

Loan Refinancing Assistance Pilot Project

The Loan Refinancing Assistance Pilot Project (LRAPP) program is now available in Coos, Curry and Douglas County starting December 2nd, 2015. The program is specifically designed for homeowners who have suffered financial hardship and have substantial negative equity in their homes, but could afford a payment at the current value of their home. It aims to help more than 300 homeowners in these counties to avoid foreclosure through innovative strategy in which their home is purchased through a short sale and resold to them at its current value.

The LRAPP program is highly reliant on investor participation. Those investors that will not be participating in the program will be identified during the application process.

Short sale offers are contingent on the approval of servicers and investors and prequalification for the LRAPP program does not guarantee that offers will be approved. They do have to go through short sale process but homeowners are not obligated to accept purchase offer.

To access the program application, please complete the eligibility questionnaire below. There are limited opportunities for the LRAPP program, with program slots opened at noon on the first business day of the month.

OHSI anticipates opening 50 application slots every two weeks for eligible homeowners in those counties.

Homeowners who may qualify for LRAPP include:

- Homeowners with significant negative equity in their homes
- Homeowners who may be behind on their mortgage payments
- Homeowners who could afford their mortgage at the amount their home is currently worth
- Homeowners whose incomes are at or below 150 percent of the state's median income
- Homeowners cannot own other residential properties
- Homeowner's first mortgage cannot be a HELOC. However, 2nd mortgage can be HELOC.

Fannie Mae, Freddie Mac and FHA are participating in program.

LRAPP settles additional liens on property.

There are no out of pocket fees (12% of Value is added to balance for fees). They are looking at the payoff amount (unpaid principal balance and arrearage). UPB needs to drop at least 10%. They are looking at home value assessed through a Current Market Analysis. Looks at County Assessed Value, Zillow.com and local realtor's BPO. Maximum they can do is 90% of payoff amount.

Look at CMA, add 12% for fees to balance. 30 year loan at 6% fixed rate. Calculate possible payment for client.

All prequalified applications are subject to available funding at the time of closing or December 31, 2016 (the program close date). Participants are not guaranteed funding upon submitting an application. U.S. Treasury is expected to approve this program change on November 24, 2015.

Can email applications to Erik Selk directly.

Questions? Contact homeowner.help@oregon.gov.