
Refinance Opportunities Now Available to Those Who Lack Sufficient Equity

Revised March 4, 2009

The Obama Administration unveiled the final details of its "Making Home Affordable Program," which is designed to help up to 9 million American families refinance or modify their loans to a payment that is affordable now and into the future.

One of the initiatives in this program is aimed at helping responsible homeowners "refinance" their loans to take advantage of historically low interest rates. Here are some common Questions and Answers about the Refinancing Initiative in the program.

REFINANCING INITIATIVE

Who is eligible?

You may be eligible if:

- You own and currently occupy a one- to four-unit home.
- Your mortgage is owned or controlled by Fannie Mae or Freddie Mac.
- You are current on your mortgage payments.
- The amount you owe on your first mortgage is about the same or slightly less than the current value of your house.
- And, you have a stable income sufficient to support the new mortgage payments.

How do I know if my loan is owned or controlled by Fannie Mae or Freddie Mac?

Simply call or email me. I'll help you determine if your mortgage is backed by Fannie Mae or Freddie Mac.

I owe more than my property is worth. Do I still qualify to refinance under the Making Home Affordable Program?

Eligible loans will include those where the first mortgage will not exceed 105% of the current market value of the property. For example, if your property is worth \$200,000 but you owe \$210,000 or less, you may qualify. The current value of your property will be determined after you apply to refinance.

If I am delinquent on my mortgage, do I still qualify for the Refinance Initiative?

No. But the good news is, you may qualify for the Modification Initiative. Contact me to discuss your situation and review your options.

I have both a first and a second mortgage. Do I still qualify to refinance under Making Home Affordable?

As long as the amount due on the first mortgage is less than 105% of the value of the property, borrowers with more than one mortgage may be eligible for the Refinance Initiative.

Will refinancing lower my payments?

That depends. If your interest rate is much higher than the current market rate, you would likely see an immediate reduction in your payment amount. However, if you are paying interest only on your mortgage, you may not see your payment go down. BUT... you will be able to avoid future mortgage payment increases and may save a great deal over the life of the loan.

What are the terms of the refinance and what will the interest rate be?

All loans refinanced under the plan will have a 30- or 15- year term with a fixed interest rate.

The interest rate will be based on market rates at the time of the refinance. Currently, interest rates are at historical lows, which makes this a good time to examine your refinancing options.

Will refinancing reduce the amount that I owe on my loan?

No. Refinancing will not reduce the principal amount you owe. However, refinancing should save you money by reducing the amount of interest that you repay over the life of the loan.

Can I get cash out to pay other debts?

No. Only transaction costs, such as the cost of an appraisal or title report may be included in the refinanced amount.

How do I apply for the Refinance Initiative?

Call or email me today to discuss your specific situation and to examine your options. If this plan is right for you, we can begin working on your refinance immediately.

As part of the discussion, we may need to look at the following information:

- Recent pay stubs to help determine your gross (before tax) household income.
- Your most recent income tax return.
- Information about any second mortgage on your house.
- Account balances and minimum monthly payments due on all of your credit cards.
- Account balances and monthly payments on all other debts, such as student loans and car loans.



*Kelly Zitlow
Vice President
Certified Mortgage Planning Specialist
Suburban Mortgage, Inc.
8377 E. Hartford Drive Suite 120
Scottsdale, AZ 85255
Phone: 480.355.8105
kzitlow@submort.com*



BK# 010123
