



## Mortgage help programs available for FHA borrowers

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By **LESLIE BERKMAN**  
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The FHA on Friday informed the lending industry that starting immediately they can use the agency's mortgage modification and forbearance programs to assist FHA borrowers facing hardship before they miss a mortgage payment.

While the federal government and lending industry for two years have urged those at risk of falling behind on their mortgages to contact their loan servicers, many borrowers complain that their loan servicers tell them that they must be seriously delinquent before they can get help.

The FHA said in its efforts to reduce its mortgage losses by averting foreclosures, it is putting a new focus on borrowers who are current or less than 30 days past due on their mortgage but experiencing a significant loss of income or other hardship.

"This is a positive step for the FHA and hopefully will have an effect on the whole industry," said Kevin Stein, associate director of the California Reinvestment Coalition.

Stein said FHA-insured mortgages were not widespread during the housing boom of a few years ago when most of today's distressed loans were made. However, he noted that FHA mortgages have become significant recently, especially for first-time buyers purchasing bank-owned properties.

Melinda Opperman, senior vice president of community outreach for Springboard, a consumer credit counseling agency, said borrowers forced into default in an attempt to save their homes have marred their credit. The loss of credit in turn can make it difficult for them to buy a car or retain employment in industries that require a security clearance.

*Reach Leslie Berkman at 951-368-9324 or [lberkman@PE.com](mailto:lberkman@PE.com)*

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