



CATAWBA COUNTY

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FORECLOSURE PREVENTION PROGRAM TO HELP STRUGGLING HOMEOWNERS IN CATAWBA, OTHER COUNTIES

(Note: much of the content of this news release was adapted from a release from the North Carolina Housing Finance Agency.)

Since October 17, 2010, Catawba County has been part of a pilot program in 17 North Carolina counties, providing assistance to homeowners who are struggling to make their mortgage payments because of job loss or other temporary financial hardship.

The assistance will be available statewide beginning on Wednesday, December 1, 2010.

Catawba County has been part of a pilot Mortgage Payment Program for a new North Carolina Foreclosure Prevention Fund that the North Carolina Housing Finance Agency has developed using funding from the United States Department of the Treasury's "Hardest Hit Fund."

Homeowners will apply through participating local HUD-approved counseling agencies. Residents of Catawba, Alexander, Burke and Caldwell counties should call (828) 322-9191 ext. 268.

Informational meetings will be held monthly and those wishing to apply must attend one of the meetings. Call 828-322-9191 ext. 268 for more information on the dates for these meetings.

A video showing how the program works is available through Catawba County's YouTube site at <http://www.youtube.com/watch?v=R1GHOBIA7FU>

Other counties involved in the pilot were Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Davie, Forsyth, Iredell, Mitchell, Stokes, Surry, Watauga, Wilkes, Yadkin, and Yancey

"We expect that over the next three to five years the N.C. Foreclosure Prevention Fund will enable 21,000 North Carolina workers to keep their homes," said A. Robert Kucab, executive director of the N.C. Housing Finance Agency, in a release from that agency. "By reducing the number of foreclosure sales, the effort should help stabilize property values and communities across the state," he added.

Kucab said North Carolina was selected to receive the Treasury funds because of the large percentage of the population living in counties with high unemployment rates, and that additional assistance will be available in the 50 high unemployment counties.

Most of the funds will be used to make mortgage payments for unemployed workers while they seek jobs or complete job training in a new field. Others who, through no fault of their own, have gotten behind on their mortgage payments because of divorce, serious illness or other temporary financial hardship, will be eligible for assistance while they get back on their feet. To be eligible, homeowners must have a good mortgage payment history prior to the job loss or hardship.

The assistance will be provided as a zero-interest loan, up to \$36,000 or 36 months of mortgage-related payments in high unemployment counties, and up to \$24,000 or 24 months for the rest of the state. Homeowners will resume making their own mortgage payments at the end of the loan period.

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If the owner continues to live in the home for 10 years, the loan will be considered satisfied and no repayment will be due.

Two smaller programs will be available in 2011 to reduce mortgage payments to an affordable level for homeowners who are working at reduced wages. These will refinance a high-cost second mortgage (available in high unemployment counties only) or reduce mortgage principal through a loan modification. Both will be offered as loans, similar to those of the mortgage payment program.

For more information about program eligibility, consumers may also call an information line, 1-888-623-8631, or go to www.NCForeclosurePrevention.gov.

The United States Treasury's "Hardest Hit Fund" is authorized under the Emergency Economic Stabilization Act of 2008. It is available in 18 states and the District of Columbia, which have experienced high unemployment or a steep decline in property values. North Carolina was selected because of the large percentage of the population living in counties with high unemployment rates in 2009.

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