



Fannie Extends Deadline on Closing Costs Offer

Fannie Mae is extending a special offer that provides closing costs assistance for homebuyers purchasing a foreclosed property from their inventory, in response to strong demand for the program.

Homebuyers purchasing one of Fannie Mae's HomePath properties will continue to be eligible for closing cost assistance of up to 3.5 percent of the purchase price, provided they make a formal offer on the property by the end of April. The program was originally due to expire March 31.

Limited to owner-occupants, public entities

Buyers must close on the property by June 30, extended from the original deadline of May 31. The incentive is limited to buyers purchasing a home for their own use as an owner-occupant and to public entity buyers.

"We have received a strong response from the incentive since it went into effect on February 14, and we are happy to extend the offer to even more homebuyers," said Jay Ryan, Freddie Mac's vice president of REO sales. "With the unusually cold and extended winter season ending, we want to give people more opportunity to use the incentive to buy properties that they will call home."

The special offer is available in 27 states. To be eligible, a purchaser must make an offer on a HomePath property during what Fannie Mae calls its FirstLook period, the first 20 days the property is listed on the market and is available to owner-occupants and public entities only, without competition from investors.

Can be used to buy discount points

The 3.5 percent can be used not only for basic closing costs but also may be used in some situations to pay for discount points to reduce the purchaser's mortgage rate.

Available properties can be viewed on the HomePath web site at www.HomePath.com. Eligible properties are indicated with an icon showing how many days are left in the FirstLook period. More information on the program is available there as well, including a list of states in which the program is offered.