

State leaders promote foreclosure relief resources (The Dover Post/The State News)

Dover, Del. -

With home foreclosures on the rise state officials are making a serious effort to inform Delawareans of the resources and programs available to keep them from losing their homes.

Lt. Gov. John Carney hosted a Relief Pitchers forum at Delaware Technical & Community College's Terry Campus Dec. 12, where church and community leaders listened to presentations from the Delaware State Housing Authority and other agencies.

Officials highlighted state and federal programs that provide mortgage counseling, financial literacy workshops and even short-term, low-interest loans to help make delinquent mortgages current.

Carney said the forum, presented in cooperation with the Federal Home Loan Bank of Pittsburgh, was designed to provide community organizations with information they can pass on to those facing foreclosure or who are at risk of falling behind on their mortgages.

"It's important that we get the message to people that are in trouble before it goes too far," Carney said. "Foreclosures in Delaware in a normal year have been around 2,000. Last year we were up around about 4,000, and current trends are going to go beyond that in the years ahead."

Housing Authority Director Sandra Johnson said the first step to helping people avoid foreclosure is to defeat the stigma associated with debt and empower them to seek help.

"That is the biggest job right now, getting people to open up those envelopes, make that call to the banker," she said. "Because they're afraid, they're frozen."

Dover-based NCALL Research Inc. is one of a half-dozen non-profit organizations in Delaware that provide services to homebuyers in trouble.

NCALL Deputy Director Karen Speakman said her organization provides one-on-one counseling to families who have fallen behind or are in danger of falling behind on their mortgages.

"It's a free service, it's a confidential service and it's customized to the client," she said. "We are there to give tough love a lot of times. We listen to the family, we educate them on the default and foreclosure process, we assess their financial situation with them and we help them to prioritize their debts and review the options available to them."

Last year NCALL received 321 calls seeking help or advice and more than 100 clients came in for personal counseling.

Seventy-five percent of those cases were resolved favorably and only two clients went into foreclosure, Speakman said.

Johnson also discussed the Delaware Emergency Mortgage Assistance Program, which offers 12-month loans of up to \$15,000 to individuals who are behind on their mortgage payments by 90 days or more because of illness, disability, loss of employment or divorce.

The program is based on Pennsylvania legislation enacted in the early 1980s when the steel industry was collapsing and foreclosure rates soared in cities like Pittsburgh.

"We don't have legislation but we have a program," Johnson said. "It's for the emergency kinds of situations, we clearly understand that this program is not a panacea for all circumstances."

The program funnels qualified applicants through mortgage counselors like those at NCALL and has helped more than 125 families since it began two years ago, she added.

Sen. Tom Carper and Rep. Mike Castle also attended the forum to lend their support to the community outreach effort and explain some of the federal programs created to provide funding and grants to groups like NCALL.

"We've provided a whole lot of money to enable us to hire housing counselors not just in Delaware but across the country, tens of millions of dollars to hire people who will be at the other end of the phone when somebody is in distress," Carper said.

Carper also mentioned the Federal Housing Administration's Hope for Homeowners program, created by Congress in October to allow homeowners who hold unstable adjustable rate mortgages to swap them for more traditional FHA-approved ones.

"It's getting them out of exotic adjustable-rate mortgages and getting them into a plain vanilla 30-year FHA mortgage," Carper explained. "All the stakeholders take a haircut, but at the end of the day the person ends up with a mortgage they can afford and they can stay in the house."

Castle reiterated that, even though there are programs on the books to help those at risk of foreclosure, homeowners need to step up and be proactive.

"The single most important thing that anyone can do in this situation is call the mortgage company, to reach out to them or to reach out to one of the community groups," he said. "When somebody is in court and they're ready to go through the final foreclosure proceedings or the sheriff is at their house for the sale, then it's too late."

For more information about NCALL, visit www.ncall.org. To learn more about the Delaware Emergency Mortgage Assistance Program, visit www.destatehousing.com. For more details on the Hope for Homeowners program, visit www.fha.gov.

