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Oregon to receive up to \$88 million to help prevent foreclosures and keep families in their homes

SALEM - The Obama Administration announced Monday that Oregon will receive as much as \$88 million to support innovative measures to help families stay in their homes or otherwise avoid foreclosure.

The first allocation of the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the "HFA Hardest Hit Fund"), announced in February of 2010, targeted five states (California, Arizona, Florida, Nevada and Michigan). This week's announcement will help five additional states (North Carolina, Ohio, Oregon, Rhode Island, and South Carolina) faced with high concentrations of people living in economically distressed areas - counties in which the unemployment rate exceeded 12 percent in 2009.

"We recognize that being among the 'hardest hit' states means that many Oregon families are struggling," said Victor Merced, director of Oregon Housing and Community Services. "Our goal is to distribute the resources equitably and responsibly to help Oregonians facing foreclosure through no fault of their own to remain in their homes."

The United States Treasury will allocate the "hardest hit" resources to the state housing finance agency: Oregon Housing and Community Services.

The U.S. Treasury has identified examples of the types of programs for which the funding could be used, including:

- * Mortgage modifications
- * Mortgage modifications with principal forbearance
- * Short sales/deeds-in-lieu of foreclosure
- * Principal reduction programs for borrowers with severe negative equity
- * Unemployment programs
- * Second lien reductions

The Treasury plans to release program guidelines by mid-April. OHCS will have six weeks to develop proposed uses for the funds and must have an approved plan with Treasury by October 2010.

In the first quarter 2010, Oregon's foreclosure rate stood at 3.3 percent, compared to 4.6 percent nationally. More than 20,000 mortgages were at some point in the foreclosure process at that time. More than 18,000 mortgages were at some point in the foreclosure process at the end of 2009.

"OHCS will work with the Department of Consumer and Business Services, the lending industry, and consumer advocates to identify the needs of Oregon families and to learn from the activities in other states that received the earlier funding," said Merced, noting that the first five states have yet to submit their proposals.

"This funding will be welcome news for many Oregon families who are facing foreclosure," said Cory Streisinger, DCBS director. "But for homeowners who are struggling to make their mortgage payments right now, don't wait – call a foreclosure counselor for free help, and beware of companies that say they can help you for a fee."

Oregonians facing foreclosure should call 1-800-SAFENET for referral to a nonprofit foreclosure counselor in their area. For more information and tips, go to <http://foreclosurehelp.oregon.gov>.

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Oregon Housing and Community Services is the state's housing finance agency and community services program administrator. The department provides financial and program support to create and preserve opportunities for quality, affordable housing serving Oregonians of lower and moderate income, and administers federal and state antipoverty, homelessness prevention and intervention, energy assistance and community service programs.

The OHCS mission is to "Provide leadership that enables Oregonians to gain housing, become self-sufficient and achieve prosperity." Click on <http://www.ohcs.oregon.gov>.

DCBS is Oregon's largest business regulatory and consumer protection agency. The department licenses mortgage lenders and enforces Oregon's mortgage lending laws, to ensure consumers are treated fairly. DCBS helps homeowners by providing information about avoiding mortgage fraud and connecting them with resources to help prevent foreclosure.