HOME POINT FINANCIAL®

Repayment Options Following a COVID-19 Forbearance Plan

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Overview

If you are nearing the end of your COVID-19 related forbearance plan, there are several options available to get you back on track. We put this guide together to give you a brief overview of post-forbearance programs. The list is not exhaustive, and the options available to you are dependent on your unique situation. That is why it is important to contact one of our Home Point payment specialists prior to your plan ending. Home Point will work with you to find the option that is right for you.

All loan types have reinstatement and repayment options available. In nearly all cases, reinstatement or making a "lump sum" payment of all past due amounts will not be required. Each investor, insurer or guarantor of a federally-backed mortgage loan has specific program options that may be available based on your situation. New programs are being released frequently, and we will update you as they become available.

Most investors, insurers and guarantors have programs available to help you resolve any past due amounts at the end of the forbearance without submitting any additional documentation! You will simply be required to answer a few questions either online at my.hpfc.com or by phone with the most important question being whether your hardship has been resolved.

If your circumstances dictate that you need to submit a mortgage assistance application, you can find the application here, which provides all of the forms that will need to be completed and outlines the documentation you'll need to submit.

Steps to Move Forward

By calling us at 1-800-686-2404 and answering a few questions, we will find the option that best fits your situation and work to implement that option.

OPTION 1

Refinancing a Mortgage in COVID-19 Forbearance, Deferment or Loss Mitigation

Traditionally, refinancing was not an immediate option for many borrowers exiting forbearance plans or who had recently entered loss mitigation options. However, both Fannie Mae® and Freddie Mac® have announced temporary eligibility requirements for refinance as an option to certain borrowers affected by a COVID-19 hardship.

A refinance replaces your existing mortgage with a new loan to take advantage of improved loan terms. With rates at or near historic lows, a refinance could be a cost-saving alternative to keeping your existing loan.

How it works

When you refinance, you replace your existing loan with a new loan with new terms. The new terms may have a lower interest rate or other attributes that will make it preferable to your old loan. If you are interested in refinancing, you can reach out to your loan officer or call 1-866-586-0619. You can also start the process online at apply.hpfc.com.

What are my options?

When you apply for your loan, you will work with your loan officer to review your options and choose the loan with the right set of terms for you.

Who is this best for?

Under the temporary Fannie Mae® and Freddie Mac® eligibility criteria, a refinance may be a great option to lowering your payment if current mortgage rates are better than the rate you are currently paying.

What you need to know:

A new loan application is required

There are income and underwriting requirements to refinance

If you were in a forbearance plan and remained current or reinstated your loan, you could now be eligible to qualify for a conventional refinance

If you entered into a repayment plan, deferral option or loss mitigation option and make three consecutive payments under the plan, you could now qualify for a conventional refinance

BENEFITS

- May lower your interest rate
- Changes the term of your loan
- May change the loan type
- Normally a combination of the above will lower your monthly payment

DRAWBACKS

- Increases the time it takes to pay off your home
- Typically requires closing costs
- Could take up to three months to complete
- May lower your credit score

OPTION 2

Reinstatement

A reinstatement means you pay your current balance due including any past payments.

How it works

You can make a payment by logging into your account at my.hpfc.com or by calling us at 1-800-686-2404. You can also mail your payment, but you should first confirm your total amount due by checking your balance online or calling us.

Who is this best for?

Customers that can financially afford to pay their entire balance in one payment. Customers with certain types of loans that are not eligible for other options.

What you need to know:

Conventional loans through Fannie Mae®, Freddie Mac® and loans insured by FHA, VA or USDA do not require you to reinstate or pay a "lump sum" amount when your mortgage forbearance ends. There are alternative options available.

BENEFITS

- Brings you immediately current

DRAWBACKS

- Options that do not require a "lump sum" payment may be available for your circumstances

OPTION 3

Short-term Repayment Plan

A repayment plan is an agreement that enables you to temporarily pay a higher monthly mortgage payment to catch up on past due payments over a short time period.

How it works

You can contact a Home Point payment specialist to request a short-term repayment plan or set one up online by logging into your account at my.hpfc.com. Home Point will conduct an affordability calculation to determine your ability to repay the missed payments. If you agree to a repayment plan, you will be sent an agreement outlining the terms, which allows you to "catch up" by paying extra each month if you have fallen behind. You do not need to submit additional financial information.

What are my options?

Home Point offers up to six months for a short-term repayment plan. If a repayment plan is not right for you, all investors, insurers and guarantors of federally-backed mortgage loans have special programs for those affected by a COVID-19 hardship.

Who is this best for?

A repayment plan is best if you are not behind more than three payments and can temporarily make higher payments to catch up.

What you need to know:

- **You must be behind on your mortgage payments**
- **We may conduct an affordability determination**
- **Amount of payment cannot exceed 150% of your current mortgage payment**
- **Must become current within six months**

BENEFITS

- Spreads the amount owed across an extended period
- Helps to establish a path to become current

DRAWBACKS

- Higher monthly payments
- Only available if you can become current in six months or less
- Total payment cannot exceed 150% of your current monthly payments
- Options that do not require higher monthly payments may be available for your circumstances

OPTION 4

Payment Deferral Programs

Deferrals or other similar programs are for customers who have resolved a temporary hardship. These programs are for customers that can resume monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current.

Simply put, a deferral will take your past due payments and bundle them into a non-interest-bearing account and make them due whenever you pay off the loan.

What you need to know:

Investors decide whether to offer these programs and requirements to qualify may change depending on investor.

What are my options?

The availability of this option, and similar ones, depends on your loan type. If you don't know your loan type, you can contact us via phone, and we will provide that information and more on what options might be available.

FHA COVID-19 Standalone Partial Claim Program
Fannie Mae® COVID-19 Payment Deferral Solution
Freddie Mac® COVID-19 Payment Deferral Solution

The VA and USDA are offering streamlined loan modification programs for borrowers exiting forbearance plans.

If you have a loan with a different investor or insurer, please contact us to discuss your options.

OPTION 4 – FHA

FHA COVID-19 Standalone Partial Claim Program

The Federal Housing Administration has recently announced a Standalone Partial Claim Program for borrowers affected by COVID-19 who have previously entered COVID-19 forbearance programs. A partial claim is a zero interest, no fee, junior lien on your property that will become payable when you sell your home, pays off your mortgage, or your mortgage otherwise terminates. This program is available to customers whose forbearance programs are ending and who have regained the ability to make their monthly payments. If you do not qualify for the COVID-19 Standalone Partial Claim, FHA offers other tools to help you repay your missed payments over time.

How it works

You must contact a Home Point payment specialist to let us know you can resume making payments on your mortgage loan. You do not need to submit additional financial information. Home Point will confirm with FHA guidelines that you are eligible and send you the paperwork that needs to be signed to participate in the program. Once you have completed the paperwork, any amounts owed during forbearance will be placed into the Partial Claim.

What are my options?

If you meet the eligibility requirements, you can be immediately approved for the Partial Claim Program. If you do not meet the requirements, you are eligible to be evaluated for all FHA Home Retention and Home Disposition Options. Contact Home Point to learn more about your options. This can be done via phone at 1-800-686-2404.

Who is this best for?

An FHA COVID-19 Standalone Partial Claim is only for customers with loans insured or guaranteed by the FHA and who do not wish to reinstate the loan or make higher monthly payments through a repayment plan. The Program is best for those whose hardships have ended and can return to making their regular monthly mortgage payments.

What you need to know:

- **Your loan must be insured or guaranteed by the Federal Housing Administration**
- **You must be current or no less than 30 days past due on your mortgage payment as of March 1, 2020**
- **You must occupy the property**
- **You must have regained your ability to continue making your monthly payments**

If you do not qualify for an FHA COVID-19 Standalone Partial Claim, you will be evaluated for all Loss Mitigation Home Retention Options and Home Disposition Options offered by FHA, including the FHA-HAMP Loan Modification

BENEFITS

- Brings your loan current
- It does not need to be paid until the maturity of your original mortgage loan, you refinance, or you sell your home
- There is no additional interest charged on the Partial Claim amount

DRAWBACKS

- You may only use this program once for a COVID-19 related hardship
- If you have had prior Partial Claims through FHA for previous hardship, your total partial claim amount may be capped

OPTION 4 – FANNIE MAE®

Fannie Mae® COVID-19 Payment Deferral

On May 13th, 2020, Fannie Mae® announced the COVID-19 Payment Deferral for borrowers affected by COVID-19 hardship. The payment relief option is available to customers who have regained the ability to make their monthly payments. The workout option allows you to return your mortgage to a current status by moving up to twelve months of forbearance payments to the end of your loan term with no additional interest charge. The program will be available beginning July 1st, 2020.

How it works

You must contact a Home Point payment specialist to let us know you can resume making payments on your mortgage loan. You do not need to submit additional financial information. Home Point will confirm with Fannie Mae® guidelines that you are eligible and send you the agreement to participate in the program. Once you sign and return the Payment Deferral agreement, any amounts that were not paid during forbearance will be placed into a non-interest bearing balance that will be due when you pay off your loan at the end of the term, through selling your property or refinancing.

What are my options?

If you meet the eligibility requirements, you can be immediately approved for the option. If you do not meet the requirements, you are still eligible to be evaluated for other programs offered by Fannie Mae®.

Who is this best for?

The COVID-19 Payment Deferral is for customers who cannot reinstate the loan or make higher monthly payments through a repayment plan. The COVID-19 Payment Deferral is best for those whose hardships have ended and can return to making their regular monthly mortgage payments.

What you need to know:

Your loan must be owned by Fannie Mae®

You must have experienced a COVID-19 related financial hardship

You must have regained your ability to continue making your monthly payments

You must have been current or less than 31 days delinquent on your mortgage payment as of March 1, 2020

You must be 31 or more days (one month) delinquent but less than or equal to 360 days (12 months) delinquent as of the date of evaluation

BENEFITS

- Brings your loan current
- The balance does not need to be paid until the maturity of your original mortgage loan, you refinance, or you sell your home
- There is no additional interest charged on the deferred amount

DRAWBACKS

- Customers who were more than 31 days delinquent as of March 1, 2020, who have experienced a COVID-19 hardship will need special approval from Fannie Mae® to participate
- You may only receive one COVID-19 related deferral

OPTION 4 – FREDDIE MAC®

Freddie Mac® COVID-19 Payment Deferral

On May 13th, 2020, Freddie Mac® announced the COVID-19 Payment Deferral for borrowers affected by COVID-19 hardship. The payment relief option is available to customers who have regained the ability to make their monthly payments. The workout option allows you to return your mortgage to a current status by moving up to twelve months of forbearance payments to the end of your loan term with no additional interest charge. The program will be available beginning July 1st, 2020.

How it works

You must contact a Home Point payment specialist to let us know you can resume making payments on your mortgage loan. You do not need to submit additional financial information. Home Point will confirm with Freddie Mac® guidelines that you are eligible and send you the agreement to participate in the program. Once you sign and return the Payment Deferral agreement, any amounts that were not paid during forbearance will be placed into a non-interest bearing balance that will be due when you pay off your loan at the end of the term, through selling your property or refinancing.

What are my options?

If you meet the eligibility requirements, you can be immediately approved for the option. If you do not meet the requirements, you are still eligible to be evaluated for other programs offered by Freddie Mac®.

Who is this best for?

The COVID-19 Payment Deferral is for customers who cannot reinstate the loan or make higher monthly payments through a repayment plan. The option is best for those whose hardships have ended and can return to making their regular monthly mortgage payments.

What you need to know:

- **Your loan must be owned by Freddie Mac®**
- **You must have experienced a COVID-19 related financial hardship**
- **You must have regained your ability to continue making your monthly payments**
- **You must be current or less than 31 days delinquent on your mortgage payment as of March 1, 2020**
- **You must be 31 or more days (one month) delinquent but less than or equal to 360 days (12 months) delinquent as of the date of evaluation**

BENEFITS

- Brings your loan current
- The balance does not need to be paid until the maturity of your original mortgage loan, you refinance, or you sell your home
- There is no additional interest charged on the deferred amount

DRAWBACKS

- Customers who were more than 31 days delinquent as of March 1, 2020, who have experienced a COVID-19 hardship will need special approval from Freddie Mac® to participate
- You may only receive one COVID-19 related deferral

OPTION 5

Loan Modification

(Streamlined/No Application)

A loan modification with either streamlined or no documentation offers you the ability to modify the terms of your original agreement to make it more affordable and to avoid foreclosure.

How it works

You must speak with a payment specialist to request a loan modification. Depending on your situation, you may not need to submit financial information to qualify. If approved, Home Point will modify the terms of the loan to bring the account back to current status.

What are my options?

Your loan modification plan is determined by the investor of your loan.

Who is this best for?

A loan modification is a good option if your hardship has ended and you can make modified monthly payments.

What you need to know:

You must be past due on your mortgage payments to qualify

Your loan must be at least twelve months old

Your loan term may be extended up to forty years

BENEFITS

- May help reduce monthly payments
- Helps restore loan to current status
- Quick and minimal documentation required

DRAWBACKS

- May extend the time it takes to pay off your mortgage
- The unpaid principal balance of your loan will increase due to the capitalization of the unpaid past due amounts
- Terms are determined by the investor

Additional Information

If your investor is Fannie Mae® or Freddie Mac® and your forbearance plan ends prior to June 30, 2020, you may be evaluated for a(n):

Extend Modification

This program is for customers that are capable of affording their pre-forbearance payment but are just having trouble catching up. It generally allows you to extend the term of your loan by the number of months you were in a forbearance plan.

For example, if your forbearance plan lasts six months, and you have 20 years of your original mortgage term remaining when it expires, your modified loan would have a term of 20 years plus six months. In other words, the maturity date of your loan is extended by six months.

The Extend Modification only covers the principal and interest portions of the past due payments. Any escrowed amounts for the months being deferred will either need to be paid in a lump sum or can be added back into the escrow account, which then will then be re-analyzed to determine the appropriate payment amount.

If your investor is Fannie Mae® or Freddie Mac® and your forbearance plan ends prior to June 30, 2020, you may be evaluated for a(n):

Cap and Extend Modification

This program is for customers that can maintain a regular monthly payment but need additional help to cover escrow amounts paid on your behalf during forbearance, such as for taxes and insurance.

It allows you to add all unpaid balances from your forbearance period into your principal balance, such as unpaid interest that accrued during the forbearance, and any taxes and insurance we paid on your behalf during that time.

We then ensure the monthly payment is similar to your pre-modification amount by extending the loan term, or maturity date, only by the number of months needed to target your current monthly payment.

After June 30th, 2020, if your investor is Fannie Mae® and Freddie Mac®, and you do not qualify for the Payment Deferral, you may be evaluated for a:

Flex Modification with Reduced Eligibility Criteria

This program is a solution that we may use if you cannot afford your current payment. It works by adding all unpaid balances from your forbearance period, including unpaid interest that accrued during the forbearance period, and any taxes and insurance amounts we paid on your behalf during that time, to your unpaid loan balance, and then extending your loan term by 40 years. We may also lower your interest rate to market-level. This modification targets a 20% payment reduction while bringing your loan current and giving you an affordable, sustainable payment going forward.

If your insurer or guarantor is the VA (Veteran's Administration), you may be evaluated for the following loss mitigation options available without submitting a mortgage assistance application:

VA Extend Modification

This program will provide an extension to the term of the loan for the number of months past due. Your interest rate will remain the same. No trial payment plan or mortgage assistance application is required. You must simply let us know that your hardship has ended and that you are able to resume making on-time mortgage payments. This can be done via phone at 1-800-686-2404.

VA Disaster Modification

This program will provide an extension to the term of the loan for the number of months past due, and your interest rate will be adjusted to the current market rate. No mortgage assistance application is required. You must simply let us know that your hardship has ended and that you can resume making on-time mortgage payments. You may be required to make at least three trial period payments. A VA Disaster Modification will result in a fixed rate loan.

If your insurer or guarantor is the USDA (United States Department of Agriculture), you may be evaluated for the following loan options without submitting a mortgage assistance application:

Term Extension Modification

This program is for customers that are capable of affording their pre-forbearance payment but are just having trouble catching up. It generally allows you to extend the term of your loan by the number of months you were in a forbearance plan.

Capitalization and Term Extension Modification

This program is for customers that are capable of maintaining a regular monthly payment but need additional help to cover escrow amounts, we paid on your behalf during forbearance, such as for taxes and insurance.

It allows you to add (or capitalize) all unpaid balances from your forbearance period into your principal balance, such as unpaid interest that accrued during the forbearance, and any taxes and insurance we paid on your behalf during that time.

We then ensure the monthly payment is similar to your pre-modification amount by extending the loan term, or maturity date, only by the number of months needed to target your current monthly payment.

Mortgage Recovery Advance

This program will bring your loan current by creating an interest-free subordinate mortgage that you do not have to pay off until your first mortgage is paid off. This program does not require a mortgage assistance application to be submitted. You must simply attest that your hardship has ended, that can resume making on-time mortgage payments and that the property is owner-occupied. You can do this via phone or online at my.hpfc.com.

OPTION 6

Standard Loan Modification

(Complete Application)

A standard loan modification is best if you are past due on your mortgage payments and do not qualify for a streamlined or no application loan modification. This option offers the ability to modify the terms of your original agreement to potentially make it more affordable and to avoid foreclosure.

How it works

You must submit a complete mortgage assistance application to apply. If you are approved, Home Point will modify the terms of the loan to bring the account back to current status.

What are my options?

Your loan modification plan is determined by the investor of your loan.

Who is this best for?

A standard loan modification is best if you are past due on your mortgage and do not qualify for a streamlined or no application loan modification. In order to qualify, you must demonstrate your hardship has ended and you can afford a modified monthly payment.

What you need to know:

You must submit a complete mortgage assistance application

Your loan must be at least twelve months old

Your loan term may be extended up to forty years

BENEFITS

- May help reduce monthly payments
- Helps restore loan to current status
- Quick and minimal documentation required

DRAWBACKS

- May extend the time it takes to pay off your mortgage
- The unpaid principal balance of your loan will increase due to the capitalization of the unpaid past due amounts

Additional Information

If your investor is Fannie Mae® and Freddie Mac®, and you do not qualify for the Payment Deferral, you may be evaluated for a:

Flex Modification

This program is a solution that we may use if you cannot afford your current payment. It works by adding all unpaid balances from your forbearance period, including unpaid interest that accrued during the forbearance period, and any taxes and insurance amounts we paid on your behalf during that time, to your unpaid loan balance, and then extending your loan term by 40 years. We may also lower your interest rate to market-level.

This modification targets a 20% payment reduction while bringing your loan current and giving you an affordable, sustainable payment going forward.

If your loan insurer is the VA (Veteran's Administration) and you do not qualify for a streamlined loan mod option from the VA, you may be evaluated for additional loan modification options, including:

Traditional Loan Modification

This modification option requires customers to submit a complete mortgage assistance application, which includes providing proof of income and a list of all expenses. The interest rate may be revised to bring it in line with today's market rate. This option has the potential to lower your payment by extending the term of your loan up to 360 months.

VA Affordable Modification

This modification option requires customers to submit a complete mortgage assistance application, which includes providing proof of income and a list of all expenses. The modification will result in a fixed-rate loan where the principal, interest, taxes, insurance and association fees are no greater than 31% of your gross monthly income. In addition to extending the term and bringing the interest rate to the current market rate, this option may also provide a deferral of some of the unpaid principal balance.

If your loan insurer or guarantor is the USDA (United States Department of Agriculture) and you do not qualify for a streamlined loan modification option, you may be evaluated for these loan modification options upon submission of a complete mortgage assistance application:

Traditional Loan Modification

This modification option requires customers to submit a complete mortgage assistance application, which includes providing proof of income and a list of all expenses. A modification may be appropriate for a borrower who has experienced a permanent or long-term reduction in income or an increase in expenses, or who has recovered from the cause of the default but does not have sufficient income to repay the arrearage through a repayment plan. The borrower has a documented ability to support the monthly mortgage debt after the terms of the loan are modified to qualify.

Special Loan Servicing Modification

This program is available for customers that are not eligible for the traditional loan modification option. This modification option requires customers to submit a complete mortgage assistance application, which includes providing proof of income and a list of all expenses. The modification will result in a fixed-rate loan where the principal, interest, taxes, insurance and association fees are no greater than 31% of your gross monthly income. In addition to extending the term and bringing the interest rate to the current market rate, this option may also provide a mortgage recover advance of some of the unpaid principal balance.

Home Point Financial