



The Treasury department estimates that 2.9 million defaulted loans and homes may be HAFAs (Home Affordable Foreclosure Alternatives) eligible. Loan Servicers and Investors covering more than 90% of U.S. home loans are signed up for the program! HAFAs is the only program that offers sellers debt forgiveness and \$3,000 standard relocation support. Certified HAFAs Specialists are real estate professionals who have chosen to specialize in Treasury's Home Affordable Foreclosure Alternatives program by completing CAR's HAFAs course.

If you can't afford your mortgage payment and it's time for you to transition to more affordable housing, the Home Affordable Foreclosure Alternatives (HAFAs) program is designed for you. HAFAs provides two options for transitioning out of your mortgage: a short sale or a Deed-in-Lieu (DIL) of foreclosure. In a short sale, the mortgage company lets you sell your house for an amount that falls "short" of the amount you still owe. In a DIL, the mortgage company lets you give the title back, transferring ownership back to them.

In either case, HAFAs offers benefits that make the transition as favorable as possible:

- You can get free advice from HUD-approved housing counselors and licensed real estate professionals.
- Unlike conventional short sales, a HAFAs short sale completely releases you from your mortgage debt after selling the property. This means you will no longer be responsible for the amount that falls "short" of the amount you still owe. The deficiency is guaranteed to be waived by the servicer.
- In a HAFAs short sale, your mortgage company works with you to determine an acceptable sale price.
- HAFAs has a less negative effect on your credit score than foreclosure or conventional short sales.
- When you close, HAFAs provides \$3,000 in relocation assistance.

You may be eligible for HAFAs if you meet all of the following criteria:

- You live in the home or have lived there within the last 12 months.
- You have a documented financial hardship.
- You have not purchased a new house within the last 12 months.
- Your first mortgage is less than \$729,750.
- You obtained your mortgage on or before January 1, 2009.
- You must not have been convicted within the last 10 years of felony larceny, theft, fraud, forgery, money laundering or tax evasion in connection with a mortgage or real estate transaction.

****Eligibility criteria are for guidance only. Contact your mortgage servicer to see if you qualify for HAFAs.***