

# VALERI SPECIAL ANNOUNCEMENT

Friday, April 22, 2011

## HOMEOWNERS ASSISTANCE PROGRAM VA LOAN GUARANTY SUMMARY

The Homeowners Assistance Program (HAP) authorizes the Department of Defense (DoD) to provide assistance to eligible military and civilian homeowners by reducing their losses incident to the disposal of their homes when the military installation at which they were employed or serving is ordered to close in whole or in part. DoD has the sole responsibility of determining the eligibility of homeowners under HAP.

### ASSISTANCE TYPES

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Under HAP, the DoD may offer assistance to veterans, servicemembers and other Federal employees affected by a base closure in three ways.

1) **FORECLOSURE**

DoD may compensate eligible applicants for qualified foreclosure costs. The benefit may also be used to restore VA eligibility after a foreclosure sale has been held; thus Loan Guaranty may be asked to provide the amount of a claim payment that VA has issued.

2) **PRIVATE SALE**

DoD may compensate eligible applicants for losses on a private sale *after closing*. The amount of reimbursement is the difference between the appraised value of the property *prior* to the announcement date, and the greater of the value of property or the sales price *at the time of sale*. The formula used to calculate benefits for this program is: **90% of the original purchase price, minus the sale price, plus closing costs = benefit payment.**

**PRIVATE SALE AUGMENTATION**

If an eligible applicant does not have sufficient funds to close, the Government may compensate the applicant for losses on a private sale by bringing the necessary funds to the closing table. The calculation of this benefit payment amount is the same as above; the difference is that funds are disbursed *at closing*.

3) **GOVERNMENT ACQUISITION**

This option is designed for applicants who are "upside down" on their mortgage. An eligible applicant may elect to sell the property to the Government, provided mortgage payments and other homeownership costs (taxes, HOA dues, etc) are current. It is estimated that the closing will take 3-4 months once the applicant's file is complete and all documentation of the sale is provided to the HAP. The acquisition payment for this program is: **75% of the purchase price or the mortgage payoff, whichever is greater.**

### MORE INFORMATION

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DoD provides additional information on their HAP website at [hap.usace.army.mil](http://hap.usace.army.mil). To locate a regional HAP office, go to [hap.usace.army.mil/contact](http://hap.usace.army.mil/contact) or call 1-800-861-8144.