



**U.S. Department of Housing & Urban  
Development**

Oregon State Office  
400 S.W. 6<sup>th</sup> Avenue, Suite 700  
Portland, Oregon 97204  
[www.hud.gov/oregon](http://www.hud.gov/oregon)

**Contact: Lee Jones**  
**(877)741-3281, extension 5356**  
[Leland.Jones@hud.gov](mailto:Leland.Jones@hud.gov)

---

**For Immediate Release:**  
**Thursday, January 15, 2009**

**Oregon News Update**

---

**HUD OKAYS OREGON'S \$19.6 MILLION  
NEIGHBORHOOD STABILIZATION PLAN  
TO ADDRESS COMMUNITIES HARD-HIT BY FORECLOSURE**

*Funding aimed at neighborhoods facing potential abandonment and blight*

WASHINGTON – U.S. Housing and Urban Development Secretary Steve Preston today approved a \$19,600,000 plan submitted by the State of Oregon to help its communities recover from the effects of high foreclosures and declining home values.

Funded under HUD's Neighborhood Stabilization Program, the Oregon Department of Housing and Community Services will shortly begin to target emergency assistance to particular neighborhoods by acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight. Details of the State's plan for using NSP funds can be found at [http://www.oregon.gov/OHCS/DO\\_HERA\\_Neighborhood\\_Stabilization.shtml](http://www.oregon.gov/OHCS/DO_HERA_Neighborhood_Stabilization.shtml)

"It is critical that we work closely with State and local governments to put this money to work as quickly as possible to help communities recover from the effects of foreclosure and declining property values," said Preston. "Stabilizing neighborhoods is what this program is all about. HUD will continue to work closely with these communities to make certain these funds are targeted to neighborhoods with the greatest needs."

HUD's *Neighborhood Stabilization Program* was created under the *Housing and Economic Recovery Act of 2008* and provides nearly \$4 billion to every State and certain local communities experiencing particularly high foreclosure problems and risk of property abandonment. The program permits these State and local governments to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values.

State and local governments can use their neighborhood stabilization grants to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer down payment and closing cost assistance to low- to moderate-income homebuyers

(household incomes not exceed 120 percent of area median income). In addition, these grantees can create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

The NSP also seeks to prevent future foreclosures by requiring housing counseling for families receiving homebuyer assistance. In addition, the Agency seeks to protect future homebuyers by requiring States and local grantees to ensure that new homebuyers under this program obtain a mortgage loan from a lender who agrees to comply with sound lending practices.

###

*HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov)*