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Government foreclosure plan drops 90,000 applicants

According to data released Friday approximately 90,000 distressed homeowners lost mortgage aid from the federal government's foreclosure prevention initiative. The Treasury Department anticipates that many more will continue to lose aid. The report indicates that many of these borrowers did not turn in the required documents proving they're eligible for the program. Others either made too much money or too little.

The program, launched a year ago, has come under heavy criticism and scrutiny which has forced the Obama administration to loosen requirements for applicants. Data indicates that 1 million people have received modifications to their monthly mortgage payments. Only half of those 1 million have moved into a permanent mortgage modification program.

Hope Now, an alliance of mortgage lenders, is attempting to help homeowners continue in their modification plans. Executive director Faith Schwartz has said they will monitor closely those situations and is hopeful that many of them can be moved to non-governmental solutions but admits some will still lose their homes.