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Plan unveiled to help homeowners facing foreclosure.

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Feds, lenders to offer broader plan to help with foreclosures

STORY HIGHLIGHTS

- Source says Treasury, HUD secretaries will announce the proposal Tuesday
Plan said to involve major lenders who agreed to widen efforts to help borrowers
Project Lifeline will allow overdue homeowners to suspend foreclosures for 30 days
Plan builds on progress begun by the administration's Hope Now Alliance

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From Scott Spoerry CNN

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WASHINGTON (CNN) -- The Bush administration will announce an expanded plan Tuesday for lenders to help homeowners by temporarily suspending foreclosures for people facing the imminent loss of a home, a source familiar with the plan said Monday.



A new proposal is aimed at delinquent homeowners whose mortgages are 90 days or more past due.

Secretary of the Treasury Henry Paulson and Secretary Alphonso Jackson of the Department of Housing and Urban Development will announce the proposal, the source said.

The plan involves major lenders who have agreed to widen their effort to help borrowers, according to the source, who spoke anonymously because the plan has not been officially announced.

The plan, called Project Lifeline, will allow overdue homeowners to suspend foreclosures for 30 days while they try to work out more affordable terms with lenders.

Watch who will be helped by the new plan

It's not clear how many homeowners will be covered under the plan, but the proposal is aimed at delinquent homeowners whose mortgages are

90 days or more past due.

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The plan initially will involve six of the largest mortgage lenders -- Bank of America Corp., Citigroup Inc., Countrywide Financial Corp., JPMorgan Chase & Co., Washington Mutual Inc. and Wells Fargo & Co.

See which states have most foreclosures

The plan builds on progress begun by the administration's Hope Now Alliance, which includes lenders, investors and nonprofits.

Hope Now was announced late last year and involves freezing the interest rates of borrowers with adjustable rate mortgages.

The program announced last week it had helped about 545,000 subprime borrowers and 324,000 prime borrowers in the second half of 2007.

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Hope Now set up several criteria that homeowners had to meet to be eligible for help; the new Project Lifeline is open to anyone who is 90 days behind on mortgage payments.

The White House would not comment on the plan to be announced Tuesday. E-mail to a friend

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