



Oregon
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FOR IMMEDIATE RELEASE

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Oregon Housing Agency Receives Approval for Foreclosure Prevention Programs

(Salem) The U.S. Department of Treasury approved Oregon's plans for four new foreclosure prevention programs today.

One of five states to receive second round Hardest Hit Funds, Oregon received notice in late March that it would receive \$88 million in funding for foreclosure prevention to help approximately 6,000 households across the state. Oregon Housing and Community Services submitted a proposal to Treasury in early June outlining programs it would create to responsibly distribute the funds to struggling Oregon homeowners.

"Today's approval will allow us to continue to move forward with a plan that will help thousands of Oregonian families struggling to keep their homes during this difficult economic time," said Governor Ted Kulongoski. "Our communities are stronger when families are together in their homes – and this program provides some security for those who are at risk of losing that."

OHCS will begin implementing the programs by the end of the year.

OHCS designed the Oregon Homeownership Stabilization Initiative to help people who have become recently unemployed, underemployed or have lost a significant amount of income in the current recession. Since submitting the program proposal in June, OHCS has worked with Treasury to clarify program details. (See final program descriptions at www.oregonhomeownerhelp.org)

The plan Treasury approved will dedicate 80 percent of the resources to counties most dramatically affected by the recession: Clackamas, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Grant, Harney, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Linn, Marion, Multnomah, Wallowa and Yamhill. These counties are home to 73 percent of Oregon's population. The remaining 16 counties will receive the balance of the foreclosure prevention dollars.

"We are very excited to have the opportunity to help people throughout the state remain in their homes," said OHCS Director Victor Merced. "We will spend the next few months partnering with lenders to ensure these programs succeed."

Summary of Programs

The four programs outlined in the initiative will work either as stand-alone options or in concert. Many recipients will use more than one:

- **Loan Modification Assistance** will help homeowners who are on the verge of successfully modifying their existing mortgages but require a small amount of additional financial resources to do so.
- **Mortgage Payment Assistance** will help economically distressed homeowners pay their mortgages for up to one year.
- **Loan Preservation Assistance** will provide financial resources that a homeowner may need to modify a loan, pay arrearages, or clear other significant financial penalties after a period of unemployment or loss of income.
- **Transitional Assistance** will help homeowners who do not regain employment during the period of Mortgage Payment Assistance with the resources needed to move to affordable, most likely rental, homes.

OHCS will continue to work with Treasury to create a fifth program that will provide additional assistance and options for Oregon residents hard hit by declining home values in Jackson and Deschutes counties.

Where to go for help

Homeowners who need help immediately should call 1-800-SAFE NET. (1-800-723-3638)

Any person who wants to receive updates about the state's foreclosure prevention activities can sign up for email alerts at http://o.hcs.state.or.us/eNews/signup_eneews.html or call 1-800-453-5511.

For further information and to read the full proposal, visit www.oregonhomeownerhelp.org.

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