

## 2ND LIEN MODIFICATION PROGRAM (2MP)

Many homeowners may be struggling to make their monthly mortgage payments because they have a second lien. Even when a first mortgage payment is affordable, the addition of a second lien can sometimes increase monthly payments beyond affordable levels. Second liens often complicate or prevent modification or refinancing of a first mortgage.

The 2nd Lien Modification Program (2MP) offers homeowners a way to lower payments on their second mortgage. 2MP offers homeowners, their mortgage servicers, and investors an incentive for modifying a second lien. Servicers and investors may also receive an incentive for extinguishing a second lien, forgiving all of the debt a homeowner owes.

Homeowners must provide consent to share their first lien mortgage modification information with their second lien mortgage servicer, if they are different. Since 2MP is meant to be complementary to the Home Affordable Modification Program (HAMP), a homeowner must have their first lien modified through HAMP before the second lien can be modified under 2MP.

Under 2MP, with their investor's guidance, a mortgage servicer may:

- Reduce the interest rate to 1% for second liens that pay both principal and interest (amortizing)
- Reduce the interest rate to 1% amortizing or 2% interest-only for interest-only second liens
- Extend the term of the second lien to 40 years
- If the principal was deferred (through forbearance) or forgiven on the first lien, a servicer must forbear the same proportion on the second lien; although a servicer may, in its discretion, forgive any portion or all of the second lien and receive incentives for doing so

A second lien is eligible for 2MP if:

- the corresponding first lien has been modified under the Obama Administration's Home Affordable Modification Program and the second lien servicer is participating

- it was originated on or before January 1, 2009
- it does not have an unpaid principal balance (at consideration for the modification) of less than \$5,000 or a pre-modification scheduled monthly payment of less than \$100
- it has not yet been modified under 2MP
- it is not subordinate to a second lien or is not a home equity loan in first lien position
- it is not a second lien on which no interest is charged and no payments are due until the first lien is paid in full
- the second lien servicer is in possession of a fully executed 2MP modification agreement or trial period plan by December 31, 2012; or the second lien is not insured, guaranteed, or held by a Federal government agency (e.g. FHA, HUD, VA, and Rural Development)

### List of Participating Servicers

Bank of America (including Countrywide)

Citi Mortgage, Inc.

Chase (including EMC and WaMu)

Wells Fargo (including Wachovia)

More servicers will be added in the near future as they join the program.

For more information, [contact your mortgage servicer](#). If you have other questions, or want guidance to better understand your options, you may wish to speak to a [HUD-approved housing counselor](#) for free.

› [Frequently Asked Questions](#)

### **[Beware of Foreclosure Rescue Scams – Help Is Free!](#)**

- There is never a fee to get assistance or information about Making Home Affordable from your lender or a [HUD-approved housing counselor](#).
- Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan. *Do not pay – walk away!*

- Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- Never submit your mortgage payments to anyone other than your mortgage company without their approval.

The Obama Administration has launched a coordinated effort across federal and state government and the private sector to target mortgage loan modification fraud and foreclosure rescue scams that threaten to hurt American homeowners and prevent them from getting the help they need during these challenging times. [Click here for more information.](#)