



DELAWARE STATE HOUSING AUTHORITY

# NEWS RELEASE

Anas Ben Addi, Director

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## **DSHA TO RECEIVE \$6M TO STOP FORECLOSURES**

Delaware State Housing Authority (DSHA) is pleased to announce that it has been chosen to receive \$6 million to combat foreclosures. The funds were made available through the U.S. Department of Housing & Urban Development (HUD) by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Emergency Homeowners Loan Program will offer a forgivable loan of up to \$50,000 to assist homeowners who are unemployed or under-employed with past due and future mortgage payments, including insurance and property taxes. Those homeowners facing foreclosure as a result of serious medical event may also qualify. DSHA was chosen to administer the program in Delaware based on its success with the Delaware Emergency Mortgage Assistance Program (DEMAP) and the Homeownership Grant Assistance Program (HGAP). DSHA will be working with HUD to examine the program options and develop next steps.

“It is welcome news that we can offer help to some distressed homeowners struggling to avoid foreclosure,” said Governor Jack Markell. “We are doing everything we can to help Delaware homeowners stay homeowners even when the economy has taken a toll on their income.”

“In the aftermath of the Great Recession, communities across Delaware, along with the rest of the nation, are continuing to struggle with the foreclosure crisis,” said Senator Carper. “The Emergency Homeowners Loan Program is a two-fold initiative to address this crisis by

avoiding preventable foreclosures and providing assistance to unemployed homeowners whose homes face foreclosure. This Housing and Urban Development funding will boost this successful Emergency Homeowners Loan Program, aiding Delaware families who have been unfairly burdened by the economic downturn and hopefully allowing them to keep their homes. Stabilizing our housing markets and helping families stay in their homes will help all Delawareans on the road to a full economic recovery.”

DSHA Director Anas Ben Addi added, “The timing of this announcement couldn’t be better since HGAP has expired with no additional funding available. Through DEMAP and HGAP, DSHA helped nearly 500 families avoid foreclosure. Our years of experience with assisting families in preventing foreclosure will be very valuable in helping us launch the program later this year.”

“The awarding of six million dollars to assist Delaware homeowners facing foreclosure is great news for the state and its citizens,” offered Secretary of Labor John J. McMahon, Jr. “The Department of Labor and its dedicated staff have worked tirelessly to provide both unemployment compensation and reemployment services to a record number of Delawareans throughout this recession. The Delaware Department of Labor looks forward to working with the Delaware State Housing Authority and Director Anas Ben Addi to help homeowners facing foreclosure on their homes due to unemployment and to assist in their return to employment.”

Joe Myer, Executive Director of NCALL, indicates the huge caseload of families facing foreclosure represents the worst housing crisis experienced in Delaware for decades. “NCALL’s Foreclosure Prevention Counselors welcome a new tool to assist households who have lost their jobs or are now earning substantially less. The loss of a home impacts families and children in so many ways, while disrupting their financial status often for the long-term. This program represents a sound remedy for the hardships many families are facing.”

The Emergency Homeowners Loan Program is slated to begin accepting applications by the end of this year. The plan is intended to help families with up to 24 months of mortgage payments. HUD’s current outline calls for no payment due on the loan for five years, so long as the property is maintained as the homeowner’s principal residence and the monthly payments on the first mortgage loan remain current. If the homeowner meets these two conditions, the balance on the loan will decline by twenty percent (20%) each year. At the end of five years, the loan will be forgiven. If the homeowner moves out of the home, sells or refinances the home, or

defaults on the mortgage during the five years, the homeowner must repay the balance of the loan.

Eligible homeowners must be at least 90 days delinquent on their mortgage, have a significant income reduction as a result of unemployment, underemployment or medical emergency and have a reasonable likelihood of being able to resume mortgage obligations, and be within income guidelines.

More details will need to be finalized prior to the program's launch by the end of this year.

For more information on mortgage and foreclosure assistance programs in Delaware, call DSHA at (888) 363-8808 or visit [www.DeForeclosureHelp.org](http://www.DeForeclosureHelp.org).

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