

**San Francisco Chronicle**



Subscribe to the weekend  
Save 40%

Lower your costs with Schwab ETFs.™

- Lowest operating expenses in their respective Lipper categories¹.
- Trade Schwab Exchange Traded Funds online commission-free in your Schwab account².

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges, and expenses.

Read important disclosures

charlesschwab

OPEN AN ACCOUNT

**SFGate**

Friday Dec 14, 2012 11:37 AM PT

51 °F San Francisco, CA (change)

Overcast

Today  
43/55

Sat.  
45/54

➤ 5 Day Forecast ➤ Traffic

Q sfgate.com Web Search by YAHOO! Businesses

Sign In | Register

Home News Sports Business Entertainment Food Living Travel Columns Shopping Cars Jobs Real Estate Index

WEEKLY AD

Technology Markets Real Estate Mortgage Rates Home Guides Public Notices Press Releases Sponsored Content

## Banks make unsolicited refinance offers

Kathleen Pender

Published 4:17 pm, Friday, August 17, 2012

3

29

0

Tweet

Like

Share

Comments (0)

Email This

Larger | Smaller

Font

Printable Version

Tina Khorram was surprised - and suspicious - when she got a FedEx package from Chase about two weeks ago saying she was preapproved for a modification on her home loan.

Khorram had been trying in vain since 2007 to get her loan on a condo in the Playa Vista neighborhood of Los Angeles modified or refinanced. She even paid an outside company \$2,000 to help her, most

of which was refunded when she was unsuccessful.

Now here was an unsolicited offer to reduce her rate from 6 to 4.5 percent and extend the term to 40 years. All she had to do was sign the enclosed paperwork and return it by Aug. 22. There were no fees or other documentation required.

The letter carried the Chase logo but sounded like a lot of other junk mail she has received over the years. "Don't miss this one-time chance to lower your interest rate and make your payments more affordable," it said. "Send in your signed agreements today!"

Thinking the offer sounded too good to be true, Khorram showed it to a family friend who is an attorney. "She said it looks pretty legitimate," Khorram says.

In fact, the letter is part of a "new approach" Chase is trying with certain customers, "some of whom are current and have never called for help," says Chase spokeswoman Amy Bonitatibus.

Instead of waiting for customers to apply and then requiring reams of paperwork, it is sending preapproved, streamlined refinance and modification offers to select borrowers in a FedEx package.

### No fees charged

"If the only thing we are changing is the interest rate, they don't have to sign anything," Bonitatibus says. "If we change any of the terms," such as changing the due date or switching from an adjustable rate to a fixed rate, then they have to sign and return the enclosed paperwork but don't have to provide anything else. In no case is a fee required.

People cannot apply for this program, they can only be selected by Chase. It is only for first mortgages that Chase services and holds in its portfolio. Loans owned by Fannie Mae or Freddie Mac or held in a mortgage-backed security do not qualify.

Borrowers generally will be considered for a refinance if the balance on their first mortgage exceeds their home's value, they have not missed a payment in the past 12 months, have no bankruptcies or prior modifications in the past 24 months, and have an interest rate

Photo Galleries Displaying 1-3 of 40



'On the Road' premiere



Connected shootings



Lowriders riding high

REPLAY

VIEW

COMMERCIAL

TRUCK SEASON

GET UP TO \$1,500 IN ON THE JOB™ INCENTIVES¹

PLUS NATIONAL RETAIL INCENTIVES

SEE OUR INCENTIVES

LEGAL

Bloomberg

WATCH AGAIN or SHARE

WONDER BREW

Bloomberg Morning

Bloomberg After the Bell

Guide

Business

Bloomberg

Bloomberg

Select a topic:

Bloomberg Midday Report

Bloomberg Morning

Bloomberg After the Bell

1-3 OF 5

### From Around the Web

Blackberry 10 Makes iPhone Browser 'Look like an Antique' (Techvibes)

FBI Warns about World's Most Dangerous Places to Use Wi-Fi (LAPTOP Magazine)

Water Fees Drown Vegas Bar (Fox Business)

[7]

Most Read | Most Commented | Most Emailed

1. Official: 27 dead in Conn. school shooting

greater than 5.25 percent.

Borrowers will be considered for a trial modification, which in most cases includes a principal reduction, if they are seriously delinquent and have not responded to or qualified for other types of solicitations or assistance including the government's Home Affordable Modification Program. Customers will be reviewed for Hamp before being solicited for this program.

Chase is one of five banks that agreed in March to provide refinancing, principal modifications and other forms of borrower relief under a settlement they reached with federal regulators and state attorneys general, who had charged them with mortgage-servicing abuses.

Each bank has a quota to fill in each category within three years. For example, Chase must provide \$537 million in refinances and almost \$3.7 billion in principal reductions, modifications and other forms of relief. There are incentives for banks to complete modifications within the first year.

Chase will get credit toward its quota for any streamlined refinances or modifications it does under the new program. It expects to make "tens of thousands" of them, Bonitatibus said. It also will get credit for modifications it makes outside the new program.

The settlement required banks to solicit customers who may be eligible for assistance but did not require them to send preapproved offers.

#### The Death of the PC

The days of paying for costly software upgrades are numbered. The PC will soon be obsolete. And *BusinessWeek* reports 70% of Americans are already using the technology that will replace it. Merrill Lynch calls it "a \$160 billion tsunami." Computing giants including IBM, Yahoo!, and Amazon are racing to be the first to cash in on this PC-killing revolution. Yet, a small group of little-known companies have a huge head start. Get the full details on these companies, and the technology that is destroying the PC, in a free video from The Motley Fool. Enter your email address below to view this stunning video.

Enter email address...

[Click here for details](#)

[Privacy / Legal Information](#)

1 | 2 Next »

[Printable Version](#) ☒ [Email This](#) [Like](#) [Tweet](#) 3 [0](#) [Share](#)

#### From Around the Web [\[What's this?\]](#)

The Next iPhone Could Deal A Crushing Blow To Samsung's Android (redOrbit)  
One-Skillet Spicy Chicken and Rice: A New Family Favorite (Hunt's)  
Which Tire Company Is Bringing Business Back Home? (GoldmanSachs)  
Parents Beware: 11 Dangerous Teenage Trends All Parents... (Parent Society)  
10 Ways the Government Watches You (Tech News Daily)  
Fantasy Picks & Chicks Week 15 (MTV)

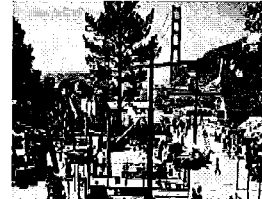
#### We Recommend

Man killed, police dog shot in CA SWAT standoff  
Woman recounts story of being held hostage in attic  
Is this the best mall Santa photo ever?  
Mother charged with child cruelty after abandoning newborn  
Steve Young weighs in on Kaepernick-Smith  
Giants discouraging waterfront arena

2. Source: 29 dead, including 22 children in Newtown shooting
3. Romantic rendezvous while faking injury leads to jail time
4. 415 area code near full; 628 on the way
5. Calif. judge says victims' body can prevent rape
6. 'The Hobbit' review: Chore of the Rings
7. Luxury loft in Pacific Heights Queen Anne

#### Today's Deal

**\$10 - Bay Area Discovery Museum Adventure for 2, Reg. \$22**



SALE ENDS IN  
12h:33m:46s  
PRICE  
**\$10**



Subscribe to the San Francisco Chronicle and receive access to the Chronicle for iPad App and a gift:

- ☐ Sunday + a \$15 gift card
- ☐ Fri-Sun + a \$15 gift card
- ☐ Mon-Sun + a \$25 gift card

Select an offer



#### Add Your Comment

##### New to the site?

To use commenting, you need to sign up.

[Register](#)

##### Already a member?

Please log in. [\(Forgot Password?\)](#)

Username

Password

☐ Remember Me

[Sign In](#)

#### Inside SFGate

Displaying 1-4 of 12 [«](#) [»](#)



'The Hobbit': Chore of the Rings



Yerba Buena's got cool new bike racks



Space tourism poses challenges on health



2012-13 College football bowl schedule

#### Ads by Yahoo!

##### **Mortgage Rates Hit 2.50%**

White House Program Cuts Up to \$1k off Monthly Payments!  
[www.MortgageRatesExperts.com](http://www.MortgageRatesExperts.com)

##### **mortgage modification**

Tips for Improving Loss Mitigation Lower your Costs.  
[www.varolli.com](http://www.varolli.com)

##### **Mortgage Rates Hit 2.50**

If you owe under \$729k yo for 2.90% APR Govt  
[www.Refinance.LowerMyBills.com](http://www.Refinance.LowerMyBills.com)

[Home](#) [News](#) [Sports](#) [Business](#) [Entertainment](#) [Food](#) [Living](#) [Travel](#) [Shopping](#) [Find Bay Area Jobs](#) [Real Estate](#) [Cars](#) [Site Index](#)

**Company Info:** [Contact Us](#) [Hearst](#) [Privacy Policy](#) [Your California Privacy Rights](#) [Terms & Conditions](#) [Work for Us](#) [Chron In Education](#) [Events & Promotions](#) [Submissions](#)

**Advertising Services:** [Advertise with us](#) [Place a Classified](#) [About Our Ads](#) [Public Notices](#) [Local Businesses: Business Directory](#)

**Reader Services:** [Home Delivery](#) [Subscribers](#) [iPad](#) [E-Edition](#) [Mobile](#) [RSS Feeds](#) [Newsletters](#) [Feedback](#) [FAQ](#) [Corrections](#) [Get Us](#)

**Local Services:** [Air Conditioning Contractors](#) [Car Dealerships](#) [Cleaning Services](#) [Family Doctors](#) [Furniture Stores](#) [Injury Attorneys](#) [Local Restaurants](#) [New Car Dealers](#) [Real Estate Agents](#) [Real Estate Attorneys](#)

© 2012 Hearst Communications Inc.

**HEARST** newspapers