



What is a mortgage modification?

A mortgage loan modification is any change to the original terms of a loan.

A loan modification is different from refinancing. Refinancing entails replacing your loan with a new mortgage, whereas a loan modification changes the terms of your existing loan.

If you're struggling to make your monthly mortgage payments or have fallen behind, you may be at risk of losing your home. Depending on the circumstances, you may be eligible for a loan modification, which can make it easier to stay on top of mortgage payments and avoid foreclosure. Mortgage modification ultimately results in lower monthly payments for the homeowner.

Who qualifies for a loan modification?

Not everyone struggling to make a mortgage payment can qualify for a loan modification. Homeowners typically either must be delinquent for about 60 days, or they must be in imminent default, meaning they're not delinquent yet, but there's a high probability they will be.

Homeowners usually must also demonstrate they've incurred a hardship. This could be the loss of a job, loss of a spouse, a disability or an illness that has affected your ability to repay your mortgage on your original loan terms.

Types of loan modification programs.

Some lenders and servicers offer their own loan modification programs, and the changes they make to your terms may be either temporary or permanent.

"Most servicing companies have programs designed to help borrowers who may be struggling to make their payments, driven by some of the hard lessons the industry learned during the housing collapse.

If your servicer doesn't have a program of its own, ask if you are eligible for any of the assistance programs that can help you modify or even refinance your mortgage.

The federal [Home Affordable Refinance Program](#), or HARP, helps underwater homeowners refinance into a more affordable mortgage. **This program is available until Dec. 31, 2018.**

Fannie Mae and Freddie Mac have a new foreclosure-prevention program, called the Flex Modification program, which goes into effect Oct. 1, 2017. If your mortgage is owned or guaranteed by either Fannie or Freddie, you may be eligible for this new program.

Get the Facts. [Talk to your mortgage servicer first](#) and see if Modification is right for you.