

CAAs active in distributing Hardest Hit-Fund

Ohio has been awarded \$320 million from the U.S. Department of Treasury's Hardest-Hit Fund to help homeowners avoid foreclosure and Ohio's Community Action Agencies are among those at the front lines distributing this assistance to families.

The Ohio Housing Finance Agency (OHFA) will administer *Restoring Stability: A Save the Dream Ohio Initiative*, to help an estimated 26,000 families who are at high risk of default or foreclosure. These new resources will help people, especially unemployed homeowners, who haven't been able to use existing foreclosure prevention programs.

Ohio designed four programs to help homeowners who have a temporary or permanent reduction in income. Programs will include:

- **Rescue Payment Assistance Program** - will provide a payment to the mortgage lender to help delinquent borrowers become current on their first mortgage
- **Partial Mortgage Payment Assistance Program** - will provide up to 15 months of assistance for unemployed homeowners while they search for a job or participate in job training
- **Modification Assistance with Principal Reduction Program** - will provide an incentive payment matched by an investor to reduce the mortgage principal balance so a loan modification may be possible
- **Transition Assistance Program** - will provide an incentive payment to the mortgage lender and homeowner to assist with short sale or deed-in-lieu agreements to help homeowners exit their homes gracefully

To be eligible for assistance, homeowners must have incomes below 115 percent of the area median income; less than three months mortgage payments in liquid assets; an outstanding mortgage balance less than the Federal Housing Administration maximum loan limit; and a hardship due to involuntary loss or reduction in income, divorce, disability or illness resulting in a loss of income, or significant medical expenses. Homeowners who receive assistance or who sell or refinance their home within five years will be required to repay the assistance from any net proceeds.

Homeowners may begin submitting applications online or over the phone on September 27, 2010 through www.savethedream.ohio.gov and 1-888-404-4674. For faster service, homeowners are encouraged to visit the website to begin the registration process so their information may be immediately forwarded to a specialized housing counselor in their local area. All applicants will be referred to housing counseling agencies who will then work with homeowners throughout Ohio to help them qualify for assistance.

Participating Community Action Agencies include WSOS Community Action Commission; Community Action Commission of Belmont County; Community Action Commission of Fayette County; Northwest Ohio Community Action Commission and Community Action Partnership of the Greater Dayton Area. Many are working outside their typical service area. A list of the participating housing counseling agencies by county is posted on OHFA's website at www.ohiohome.org.

To participate in the program, mortgage servicers need to complete a simple enrollment package including contact information, preferred method of data transmission and deposit account information. For more information, mortgage servicers should contact HHFservicer@ohiohome.org. Ohio Homeowner Assistance, a subsidiary of Ohio Capital Corporation for Housing, is serving as the fiscal agent for the program.