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Q&A: Will foreclosure-prevention measures affect me?

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The Obama administration plans to announce Friday that it is revamping its foreclosure-prevention efforts. Here is how the changes may affect you:

*Q*What will this program do for unemployed borrowers?

Lenders who participate in the government's foreclosure-prevention program, known as Making Home Affordable, will be required to slash many unemployed borrowers' payments for at least three months and up to six. But this will not help all unemployed borrowers. Homeowners must show that they are receiving unemployment insurance to qualify and have a loan that originated before Jan. 1, 2009. Also, the program is limited to homeowners who have not missed more than three payments.

I owe more on my mortgage than my home is worth. Is there going to be help for me?

Yes. The Federal Housing Administration is playing a key role in helping people who are "underwater" refinance into more affordable loans backed by the agency.

Are there any restrictions on who will be allowed into this program?

Yes. Borrowers must be on time with their payments to be eligible. Also, qualifying borrowers can refinance into a more affordable FHA loan only if the lender or investor who owns their existing mortgage agrees to reduce the amount owed on that loan by at least 10 percent. Lenders may decide it is in their economic interest to do so or not.

I have a second mortgage. Will that complicate my chances of refinancing into an FHA loan under this program?

The FHA will allow the refinancing of the first mortgage only. If there is a second mortgage, the two loans combined cannot exceed the current value of the home by more than 15 percent once the first loan is refinanced.

Will refinancing into an FHA loan this way hurt my credit score?

Probably. It is likely to hurt your credit score because the total balance of the loan was not paid off.

I am underwater on a mortgage but have become delinquent on the payments. Will there be any help for me?

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Maybe. The government effort also includes paying lenders if they lower underwater borrowers' loan balances under the Making Home Affordable loan-modification program. Lenders will have some flexibility on whether to grant principal forgiveness, so it is not likely to be done across the board. Also, borrowers must owe at least 15 percent more than their home is worth to qualify.

I have already been given a modification under the government program. Is it too late for me to get a principal reduction?

No. If you are still current on payments when this new program kicks in, lenders will be required to retroactively consider reducing the mortgage balance by the same amount that would have been forgiven under the new approach.

Where can I go to find out more about this?

Call your lender or the company that services your loan. You may be able to read more about the effort Friday on the government Web site MakingHomeAffordable.gov. But don't expect to get many answers immediately. It is expected to take until the fall for the all of the changes encompassed in the government's initiatives be put in place.

Will this plan require new taxpayer funding?

No. The initiatives will be funded out of the \$50 billion in bailout money that was set aside to deal with foreclosure prevention, administration officials said.

-- Dina ElBoghdady and Renae Merle

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