



# 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*






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### 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
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### 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
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## **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**
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## 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
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## 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
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## 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
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## **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
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*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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