



NEW JERSEY HOMESAVER FREQUENTLY ASKED QUESTIONS

WHAT IS THE NJ HOMESAVER PROGRAM?

The New Jersey Housing and Mortgage Finance Agency (“NJHMFA”) has created the New Jersey HomeSaver Program (“HomeSaver”), a foreclosure prevention initiative. This program will leverage Hardest Hit Fund funds to facilitate a refinance, recast, or permanent modification of the first mortgage loan through a principal reduction and/or reinstatement payment to bring the household monthly payment to an affordable level.

WHAT ARE THE ELIGIBILITY CRITERIA FOR THE HOMESAVER PROGRAM?

A homeowner must (1) occupy the property as their primary residence, (2) have a qualified hardship supported by a completed and signed Hardship Affidavit, and (3) have adequate income to sustain post-assistance first mortgage payments in accordance with the HomeSaver guidelines.

The property must (1) be located in New Jersey, (2) not be abandoned, vacant, condemned or uninhabitable, (3) be a one- to three-family residential property, a condominium unit, or a manufactured home that is on a foundation permanently affixed to real property owned by the homeowner and secured by a real property first mortgage loan.

The mortgage must (1) be a first lien mortgage*, (2) have a current unpaid principal balance no greater than \$429,619 for a one-unit property or \$550,005 for a two- or three-unit property (which includes the interest bearing principle and any outstanding non-interest bearing forbearance balance from a previous modification), and (3) be delinquent or at risk of imminent default.

**Home equity lines of credit (“HELOCs”) are not eligible for HomeSaver assistance even if they are in first lien position.*

DO I NEED TO BE BEHIND ON MY MORTGAGE PAYMENTS TO BE ELIGIBLE FOR NJ HOMESAVER?

No, you do not have to be delinquent on your mortgage payments to qualify; you must however meet your mortgage servicer/investor’s guidelines for a modification, recast, refinance or principal reduction in order to participate in the HomeSaver program.

Homeowners who are struggling to remain current with their mortgage payments are eligible for consideration if they can demonstrate an involuntary hardship that will make their payments unaffordable (often referred to as “imminent default”). A homeowner is considered to be in “imminent default” if they have (1) severe negative equity**, (2) had (or will have) a significant increase in their mortgage payment (due to a rate increase), or (3) suffered a financial hardship such as unemployment or a severe loss of income.

***Severe negative equity is defined as a first mortgage loan-to-value (“LTV”) ratio that is 115% or greater.*

WHAT TYPE OF HARDSHIPS WILL BE CONSIDERED?

Hardships include: unemployment, loss of/reduction in income through no fault of your own, or other demonstrated financial hardships. Homeowners will be required to provide a hardship affidavit with appropriate documentation on the cause of the hardship.

WHAT IS THE MAXIMUM LOAN AMOUNT THAT I CAN RECEIVE IF I AM APPROVED FOR THE HOMESAVER PROGRAM?

While funding for the HomeSaver program is limited, qualified applicants may be eligible to receive up to \$50,000.

DO I HAVE TO PAY A FEE TO PARTICIPATE IN THE HOMESAVER PROGRAM?

No, there is no fee to participate. In fact, you should beware of anyone who asks you to pay a fee in exchange for a counseling service or modification of a delinquent loan. If you are asked to pay a fee, please contact our office immediately at (855) 647-7700 or (609) 278-7660 or email njhomesaver@njhmfa.state.nj.us.

IF I QUALIFY FOR HOMESAVER ASSISTANCE, DO I HAVE TO PAY IT BACK?

The HomeSaver assistance is provided in the form of 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 10 year loan. After the fifth year of the closing date of the loan, the loan amount will be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.

All or a portion of the unforgiven loan funds will be due and payable from the net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if you cease to occupy the property as your primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient funds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.

CAN I APPLY FOR HOMESAVER IF I PREVIOUSLY RECEIVED OR AM CURRENTLY RECEIVING HOMEKEEPER ASSISTANCE?

Yes, it is possible to receive additional assistance through HomeSaver. There is an overall benefit cap of \$98,000 per household. Qualifying previously for HomeKeeper does not guarantee eligibility for HomeSaver. Homeowners must meet HomeSaver eligibility criteria.

WILL HOMESAVER HELP ME WITH MY SECOND OR OTHER SUBORDINATE MORTGAGES?

HomeSaver assistance is available for first lien mortgages only. There may be other options for homeowners who are seeking help with their junior liens / second mortgages, such as the Home Affordable Second Lien Modification Program (2MP) which is part of the federal government’s Making Home Affordable program. Find out more here: <http://www.makinghomeaffordable.gov/programs/second-mortgage-help/Pages/default.aspx>

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HOW DO I APPLY ?

If you can answer **YES** to **ALL** of the following questions, contact your mortgage servicer to find out if they are participating in the New Jersey HomeSaver program.

Can you answer **YES** to **ALL** of these questions?

1. Is your home located in the State of New Jersey?
2. Is your home your primary residence?
3. Is your home a one, two or three-unit residential property?
4. Do you owe no more than \$429,619 in total mortgage debt (or, if you have a two-unit or three-unit home, no more than \$550,005)?
5. Is your home the only residential real estate that you own?
6. Are you clear at this time of any involvement in any bankruptcy application or proceeding?

If you have answered **YES** to **ALL** of the six questions above, contact your mortgage servicer.

If your servicer is not participating or you cannot answer YES to ALL six questions above, we encourage you to learn about other New Jersey foreclosure assistance programs at <http://www.njhousing.gov/foreclosure> that may be able to help you.

HOW DO I KNOW IF MY SERVICER PARTICIPATES IN NJ HOMESAVER?

Servicer participation in NJ HomeSaver is voluntary. Contact your mortgage servicer directly to find out if they are participating.

MY SERVICER ADVISED ME THAT THEY DO NOT PARTICIPATE IN THE HOMESAVER PROGRAM. WHAT SHOULD I DO?

Contact New Jersey HomeSaver at (855) 647-7700 or (609) 278-7660 or email njhomesaver@njhmfa.state.nj.us and we will contact your servicer on your behalf; however, participation in NJ HomeSaver is voluntary. In the event your mortgage servicer does not agree to participate in HomeSaver, you will not be eligible for assistance.

DOCUMENT FAQs

I RECEIVED A 1098-MA TAX STATEMENT FROM NJHMFA. WHAT IS THIS DOCUMENT?

The 1098-MA provides you and the IRS with the dollar amount of financial assistance that your mortgage servicer received on your behalf from NJ Hardest Hit Fund programs (HomeSaver and/or HomeKeeper).

NOTE: NJHMFA does not provide tax advice to homeowners regarding benefit assistance. Please consult a tax professional regarding possible tax liability. Homeowners may obtain additional information from the IRS regarding their determination of tax liability for Hardest Hit Fund programs at <http://www.irs.gov/publications/p17/ch23.html>

I RECEIVED A PRIVACY NOTICE FROM NJHMFA. WHAT IS THIS DOCUMENT?

Under Regulation P of the Gramm-Leach-Bliley Act ("GLBA"), NJHMFA is required to provide our borrowers with initial and annual notices regarding our Agency's privacy practices.

CONTACT US

WHAT SHOULD I DO IF I HAVE ADDITIONAL QUESTIONS REGARDING THE PROGRAM?

Contact New Jersey HomeSaver at (855) 647-7700 or (609) 278-7660 or email njhomesaver@njhmfa.state.nj.us.

COUNSELING & RESOURCES

MY LOAN IS SCHEDULED FOR FORECLOSURE. WHAT SHOULD I DO?

Contact your mortgage servicer immediately to discuss your options. Ask to be considered for the federal government's Making Home Affordable Program (<http://www.makinghomeaffordable.gov>) or other available foreclosure prevention programs.

Another option is to contact one of the many HUD certified housing counseling agencies listed on the **Foreclosure Fast Facts** document available at <http://www.njhousing.gov/foreclosure>. These agencies may help you determine if you qualify for participation in other programs and can recommend a course of action based on your unique facts and circumstances.

I AM STRUGGLING TO MAKE MY MORTGAGE PAYMENTS AND I AM HAVING DIFFICULTY GETTING ASSISTANCE FROM MY SERVICER. WHAT SHOULD I DO?

If you are experiencing difficulty getting foreclosure prevention assistance from your mortgage servicer, we recommend that you contact a HUD certified housing counselor and request their assistance. A list of counseling agencies is available on the **Foreclosure Fast Facts** document available at <http://www.njhousing.gov/foreclosure>. These agencies may help you determine if you qualify for participation in other programs and can recommend a course of action based on your unique facts and circumstances.

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PAYOFFS, SUBORDINATIONS, SHORT SALE AND DEED-IN-LIEU APPROVALS

WILL NJHMFA SUBORDINATE THEIR HOMESAVER OR HOMEKEEPER LIEN SO THAT I CAN REFINANCE MY PROPERTY?

Yes. NJHMFA will subordinate our HomeSaver/HomeKeeper lien to ensure homeowners are able to refinance their property. However, this only applies to a situation where the homeowner has the opportunity for a rate and/or term refinance. Please be advised that NJHMFA may not subordinate if the refinance transaction includes any cash out. Subordination requirements may differ amongst the many programs administered by NJHMFA.

WHAT SHOULD I DO IF I NEED A PAYOFF STATEMENT, SUBORDINATION AGREEMENT OR DEED-IN-LIEU APPROVAL?

If you need a payoff statement, subordination or deed-in-lieu approval please contact our office at (855) 647-7700 or (609) 278-7660 or email njhomesaver@njhmfa.state.nj.us.