

The following information was published in the Detroit Free Press, Thursday, March 5, 2009:

What you should do ...

IF YOU OWE MORE THAN YOUR HOME IS WORTH:

You could qualify for refinancing into a low-interest loan through Fannie Mae or Freddie Mac if they already own or back your home loan.

Many people don't even know if Fannie or Freddie hold their loans, so call the company that sends you your statement each month and ask. You also can go directly to Fannie and Freddie's Web sites (www.fanniemae.com and www.freddie.com), which have inquiry boxes where you can fill in your information and find out if they have your loan. Or you can call them: 800-732-6643 for Fannie and 800-373-3343 for Freddie.

Remember though, the refinancing will be available only to people whose outstanding loan amounts are 105% of the current value of the home. (For example, on a home with a current market value of \$100,000, you could owe up to \$105,000.)

If you qualify, call the company that sends you the monthly statement and tell it you're interested in the Home Affordable Refinance application process.

IF YOU'RE INTERESTED IN A LOAN MODIFICATION:

Start by answering these questions:

- Is the property your primary residence?
- Is the amount you owe on your first mortgage equal to or less than \$729,750?
- Are you having trouble paying your mortgage?
- Did you get your current mortgage before Jan. 1, 2009?

If you can answer yes to all of those questions, you may be eligible for help under the Making Home Affordable Program, which encourages lenders and loan servicers -- through incentives -- to bring down the borrower's total monthly home cost (mortgage, taxes and insurance) to no more than 31% of the borrower's income.

If you think you qualify, gather as much information as you can about income -- including pay stubs, your most recent tax return, account balances and minimum payments on credit cards and loans, etc. Then contact the company that sends your monthly mortgage statement, asking to be considered for a Home Affordable Modification.

For more information, go to www.financialstability.gov