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News Release

Residents facing foreclosure will benefit from \$3.1 million in funds for counseling *Federal grant expands Illinois' homeowner outreach*

CHICAGO – Counseling outreach efforts for struggling Illinois homeowners seeking to avert foreclosure will get a \$3.1 million boost. An Illinois network of 26 community and statewide organizations will use the much-needed money to put an estimated 7,000 homeowners in touch with experienced counselors. Illinois was awarded a national grant to strengthen its already existing foreclosure prevention counseling network.

The Illinois Housing Development Authority (IHDA), a state agency dedicated to creating and preserving affordable housing, secured the National Foreclosure Mitigation Counseling Program (NFMC) grant from federal funding in the Housing and Economic Recovery Act of 2008. The federal grants are distributed through NeighborWorks America, a non-profit organization based in Washington, D.C.

After a competitive application process, IHDA emerged with the fourth-largest grant award of 35 state housing finance agencies that bid for the opportunity to broaden help for homeowners in their communities.

“The NeighborWorks America grant will sustain and broaden a key component of the successful homeowner initiative already in place in Illinois. With a rising number of families facing foreclosure in Illinois, it is important that homeowners are aware of their options, and the National Foreclosure Mitigation Counseling Program enables IHDA to expand these effective counseling efforts,” said DeShana L. Forney, IHDA executive director.

Illinois' recent award is the second for the year from NeighborWorks America and will help serve nearly double the homeowners across the state, offering them sound financial advice in these challenging economic times. The \$3.1 million is expected to be available next spring, once activities under the first round of funding are completed.

More than 1,500 nonprofit counseling agencies and local NeighborWorks America organizations across the country are expected to participate in the National Foreclosure Mitigation Counseling Program. These organizations provide invaluable, free assistance to families at risk of losing their homes, guiding them through the complex foreclosure process and identifying possible courses of action to help them make informed decisions. An estimated 500,000 U.S. families

facing the loss of their homes due to foreclosure will be served as a result of the total \$177.5 million in this latest round of NeighborWorks grants.

Illinois earlier this year launched a comprehensive Homeowner's Assistance Initiative to help families deal with changing conditions in their mortgages. An important part of that initiative included the creation of a statewide network to counsel families at risk of losing their homes through foreclosure. Since February, at least 3,500 families have received counseling and mitigation assistance through the Illinois Homeowner Assistance Initiative and a national program extended to Illinois residents. Help is available through the national toll-free hotline 1-888-995-HOPE. More information about the Homeowner Assistance Initiative is available at www.ihda.org.

The counseling network available under the Homeowner Assistance Initiative is helping Illinoisans continue living in their communities. Take the story of Delia Cortes, a 56-year-old Chicago woman who lives with her husband Roberto. She received the help she needed from one of Illinois' valuable counseling partners. Cortes had fallen behind on the \$2,000 a month mortgage payment for her three-story building when health problems led to the loss of her job. She found information online about Chicago's Spanish Coalition for Housing, an IHDA counseling partner. Cortes called to make an appointment with a counselor. During that meeting, Cortes found out about a loan modification program through counseling efforts provided because of the state's Homeowner Assistance Initiative. Spanish Coalition for Housing was able to work with the lender to negotiate a lower mortgage payment. She made her first new payment in September, paying \$878 a month. Thanks to this loan modification, Cortes pays \$1,122 less a month on her mortgage. This extra money has helped her pay medical bills and afford the \$222 a month in home insurance costs.

"NeighborWorks America applauds Illinois' already comprehensive statewide plan to help families facing foreclosure. This latest grant award from the National Foreclosure Mitigation Counseling Program will help Illinois step up its efforts to meet the increasing demand for mortgage delinquency and foreclosure prevention counseling," said John Santner, North Central District Director, NeighborWorks America.

About the Illinois Housing Development Authority

IHDA (www.ihda.org) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation in 1967, IHDA has allocated more than \$9.3 billion and financed approximately 200,000 affordable units across the state. IHDA accomplishes its mission through a number of federal and state funding sources including the Illinois Affordable Housing Trust Fund, the Illinois Affordable Housing Tax Credits Fund, the allocation of federal Low Income Housing Tax Credits, and HOME Investment Partnership funds. IHDA is also a bonding authority, and independently sells bonds, based on its own good credit, to finance affordable housing in Illinois.