



Oregon
Theodore R. Kulongoski, Governor



Housing and Community Services

North Mall Office Building
725 Summer Street NE, Suite B
Salem, OR 97301-1266
(503) 986-2000

FAX (503) 986-2020

TTY (503) 986-2100

www.ohcs.oregon.gov



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Contact: Lisa Joyce, Policy and Communication Manager
503-986-0951, lisa.joyce@state.or.us

Oregon Housing Agency Submits \$88 million funding proposal to U.S. Treasury

(Salem) Oregon Housing and Community Services (OHCS) submitted a proposal for review to U.S. Treasury today that outlines its plan for disbursing \$88 million in foreclosure assistance funds.

One of five states to receive second round Hardest Hit funds through the Troubled Asset Relief Program (TARP), Oregon received notice in late March that it will receive \$88 million in foreclosure assistance funds because of its high rate of unemployment.

After holding a series of forums throughout the state to listen to homeowners' concerns, OHCS designed the Oregon Homeowner Stabilization Initiative, which comprises five programs designed to help people who are recently unemployed, underemployed or have lost a significant amount of income. (See full proposal at oregonhomeownerhelp.org)

“We want to keep homes affordable and prevent foreclosure for as many Oregonians for whom that is possible,” says Oregon Housing and Community Services Director Victor Merced. “It’s our goal to respond to areas most affected by the worst crisis.”

U.S. Treasury has promised a quick review of the initiative and funds are expected to be delivered to Oregon in October. OHCS will begin implementing the initiative by the end of the year.

Although Treasury identified 16 counties as “Hardest Hit,” state data reveals that 20 counties can be defined as “hardest hit” or “housing distressed”: Clackamas, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Grant, Harney, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Linn, Marion, Multnomah, Wallowa and Yamhill. OHCS will target 80 percent of the funds to these 20 counties, which are home to 73 percent of Oregon’s population. The remainder 20 percent of funds will be disseminated throughout the remaining 16 counties.

Summary of Programs

The five programs outlined in the initiative will work either as stand-alone options or in concert. Many recipients will use more than one. The first program, **Loan Modification Assistance**, will aim to help those homeowners who are on the verge of successfully modifying their existing mortgages but require a

small amount of additional financial resources to do so. The second program, **Mortgage Payment Assistance**, will help economically distressed homeowners pay their mortgages for up to one year. If these recipients regain employment or otherwise restore their financial footing, they can exit into a third program: **Loan Preservation Assistance**. Loan Preservation Assistance will provide financial resources the homeowner may need to modify a loan, pay arrearages, or clear other significant financial penalties. Should homeowners not regain employment during the period of Mortgage Payment Assistance they will have the opportunity to receive **Transitional Assistance**. In such cases, the program will provide resources to help homeowners move to affordable, likely rental, homes.

Finally, OHCS proposes to pilot a **Loan Refinancing Program** to address the needs of low- to moderate-income homeowners in counties experiencing dramatic declines in housing values. The department looks to partner with organizations that will purchase underwater home loans at discounted rates and then restructure and/or refinance the loan as an affordable mortgage..

Homeowners who need help with foreclosure mitigation assistance immediately are encouraged to call 1-800-SAFE NET.

For further information and to read the full proposal, see <http://www.oregonhomeownerhelp.org>

See U.S. Treasury Guidelines at <http://www.oregonhomewonerhelp.org>

FAQ (<http://www.oregonhomeownerhelp.org>)

For more information on OHCS, visit our website at www.ohcs.oregon.gov.