



# Policy Intervention in Debt Renegotiation: Evidence from the Home Affordable Modification Program

Sumit Agarwal, Gene Amromin, Itzhak Ben-David, Souphala Chomsisengphet, Tomasz Piskorski, and Amit Seru

 Abstract Full Text More

## Abstract

We evaluate the effects of the 2009 Home Affordable Modification Program (HAMP) that provided intermediaries with sizable financial incentives to renegotiate mortgages. HAMP increased intensity of renegotiations and prevented a substantial number of foreclosures but reached just one-third of its targeted indebted households. This shortfall was in large part due to low renegotiation intensity of a few large intermediaries and was driven by intermediary-specific factors. Exploiting regional variation in the intensity of program implementation by intermediaries suggests that the program was associated with a lower rate of foreclosures, consumer debt delinquencies, house price declines, and an increase in durable spending.

[The University of Chicago](#)

[Accessibility](#)

[Open access at Chicago](#)

[Permissions](#)

[Statement of Publication Ethics](#)

[Diversity and Inclusion at the University of Chicago](#)

[Contact us](#)

[Terms and Conditions](#)

[Privacy Notice](#)

[Media and advertising requests](#)

