

Unemployed Homeowners Benefits Extended

The Obama Administration announced on July 7 that the forbearance period for unemployed homeowners will be extended in two federal programs. Starting on August 1, the Federal Housing Administration's (FHA) Special Forbearance Program will now offer an extended forbearance period for qualified borrowers from four to 12 months. The Making Home Affordable Unemployment Program will provide an extended minimum forbearance period for eligible homeowners from three months to 12 months, when possible. The programs will expire on August 1, 2013.

"Today, 60% of the unemployed have been out of work for more than three months and 45% have been out of work for more than six. Providing the option for a year of forbearance will give struggling homeowners a substantially greater chance of finding employment before they lose their home," HUD Secretary Shaun Donovan said in a press release.