

# Loan Modification with State Contribution Process

Commonly referred to as the P Program



Louisiana  
Homeowner  
Assistance Fund



1.

## APPLICATION REVIEW PROCESS

Application will go through the eligibility review process and if applicant is over the \$50,000 cap, or indicates they cannot afford their payment moving forward, the application is flagged.

(30+ DAYS)



2.

## LENDER REQUEST

Case Manager corresponds with applicant regarding the P Program. If applicant agrees to participate, the program will then send a request to the applicant's lender to enter process for a loan modification for them.



3.

## VALIDATION RECORD

Lender reviews loan and investor requirements to determine whether or not an applicant is eligible for a loan modification.

(30-45 DAYS)



4.

## TRIAL PAYMENTS

Once the lender and applicant agree to a loan modification plan, the program guarantees its contribution of up to \$50,000. Applicants will then sign the final loan modification paperwork. Please note, depending on investor requirements, applicants may be required to make trial payments over the next 60 – 90 days before the loan modification can be finalized.

(30-120 DAYS)



5.

## LENDER NOTIFIES PROGRAM

After the trial payments are completed and the paperwork is signed, the lender will notify the program, upon which time the file is submitted for payment processing.



6.

## FUNDING TRANSFERRED

Finally, the funding is transferred to the applicant's lender.

*Note: it may take several days for your lender to post the payment to your account.*

(7-14 DAYS)

The timeliness for the program to remit our contribution is based on coordination between the applicant and their lender. Applicants and lenders must engage in discussion about options and finalize a loan modification agreement before the program is able to remit payment.



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The program is funded through the U.S. Treasury Department and administered by the Louisiana Office of Community Development.