



Anas Ben Addi, Director

PRESS RELEASE

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STATE LAUNCHES NEW PROGRAM TO HELP HOMEOWNERS FACING FORECLOSURE

Governor Jack Markell joined President Judge James Vaughn, Jr. and members of the Mediation Program Steering Committee at New Castle County Courthouse to announce an Administrative Directive establishing the Residential Mortgage Foreclosure Mediation Program. The program provides a mechanism by which homeowners can elect to participate in a court mediation process - with their lender - to find mutually agreeable alternative to foreclosure action.

Governor Markell commented, "This program is the direct result of yet another great example of state agencies, legislators, attorneys, lenders, bankers, housing counselors, nonprofits, advocates, and other stakeholders coming together to find creative ways to help Delaware's families keep their homes. So many families facing foreclosure did everything right. They played by the rules, they worked hard, but fell victim to the national recession. Helping them stay in their homes is good for our economy and good for Delaware's families. Delaware is a state of neighbors. When we see a problem, we come together to solve it."

President Judge of the Superior Court, Judge Vaughn, remarked, "The residential mortgage foreclosure mediation program which has been adopted by the Court represents the work of both lenders and homeowners. With the assistance of housing counselors, the program gives homeowners an opportunity to negotiate an alternative to foreclosure, without affecting substantial rights of lenders."

Steering Committee Member and State Representative John Kowalko added, "This mediation program, crafted to offer hope and significant relief for an often overlooked yet most vulnerable segment of our society, could not have come to fruition without the dedication and persistence of a group of people who managed to compromise their diversity of self-interests and focus exclusively on their goal of helping those families most in need. This program, while not a panacea for the foreclosure crisis, will enable some families to salvage their hopes and dreams and continue to participate in the great American dream of home ownership and independence. I personally feel it was an honor and a privilege to work over the last nine months with such dedicated and compassionate community leaders whose singular goal was to help those who most needed help."

The Residential Mortgage Foreclosure Mediation Program gives homeowners that are behind on their mortgage payments an opportunity to meet with a U.S. Department of Housing and Urban Development (HUD)-certified housing counselor and request mediation with their lender under the guidance of Delaware Volunteer Legal Services. Homeowners will work with the housing counselor to prepare a good faith proposal under which they can reasonably sustain monthly mortgage payments, including taxes, interest, insurance and other fees. Providing the homeowner's proposal to the mortgage lenders and creating a connection between homeowner, housing counselor and lender before and during the mediation session will give all parties the best

chance to come to an agreement and avoid continuing the foreclosure process. This program is really about exchanging information and making connections to allow the best-case resolution to come to fruition.

Community Legal Aid Society, Inc. (CLASI) Executive Director Chris White said, “We are pleased that everyone came together, put their individual interests to one side and focused upon helping families losing their homes. We all recognized how important a home is to a family – especially the children and everyone worked tirelessly to develop a program that would help as many homeowners as possible. Our hope is now that as many people as possible will take advantage of this opportunity.”

“Historically, Delaware has averaged about 2,000 foreclosure filings each year. That number more than doubled to 4,500 in 2008. This year, the pace continues to grow and filings in Delaware are projected to exceed 6,000. This mediation program will be the first state-wide comprehensive tool designed to keep families in their homes and thereby stabilize our state’s economy.” noted Delaware State Housing Authority Director Anas Ben Addi.

The idea for the program in Delaware came when advocates from ACORN urged state legislators and President Judge Vaughn to take action to help families facing foreclosure. ACORN and CLASI organized the first steering committee meeting in October of 2008.

Homeowners facing foreclosure should look for the program information included with the notice of the foreclosure filing and should promptly schedule an appointment with a housing counselor by either calling the counseling agency directly or call the Attorney General’s Foreclosure Hotline at 800-220-5424 or visit www.DEForeclosureHelp.org. The notice of foreclosure will also include worksheets and a list of information the counselor will need to put together the good faith proposal. Homeowners should begin to collect their information and complete their worksheet as soon as they receive the notice.

For more information about programs available in Delaware to assist homeowners facing foreclosure, please visit www.DEForeclosureHelp.org, or call the Attorney General’s Foreclosure Hotline at 800-220-5424.

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