

Post-Modification Counseling for Your Borrowers

As a mortgage servicer, help borrowers make the most of their loan modification with this Fannie Mae-sponsored program — at no cost to you or the borrowers.



Financial counseling

The Post-Modification Counseling program includes **two in-depth counseling sessions** by phone with a HUD-certified housing counselor, as well as up to **10 financial education check-ins over the next 12 months**. The sessions provide borrowers with information and support to help manage their finances.

Provide value to borrowers

Of the borrowers who responded to outreach in 2024, **94%¹ opted to participate in counseling**.

Help prevent foreclosures

Modifications where borrowers participate in at least one post-modification counseling engagement have an average of **14% higher performance rates²** when compared to loans where borrowers did not participate in Post-Modification Counseling.

1. Provided by Money Management International, a nonprofit agency specializing in debt, financial, and housing counseling services.
2. A loan is considered performing if it was Current, Paid-in-Full, Repurchased, or included in a Reperforming Loan sale at the end of a six-month performance window. Average performance rates may vary.

Servicer requirements

The process for servicers is quick and simple:

1. Agree to participate in the program.
2. Provide high-level overview of program and benefits to eligible borrowers.
3. Using Fannie Mae's Servicing Solutions system, provide required contact information for eligible borrowers.

Contact your servicing account manager for more information.

What's included

Session 1

The first session is a comprehensive review of the borrower's financial situation, which may include:

- Current debt payment obligations
- Escrow education and review
- Review and discussion of credit report and score
- Creation of a budget to support financial stability
- Personalized financial action plan

Session 2

The optional follow-up session includes education on maintaining housing finances and achieving long-term goals like:

- Planning expenses related to home maintenance
- Establishing adequate emergency savings
- Saving for the future
- Repayment of unsecured debts

Up to 10 financial education check-ins over the next 12 months.

Success story

After falling behind on their mortgage payments — due to cutbacks at work and an unexpected car failure — Brett and Lisa³ received a loan modification. The servicer of their Fannie Mae-backed loan referred them to our Post-Modification Counseling. They explained to the counselor that, even with the modification, finances were tight. Together, they identified small budget changes they could make right away. Later, Brett and Lisa saved money by downsizing from two cars to one and found new, better-paying jobs. A year after starting the program, they had saved up enough to cover six months of mortgage payments and were back on the right track.

3. Information provided by Money Management International. Names have been changed.

