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The Administration's New "Making Home Affordable" Program

On March 4, 2009 the Obama Administration announced the Making Home Affordable program, encompassing the new U.S. Department of Treasury guidelines to enable servicers to begin modifications of eligible mortgages under the home-owner Affordability and Stability Plan.

Stewart Announces End-to-End Solution For Services

Stewart Lender Services, a wholly owned subsidiary of Stewart Title Company, announced in March, 2009 the release of a suite of specialized services designed to assist mortgage servicers with loan modifications and refinances in compliance with the new Treasury guidelines for the Making home Affordable Program.

"The new Making Home Affordable program provides financial incentives to lenders to help mitigate their losses from the epidemic of home foreclosures," said Jason Nadeau, president and CEO of Stewart Lender Services. "Lenders are now incentivized to proactively reach out to troubled homeowners to modify or refinance their loan and lower their monthly payments to keep them from defaulting. But keeping pace with the millions of loans projected to go into default in the next several years is daunting at best."

Stewart is one of the first to develop an end-to-end solution, which includes decisioning software based on a lender's profile of loans and loan products. The solution includes direct outreach to borrowers who are more than 30 days delinquent on their mortgage payments, and analysis to determine their eligibility for a specific loan modification or refinance program.

"One of the major challenges is contacting troubled borrowers, many of whom have stopped answering their phone and opening their mail."

Once communication with the borrower is established and their specific circumstances ascertained, Stewart collects their financial data and determines their qualifications for a specific modified loan product. Stewart handles all document preparation, title insurance, notary-based or electronic closings and centralized funding.

"Stewart's approach to assisting its lender customers is to tailor solutions to meet the needs of individual servicers and their particular loan programs," said Nadeau. "Through the use of scalable and customized solutions, servicers will be able to meet the aggressive demands of the new government programs."