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## New mortgage plan in place for IndyMac borrowers

Home owners that have borrowed from IndyMac Federal Bank and are currently in a financial snag will soon be able to exchange their current mortgage plan for fixed-rate mortgages according to a new plan from federal regulators. The federal government apprehended IndyMac last month after becoming the most prevalent regulated thrift to fail.

The Federal Deposit Insurance Corp. announced Wednesday that most IndyMac borrowers who are considerably behind or in default on their mortgages, and are able to provide adequate documentation on their financial situation will be permitted to switch into loans with a capped interest rate of about 6.5 percent.

The FDIC's plan is designed to help those in the midst of troubled mortgages that have reset at higher rates. Most of the borrowers in such a predicament are those that have what are called Alt-A loans, which are typically offered to borrowers with solid credit but little proof of their incomes, or small or no down payments. The bank is also trying to assist borrowers who may recently be unable to make their payments due to a change in their income and ability to pay.

Sheila Bair, FDIC Chairman, said in a statement on Wednesday "Our goal is to get the greatest recovery possible on loans in default or in danger of default, while helping troubled borrowers remain in their homes. I believe we achieve that with this framework."

Bair has been encouraging mortgage lenders and firms who service mortgages to follow the FDIC's lead and develop all-inclusive plans for modifying unaffordable loans, rather than doing so on a loan-by-loan basis.