable.	Not within 60 days of a scheduled foreclosure sale without Fannie Mae's written prior consent. Borrower must be in default or in imminent risk of default.	Anytime in pre-foreclosure or foreclosure process. However, Borrower must be more than 60 days delinquent on mortgage payments to be eligible.
<b>Borrower financial eligibility and circumstances that can disqualify borrower from HAFA</b>	Borrower must provide HAMP required financial information verifying financial condition and hardship information.	Disqualifying factors for Fannie Mae HAFA program: <ol style="list-style-type: none"> <li>1. Ability to make mortgage payments, but chooses not to do so.</li> <li>2. Substantial unencumbered assets or cash reserves exceeding three monthly mortgage payments or \$5,000, whichever is greater.</li> <li>3. High surplus income.</li> </ol>	To be eligible for Freddie Mac HAFA program borrower must have cash reserves less than the greater of \$5,000 or three times the total monthly mortgage payment.
<b>Minimum acceptable net proceeds (MANP)</b>	Either list price or MANP is specified in SSA at option of servicer. This permits disclosure of MANP at servicer's discretion.	<ol style="list-style-type: none"> <li>1. Servicer cannot disclose MANP to seller, buyer or real estate agents.</li> <li>2. Only the list price is specified in Fannie Mae SSA Form 184.</li> </ol>	<ol style="list-style-type: none"> <li>1. Servicer cannot disclose MANP to seller, buyer or real estate agents. However, Freddie Mac SSA Form 1135 is set up so either list price or MANP can be specified.</li> <li>2. MANP is calculated by taking the BPO value minus (a) 9% transaction costs (6% commission and 3% closing); (b) \$6,000 payable to subordinate lienholders, if any; and (c) \$3,000 relocation assistance payable to borrower.</li> </ol>
<b>Servicer requirements after SSA is signed</b>	Servicer cannot ask listing agent to make adjustments to list price for first 120 day marketing period.	Servicer Must: <ol style="list-style-type: none"> <li>1. Review and approve listing agent's marketing plan for the property.</li> <li>2. Obtain monthly feedback from listing agent, including marketing update.</li> <li>3. Obtain monthly geographical comparables from listing agent to determine if local market conditions have changed.</li> <li>4. Instruct agent to make adjustments to list price as necessary.</li> </ol>	For SSA marketing period to be extended, the servicer must submit a recommendation for extension no less than 15 calendar days prior to expiration of current SSA term.
<b>Real estate commissions</b>	Commission not to exceed 6%, but percentage can be lower if specified in the SSA. If an offer is submitted on the Alternative RASS form, the commission is set at 6%.	Servicer cannot require commission to be reduced to less than 6% of sales price.	Allowable real estate brokerage commissions are up to 6% of sale price. Servicer cannot require reduction in commissions below commission stated in the listing agreement subject to 6% maximum.

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PLEASE NOTE: This chart explains the differences between the three HAFAs programs by using the U.S. Treasury Department HAFAs program as the model. Only guidelines in the Freddie Mac or Fannie Mae HAFAs programs that are different from the model guidelines are included in the chart. For example, because all three programs pay the same \$3,000 incentive to the borrower for relocation expenses, this guideline is not included in the chart.