

HIT HARD BY THE HOUSING CRISIS?



THINKSTOCK
IMAGE

Government may be able to help

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Q: I'm writing in reference to a recent column on foreclosure prevention programs. The program being referenced in the reader question is the N.C. Foreclosure Prevention Fund. The Fund is administered by the North Carolina Housing Finance Agency, a self-supporting state agency, using funds from the U.S. Department of the Treasury's Hardest Hit Fund.

While it's always a good idea for consumers to be wary when seeking foreclosure prevention help, we also need help reassuring home owners that real help is still available. A Google search of foreclosure prevention programs in North

Carolina from a state agency providing up to 36 months of assistance leads directly to information about our Agency and the program. We've worked hard to communicate our credibility to consumers because we know there are many scams out there and that consumers are often reluctant to seek help because of either suspicions about legitimacy of the program or their own embarrassment. Anything all of us can do to allay their fears brings us closer to helping them save their home.

Launched in 2010, the N.C. Foreclosure Prevention Fund helps North Carolina homeowners who are struggling to pay their mortgage due to job loss, reduction in income or a temporary financial hardship. Assistance up to \$36,000 for up to 36 months is provided for qualified homeowners while they look for work or complete

job training. The program also assists military veterans transitioning to civilian life. Assistance is provided as a zero-percent, deferred loan and homeowners who remain in their home for 10 years can have it forgiven (the loan is forgiven at a rate of 20 percent per year for years six through 10). The Fund has helped more than 22,000 homeowners save their homes.

While we can't comment on specific cases, the quitclaim deed would not have been signed over to our Agency, but would have been signed over to her husband. All facets of our program have to meet Treasury guidelines.

We wanted you to be aware of our program in case other questions come up in your column about it. Since it is syndicated, it's possible you may get questions from consumers in other states as

well. The Hardest Hit Fund provided funding to 18 states and the District of Columbia. Funding was awarded due to high unemployment rates and unprecedented home price declines during the recession. Extensive information about the program and the state programs can be found online. **A:** Thanks for giving us another chance to mention the Hardest Hit Fund. These programs have been a Godsend for many, but have not reached the full number of homeowners they could.

The housing crisis that began in 2007 led to unprecedented home price declines and sustained and higher unemployment in certain parts of the country, mostly on the west coast, and then in the middle of the country, from Michigan all the way down to Florida.

Families in these areas have been particularly hard hit by

the housing crisis and continue to struggle to make their monthly mortgage payments. While in many parts of the country, home prices have appreciated beyond where they were at the peak of the cycle, back in 2006 and 2007, some homeowners continue to deal with mortgages that are upside down, which makes them extremely difficult to refinance or sell.

In 2016, as a means to help these families who are still feeling the effects of the Great Recession, an additional \$2 billion was allocated to participating Hardest Hit Fund states to continue foreclosure prevention and neighborhood stabilization efforts, according to the Treasury Department.

The link you reference lists the states (plus Washington, D.C.) which offer the program, including Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, and Tennessee.

Each state's Housing Finance Agency (HFA) utilizes the funds in a slightly different way and has until 2020 to distribute all the funds allocated. If a homeowner is underwater with his or her mortgage, or is struggling to stay current on a mortgage, the homeowner should reach out to the state's HFA for information on qualifying for a Hardest Hit Fund loan.

Although you clearly recognize the particulars in the email we shared, there is once again a fair amount of mortgage fraud cropping up, and homeowners who aren't careful are vulnerable to losing their home.

If any homeowners feel as though they're unstable financially, and they're worried that they're in danger of losing their home, we suggest visiting the website. Or just go to Treasury.gov and then enter "hardest hit fund" into the search engine at the top right of the page. The first link will be the one cited above. From there, homeowners can locate the contact information for their state's HFA.