

Fannie Mae Flex Modification Fact Sheet

Fannie Mae has combined the features of the Fannie Mae Home Affordable Modification Program (HAMP), Standard Modification, and Streamlined Modification into the Fannie Mae Flex Modification program, offering Servicers an easier, flexible way of helping more borrowers qualify for a loan modification in a changing housing environment. The Fannie Mae Flex Modification replaced HAMP and the Standard and Streamlined Modification programs with a single modification program that leverages the lessons learned from the housing crisis.

NOTE: *This fact sheet provides a preliminary, high-level overview of the program. Please read the Servicing Guide D2-3.2-06, Fannie Mae Flex Modification and F-1-28, Processing a Fannie Mae Flex Modification for complete requirements.*

Program Highlights

The Flex Modification leverages components of HAMP, the Fannie Mae Standard and Streamlined Modifications. Highlights include:

- The Fannie Mae Flex Modification can be applied to all mortgage loan delinquencies, and to mortgage loans that are determined to be in imminent default in accordance with the *Servicing Guide*.
- The program will offer additional payment relief allowing forbearance of principal to an 80% mark-to-market loan-to-value ratio (MTMLTV) for eligible borrowers (not to exceed 30% of the unpaid principal balance) in two ways:
 - For borrowers less than 90 days delinquent, the program requires a complete loss mitigation application and targets a 20% payment reduction and 40% housing expense-to-income ratio.
 - For borrowers 90 or more days delinquent, the program targets a 20% payment reduction and requires no borrower documentation.