



# NEWS

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## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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*FOR IMMEDIATE RELEASE*  
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### **State housing agency secures \$387,000 grant to help step up foreclosure prevention efforts**

(AUSTIN) — Determined to stem the tide of home foreclosures across the state and help bring stability to families, neighborhoods and local government finances, the Texas Department of Housing and Community Affairs (TDHCA) has announced that it has secured \$387,000 in federal grant funds through the National Foreclosure Mitigation Counseling (NFMC) Program.

TDHCA will use these funds to build on the foreclosure prevention counseling effort it launched late last year through the Texas Foreclosure Prevention Task Force. Through this initiative, the Department and its partners at the local level are working with Texas homeowners in or near a foreclosure to secure a repayment plan or other modifications to their mortgage loan.

“We must do all we can to stem the tide of foreclosures in our state,” said State Senator Royce West, chair of the Senate Intergovernmental Relations committee that monitors affordable housing programs in Texas. “Not only does it impact families, foreclosure undermines the very framework of our communities. This initiative by TDHCA is consistent with new federal efforts to provide direct aid to homeowners facing foreclosure.”

According to TDHCA Executive Director Michael Gerber, this award will help the Department’s partner organizations counsel an estimated 949 more families at the local level in 2009.

“Texans should know that their state housing agency is resolute to prevent foreclosures,” said Gerber. “TDHCA and its local partners will use this grant to empower more households to avoid foreclosure and achieve greater stability in their lives.”

Included among the counseling providers set to receive a share of the grant funds are the City of San Antonio; Credit Coalition, Houston; Frameworks Community Development Corporation, Austin; Gulf Coast Community Services Association, Houston; El Paso Action Program/Project BRAVO, El Paso; and the North Texas Housing Coalition, Dallas. The Department will jointly administer the program with the Texas State Affordable Housing Corporation.

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Those eligible to receive foreclosure intervention counseling must own and reside in one-unit, single-family properties with mortgages in default or in danger of default. Counseling will include a financial analysis of each client's situation, research to determine the current value of the client's home, and a review of available options, such as a restructuring of the mortgage loan.

Funds will be targeted to regions of the state with the greatest need, defined as areas experiencing a high rate of subprime lending, delinquent loans, and foreclosure starts. Approximately 88 percent of the program funds will be directed toward low income or minority homeowners or neighborhoods.

TDHCA, together with the national nonprofit organization NeighborWorks America and approximately 50 other government, industry and nonprofit stakeholder organizations, created the Texas Foreclosure Prevention Task Force in 2007 to help reduce the number of home foreclosures and their impact on Texas families and communities.

In addition to promoting the national Homeowner's HOPE foreclosure prevention hotline (1-888-995-HOPE), the Task Force is supporting local foreclosure prevention initiatives by raising funds to increase the capacity of those organizations working one-on-one with homeowners.

#### **About the Texas Department of Housing and Community Affairs**

*The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.*