

Help is Available for Phoenix Homeowners

In 2007, Valley home sales slowed to half the rate of sales during the 2005 housing market boom. Housing listings reached record highs and prices dropped almost 10 percent as many homes sat vacant while builders and sellers cut prices to make deals. Sub-prime loans and adjustable-rate mortgages helped force foreclosures to their highest rate across the nation since 1990. As of Sept. 30, 2007, more than 24,000 loans in Arizona are either in foreclosure or are seriously delinquent; one in five subprime loans is predicted to end in foreclosure. Studies show that 50 percent of borrowers in foreclosure never called their lenders. As a primary step in avoiding foreclosure homeowners should contact their private mortgage lender and ask for the loss mitigation department.

There are several programs available for homeowners to choose from but owners are cautioned to beware of options that require them to pay money for services or sound too good to be true. Two options that homeowners should be aware of are:

- *FHASecure*, a refinancing option, gives credit-worthy homeowners who are now in default a *second chance* with a FHA insured loan product. To qualify for this program and include delinquent loan payments, homeowners must have a non-FHA insured ARM that has reset; sufficient income to make the mortgage payment; and a history of on-time mortgage payments before the loan reset. An FHA insured mortgage provides homeowners the opportunity to pay lower monthly mortgage payments. To apply, visit fha.gov or call 1-800-CALL-FHA (1-800-225-5342) for more information.
- *HOPE NOW* is a national alliance of lenders, investors and counselors that provide information and resources to homeowners to help them save their homes. Distressed homeowners may speak to a HUD-approved counselor in English or Spanish at 1-888-995-HOPE or visit hopenow.com for additional information. *HOPE NOW* has been able to assist 80 percent of their callers with a positive outcome. Lenders may be able to streamline the approval process for determining whether a borrower qualifies for a loan modification. In some cases, lenders may freeze the sub-prime "teaser" rate or move the owner to a fixed-rate mortgage.
- *Local Phoenix Housing Counseling Agencies* are also available to help explore options and guide homeowners through the maze of issues. These agencies include:

Arizona ACORN: 602-253-1111 or acornhousing.org

Chicanos Por La Causa: 602-253-0838 or cplc.org

Community Housing Resources of Arizona: 602-631-9780 or communityhousingresources.org

Neighborhood Housing Services of Phoenix: 602-258-1659 or nhsphoenix.org

Not every homeowner will qualify for a new loan; but the goal is to do everything possible to keep families in their homes. Take action today if you or someone you know needs help to avoid foreclosure.

It's good for homeowners, good for neighborhoods, and it's good for Phoenix.