

A composite image featuring the dome of the United States Capitol in the foreground. Superimposed over the dome is a large, slightly blurred image of a US dollar bill, with the 'ONE' and 'DOLLAR' text and the portrait of George Washington visible. The sky above the dome is a dramatic, cloudy orange and yellow.

PARTIAL CLAIM

Government-Backed Solutions

HUD | VA | USDA



SAFE HARBOR SOLUTIONS



PARTIAL CLAIMS & GOVERNMENT RELIEF PROGRAMS

Your Guide to Federal Foreclosure Prevention Solutions

Presented by *Safe Harbor Solutions - Legacy Holdings of Georgia, LLC*

WHAT ARE PARTIAL CLAIMS?

Partial claims are federally-backed, interest-free loans that help homeowners avoid foreclosure by bringing their mortgage payments current. These programs are offered by three major government agencies and can provide immediate relief without requiring refinancing or loan modification.

Key Benefits:

-  **Zero Interest** - No interest charged on the assistance amount
-  **No Monthly Payments** - Repayment deferred until home sale or refinancing
-  **Keep Your Home** - Avoid foreclosure while maintaining homeownership
-  **Preserve Credit** - Stop negative credit reporting from continued delinquency
-  **Fast Processing** - Government-backed programs with streamlined approval

FHA/HUD PARTIAL CLAIMS PROGRAM

Program Overview

The FHA Partial Claims Program helps homeowners with FHA-insured mortgages who are behind on payments due to temporary financial hardship.

How It Works

- **HUD pays your lender** the amount needed to bring your loan current
- **Creates a subordinate lien** on your property (second mortgage to HUD)
- **No monthly payments required** until you sell, refinance, or pay off your first mortgage
- **0% interest rate** - completely interest-free

Eligibility Requirements

-  **FHA-insured mortgage** with valid case number
-  **At least 4 months delinquent** (120+ days behind)
-  **Owner-occupied primary residence**
-  **Financial hardship documentation** required
-  **Ability to resume regular payments** going forward

Maximum Amount Available

- **Standard Maximum:** Up to **30% of unpaid principal balance**
- **Recent Enhancement:** Some borrowers may qualify for higher amounts under new programs

NEW: FHA Payment Supplement Program (2024)

- **Combines partial claim with monthly payment reduction**
- **3-year payment relief** through Monthly Principal Reduction (MoPR)
- **Available through April 30, 2025**
- **\$1,750 servicer incentive** for successful completion

VA PARTIAL CLAIMS PROGRAM (NEW LAW - 2025)

Historic Development

President Trump signed HR 1815 (VA Home Loan Program Reform Act) into law on July 30, 2025, creating a permanent partial claims program for veterans.

Program Features

- **Moves missed payments to end of loan term** - no immediate repayment required
- **Available for 5 years** from enactment (expires July 2030)
- **Replaces discontinued VASP program** that left 60,000-80,000 veterans at risk
- **Subordinate lien structure** similar to FHA program

Eligibility Requirements

- ✓ **VA-guaranteed home loan** with certificate number
- ✓ **Primary residence** requirement
- ✓ **Default or imminent default** status
- ✓ **Financial hardship** documentation
- ✓ **Completion of loss mitigation waterfall** required

Maximum Amounts

- **Standard Rate:** Up to **25% of unpaid principal balance**
- **COVID-Era Enhanced:** Up to **30% of unpaid principal balance** (*for delinquencies between March 1, 2020 - May 1, 2025*)

Key Restrictions

- **One partial claim per loan** (unless within 120 days of presidential disaster declaration)
- **Must complete VA's mandatory loss mitigation sequence** first
- **Cannot be structured as advance on new guaranteed loan**

VA Loss Mitigation Waterfall

1. **Repayment Plans**
2. **Loan Modifications**
3. **Partial Claims (NEW)**
4. **Compromise Sales (Short Sales)**
5. **Deed-in-Lieu of Foreclosure**

USDA MORTGAGE RECOVERY ADVANCE (MRA)

Program Overview

The USDA Rural Development Mortgage Recovery Advance assists borrowers in rural areas with USDA-guaranteed loans.

Recent Simplifications (2025)

- **Eliminated subordinate lien requirement** - no recording fees or notary costs
- **Streamlined documentation** - simple promissory agreement instead of second mortgage
- **Expanded eligibility** with ratio waiver removing 31% and 55% payment limitations

How MRA Works

- **USDA advances funds** to cure delinquency and reduce principal
- **Non-interest bearing** recoverable servicing advance
- **Repayment due** only when first mortgage is paid off or property sold
- **Multiple advances allowed** up to cumulative 30% limit

Eligibility Requirements

- ✓ **USDA Single Family Housing Guaranteed Loan**
- ✓ **Rural area property** per USDA definitions
- ✓ **Primary residence** occupancy
- ✓ **Documented financial hardship**
- ✓ **Payment reduction needed** to maintain affordability

Maximum Amounts

- **Standard Maximum:** Up to **30% of unpaid principal balance** as of initial default date
- **Multiple MRAs allowed** as long as cumulative amount stays within 30% limit
- **No subordinate lien** required under new 2025 rules

NEW: Payment Supplement Account (PSA) Demonstration

- **3-year payment relief program** (effective July 24, 2024)
- **Funded by MRA** with segregated account for monthly supplements
- **Reduces principal portion** of monthly payment temporarily
- **Below-market interest rate** borrowers with documented hardship

PROGRAM COMPARISON CHART

| Feature | FHA Partial Claim | VA Partial Claim | USDA MRA |
|------------------------|--------------------|-------------------|----------------------|
| Maximum Amount | 30% of balance | 25-30% of balance | 30% of balance |
| Interest Rate | 0% | 0% | 0% |
| Repayment | At sale/refinance | At loan maturity | At sale/payoff |
| Multiple Claims | Limited | One per loan* | Yes, up to 30% total |
| Lien Type | Subordinate to HUD | Subordinate to VA | No lien (2025 rules) |
| Processing Time | 60-90 days | TBD (new program) | 45-60 days |

*Exception for disaster-related delinquencies within 120 days

CHOOSING THE RIGHT PROGRAM

Determine Your Loan Type

1. **Check your mortgage documents** for loan type designation
2. **Look for case/certificate numbers:**
 - FHA Case Number (Format: XXX-XXXXXXX)
 - VA Certificate Number
 - USDA Loan Number

Assessment Factors

- **Current delinquency amount** and duration
- **Ability to resume regular payments** going forward
- **Property location** (rural vs urban for USDA)
- **Military service status** for VA benefits
- **Timeline urgency** and foreclosure date

Professional Assistance Benefits

- **Eligibility verification** across all programs
- **Documentation preparation** and submission
- **Servicer coordination** and follow-up
- **Appeals process** if initially denied

- **Alternative options** if partial claim unavailable

IMMEDIATE ACTION STEPS

If You're Behind on Payments:

1. Contact Your Servicer Immediately

- Request loss mitigation department
- Ask specifically about partial claim options
- Document all conversations

2. Gather Required Documentation

- Hardship letter explaining circumstances
- Income verification (pay stubs, tax returns)
- Bank statements and expense documentation
- Loan documents and payment history

3. Professional Consultation

- **Safe Harbor Solutions specializes** in government partial claim programs
- **Free initial assessment** of eligibility across all programs
- **Complete application assistance** and servicer coordination

GET HELP TODAY

Safe Harbor Solutions

Legacy Holdings of Georgia, LLC

Specializing in Government Foreclosure Prevention Programs

- **FHA Partial Claims & Payment Supplements**
- **VA Partial Claims (New 2025 Program)**
- **USDA Mortgage Recovery Advances**
- **Complete Loss Mitigation Services**
- **Temporary Restraining Orders (TRO)**
- **Mortgage Audit & Legal Defense**

Why Choose Professional Assistance?

- **Government Program Expertise** - Current on all federal requirements
- **Multi-Program Analysis** - Find best option for your situation
- **Servicer Relations** - Established contacts for faster processing
- **Documentation Support** - Ensure complete, accurate submissions

- **Follow-Through** - Track applications to approval
- **Backup Options** - Alternative strategies if denied

TIME IS CRITICAL

Foreclosure timelines are accelerating in 2025. Don't wait until the last minute to explore your options. Partial claims and government relief programs can provide the breathing room you need to stabilize your situation and keep your home.

Remember:

- **These programs have limited timeframes** - COVID-era enhancements expire September 30, 2025
- **VA Partial Claims are brand new** - take advantage while servicers are implementing
- **USDA simplified rules** make approval easier than ever
- **Professional guidance increases success rates** significantly

This brochure provides general information about federal foreclosure prevention programs. Individual circumstances vary, and professional consultation is recommended to determine the best strategy for your specific situation. Safe Harbor Solutions is not a law firm and does not provide legal advice.

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