

# HOME AFFORDABILITY AND STABILITY PLAN (HASP)

On February 18, 2009, the Homeowner Affordability and Stability Plan (HASP) was announced by President Obama, and details of the plan were released on March 4, 2009. HASP provides homeowners with new access to refinancing and loan modification options. The plan represents a \$75 billion homeowner stability initiative designed to help 7 to 9 million families restructure or refinance their home mortgages to avoid foreclosure. What is unique about the financial stability plan is that it is designed to help not only those struggling to keep their homes, but also those who want to refinance, but cannot because the value of their home has fallen below what they owe. As a result, HASP features two programs: the Home Affordable Refinance Program (HARP) and the Home Affordable Modification Program (HMP).

## Home Affordable Refinance Program (HARP)

The goal of HARP is to help borrowers who are current on their mortgage loan to refinance to better mortgage rates. The program targets homeowners who have remained current on their mortgage payments, but are unable to take advantage of lower interest rates due to loan-to-value increases associated with the decline in their property value.

## Home Affordable Modification Program (HMP)

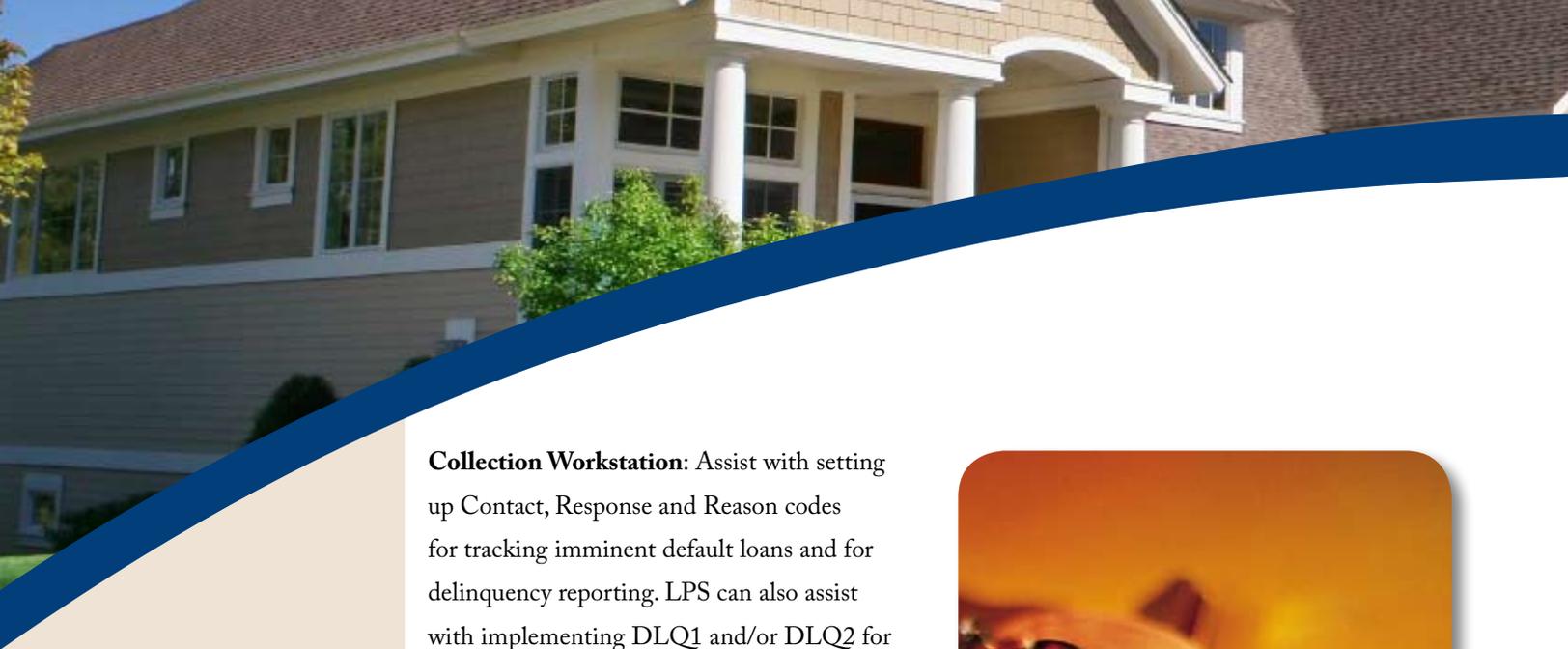
The goal of HMP is to help troubled borrowers who face hardship and have defaulted or are at imminent risk of default, as well as to help stabilize communities. The program reduces mortgage payments for homeowners, provides for a trial period during which the borrower must make three monthly payments (four payments if the loan is at risk of imminent default) before the modification becomes permanent, and includes incentives for servicers and borrowers to participate and succeed.

## How LPS Can Assist

LPS offers training, mentoring, consulting and implementation support on the following topics:

**HASP Program Guidelines (including QA and Compliance):** Provide a review of the HMP and HARP eligibility guidelines; review business considerations by each functional area of servicing; review general considerations for compliance, monitoring, reporting, documentation storage and incentives; discuss where LPS services can provide assistance to an overall implementation plan; and review services available for assisting in executing on your plans and needs.





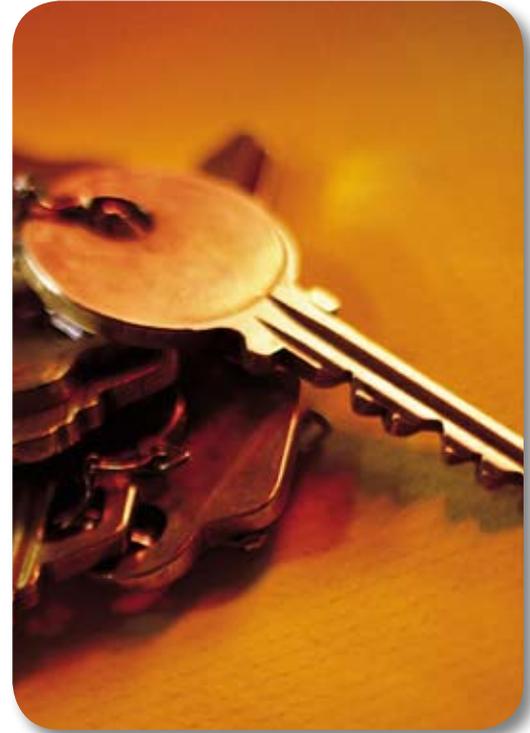
**Collection Workstation:** Assist with setting up Contact, Response and Reason codes for tracking imminent default loans and for delinquency reporting. LPS can also assist with implementing DLQ1 and/or DLQ2 for tracking trial period payment activity.

**Loss Mitigation Workstation (including Sample Templates):** Assist with implementing the Loss Mitigation Workstation, including setting up loss mitigation steps and templates specific to the HMP.

**Default Reporting Workstation:** Assist with ensuring that the system is set up correctly to report the appropriate status codes to Fannie Mae and Freddie Mac during the HMP trial period and once the borrower successfully completes the trial period. LPS can also assist with understanding IP2138 - MI Delinquency Reporting for loans where a principal forbearance has been performed.

**Loan Modification Workstation:** Assist with implementing IP2139 - Loan Modification Screens, which created two new loan-level modification history screens.

**System Updates Required when Modifying a Loan:** LPS offers a Modification training class that covers system updates required when a modification is performed.



**MSP Information Tracking:** Assist with implementing the Task Tracking Workstation if it is currently not being utilized. For clients that are utilizing the Task Tracking Workstation, LPS can assist with setting up new tasks specific to HASP.

**Loan Maintenance Workstation:** Assist with identifying and updating the necessary MSP fields related to HASP.

**Escrow Analysis Workstation:** Assist with tracking the short spread amount for five years. This includes utilizing the Proforma function for producing initial escrow results for the modification.



**Mortgage Insurance Workstation:** Assist with the auto termination process for PMI when there are extended terms, premature cancellations and notifications to MI Companies.

**Investor Reporting and Cash:** Once Fannie Mae and Freddie Mac reporting requirements are defined, LPS can assist with implementing the new requirements. LPS can also assist clients with the application of funds and the modification-related transactions necessary for capitalization.

**Director and Director Scripting (Including the Mod Negotiator Script):** Assist with setting up and implementing Director scripts to walk representatives through screening borrowers for eligibility, obtaining financial information and calculating the appropriate workout. LPS can also assist with establishing Director Loan Indicators for identifying loans in HASP.

**Passport:** Assist with developing Passport queries to identify loans eligible for HASP and to identify loans as part of the solicitation process.

**Documenting Processes and Procedures:**

LPS has resources available to work with clients to document policies and procedures that will need to be in place for HASP compliance.

**Staff Augmentation:** LPS recognizes that, with the new HASP guidelines, clients may need access to industry and MSP knowledgeable staff to play a key role within your organization. LPS has resources available to augment your staffing needs.

**Analysis of Purchase Servicing Agreements**

**(PSAs):** Assist in reviewing Purchase Servicing Agreements (PSAs) for private investors to see if participation HASP is allowed.

**Implementation Management (Including an Implementation Project Plan):**

LPS has resources available to assist clients with implementing HASP. LPS has also created a project plan to assist with the steps needed to implement HASP. The project plan represents a starting point for you as you work through the details pertinent to your organization's participation in the program.



## How LPS Delivers Training, Mentoring, Consulting and Implementation Support

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LPS understands that in the current economy clients want different options when requesting assistance. Therefore, LPS is offering the following options to assist you:

**Webinar:** LPS offers Webinars on the following topics related to HASP: The Impact of HASP to Your Servicing Organization, Director User Overview, Task Tracking in Director, and Customer Service/Escrow Loan Maintenance. LPS is also looking at developing additional Webinars specific to HASP.

**Phone Support:** LPS offers phone support to assist clients with specific questions related to HASP.

**Onsite Support:** LPS offers onsite support to assist clients with implementing HASP. LPS also offers onsite training and consulting/mentoring to assist clients with understanding and using the MSP system efficiently in regards to HASP.

**Instructional DVDs:** LPS offers a Loss Mitigation Workstation step and template set up instructional DVD. LPS is also looking at developing additional Instructional DVD's specific to HASP.

**Printed Training Material:** LPS has developed matrices that identify the department or function impacted by HASP, the change your Organization may need to implement, and the process or resolution for implementing the change. LPS also offers MSP Workstation and Productivity Tools Training guides for clients who may need to implement a particular workstation or train new staff on a workstation.

**PowerCell Web Site:** LPS has added a section under "In the Spotlight" on the PowerCell Web site that includes a question and answer document and information that is updated weekly on both the refinance and modification programs. This information can assist your organization when implementing HASP.

### Partnering for your Success

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LPS is working closely with Fannie Mae and Freddie Mac to understand the new HASP guidelines. This will allow LPS to better assist servicers in HASP compliance and best practices. Contact your Account Director today to leverage LPS' powerful technology and expertise in your HASP efforts.



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