

## **HUD News Round-Up Podcast**

**October 18, 2010**

### **Hispanic Heritage Month/Neighborhood Stabilization Program**

Hi, this is Letha Strothers and welcome to HUD News Round-up. Today during Hispanic Heritage Month we're talking about how local organizations are using HUD's Neighborhood Stabilization Program to stabilize Hispanic communities.

This podcast is produced by the U.S. Department of Housing and Urban Development. Find out more about this topic and other topics that affect your home and community at [www.hud.gov](http://www.hud.gov).

As we celebrate Hispanic Heritage Month and the contributions Hispanic Americans have made to our nation, HUD is looking at how the foreclosure crisis we face as a nation burdens our Hispanic and other minority communities—communities affected disproportionately by foreclosures. Between 2007 and 2009, more than 7 percent of Hispanic families went into foreclosure, compared with 4.5 percent of non-Hispanic white families. California, Florida, Arizona, Nevada, and New Jersey have some of the highest foreclosure rates and also contain nearly 50% of the U.S. Hispanic population.

In some areas, 15 years of equity gains disappeared in a matter of months. HUD's Neighborhood Stabilization Program, or NSP, has invested \$7 billion to help local governments and non-profit organizations turn tens of thousands of abandoned and foreclosed homes into the affordable housing communities need. Of the \$7 billion invested so far, 60% was invested in communities of color. While Congressional Hispanic Caucus districts make up 1% of congressional districts, they received 9.5% of NSP dollars.

Chicanos Por La Causa (CPLC) is leading a consortium made up of affordable housing developers who have an established local presence in their communities. These affordable housing developers are ideally suited for working in Hispanic neighborhoods, because they are known, trusted partners who can offer services and materials in Spanish and English. This puts their low- and moderate-income clients at ease and gives them sound advice and housing solutions.

Two of CPLC's consortium members are working in tandem to maximize the impact and efficiency of NSP in El Paso, Texas, located along the border region where incomes are comparatively low and unemployment is relatively high, especially among the large Hispanic population. Tierra del Sol Housing Development Corporation manages the acquisition and rehabilitation of foreclosed properties, while the El Paso Affordable Housing Credit Union Service Organization offers financial counseling, down payment assistance, and soft second mortgage assistance to borrowers. This financial support enables buyers to qualify for a pool of mortgage financing provided by member credit unions. This collaboration presents an innovative way to remove the barriers that lower-income borrowers often face in qualifying for loans. Because the lenders are often financing less than 80 percent of the total value (due to soft seconds) their risk is reduced.

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