

CENTRAL ILLINOIS ORGANIZING PROJECT

Comparison of the CIOP and Obama Foreclosure Plans February 18, 2008

Below are the five primary components of the CIOP Foreclosure Prevention Policy and the counterparts of these components in the Obama Plan.

CIOP Foreclosure Plan	Obama Plan
1. Mandatory participation of workouts by Lenders and Servicers	1. Plan is mandatory for lenders and servicers who receive TARP money. It is “voluntary” for those who didn’t although the guidelines will be “standard” throughout the entire mortgage industry.
2. Principal modification of underwater homes to no more than 95% of the home’s current assessed value. <ul style="list-style-type: none"> a. Available regardless of who the holder of the loan is. 	2. Borrowers with underwater homes with loan to value ratios between 80% and 105% will be eligible for refinance (refinance was previously restricted to LTV of less than 80%) <ul style="list-style-type: none"> a. Available on Fannie to Fannie and Freddie to Freddie loans <i>only</i>
3. Modification of loan to no more than 31% of borrower’s monthly income. (SAME)	3. Modification of loan to no more than 31% of borrower’s monthly income. (SAME)
4. Judicial modification of loans on primary residences available in cases of bankruptcy (SAME)	4. Judicial modification of loans on primary residences available in cases of bankruptcy (SAME)
5. Modification of the Community Reinvestment Act to require all lending institutions to comply.	5. Not addressed in this plan but White House invited ongoing conversations regarding CRA modifications.