



Consumer Credit Counseling Service
of Maryland and Delaware, Inc.

Helping people help themselves through Education, Financial Counseling and Debt Repayment

FOR IMMEDIATE RELEASE

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DELAWARE OFFERS HOMEOWNERS FURTHER FORECLOSURE HELP

WILMINGTON, DE – According to Realty Trac, more than 932,000 U. S. foreclosure filings were reported in March 2010. This represents an 8 percent increase in filings from March, 2009 and a 16 percent increase over those recorded for February, 2010, signalling that the mortgage crisis is not over. In response to this ongoing dilemma, the Delaware State Housing Authority has instituted three new initiatives. Tom Simonton, Manager of Housing Assistance at Consumer Credit Counseling Service of MD & DE (CCCS), acknowledges that “Delaware has been very proactive in addressing this problem.” He further notes: “Community members who are worried they may lose their homes need to know that quality no-cost housing counseling is available from local HUD-approved nonprofit agencies like CCCS. We can help residents explore State and federally sponsored programs that may offer relief. The key is not to wait to get help until it’s too late.”

Delaware’s three most recent housing initiatives are DEMAP, HGAP, and foreclosure mediation. Here is a brief overview of how each of these initiatives work:

1. Delaware Emergency Mortgage Assistance Program (DEMAP)

DEMAP is a loan program to help Delaware homeowners avoid losing their homes if they are facing foreclosure due to circumstances beyond their control. Relevant circumstances include:

- Temporary loss of employment due to layoff, strike or plant closing
- Illness, disability, or death
- Divorce or legal separation

DEMAP loans are secured by a second or third mortgage against the homeowner’s residential property. The interest rate for these loans is set at three percent, and the loans are “deferred” -- monthly payments are not required. However, interest does accrue daily until the property is refinanced or sold, at which point the full loan balance and all interest must be repaid. DEMAP offers two types of loans:

- Non-Continuing - DEMAP makes a single payment to reinstate the delinquent mortgage and real estate taxes. This loan is open to applicants who have the financial resources to resume making full payments once their mortgage is brought up to date by DEMAP.

- Continuing - DEMAP reinstates the delinquent mortgage and real estate taxes and also assists borrowers with their monthly mortgage payment for up to 12 months from the start of the delinquency.

To participate in the DEMAP program homeowners must be Delaware residents, be delinquent on their mortgages 90 days or more, have had good mortgage payment histories / credit scores prior to delinquency, be experiencing financial hardship beyond their control, show reasonable prospects for restarting mortgage payments in the near future, have no more than two mortgages on the subject property, and meet income eligibility requirements.

2. Homeownership Grant Assistance Program (HGAP)

HGAP assists homeowners who are facing foreclosure by offering federal funds up to a maximum of \$5,000 or four mortgage payments, whichever is less. HGAP funds are available to deal with specific housing crisis situations and are not meant to address recurrent or ongoing needs. Support given under this program must meet these criteria and is expected to stabilize households, allowing families to meet their basic needs.

HGAP is limited to homeowners who:

- Meet federal income guidelines
- Have related, dependent children under age 18 living in the home
- Confront the impending risk of becoming homeless

To qualify, applicants must meet each of these requirements. Maximum household income limits also apply.

HGAP does not feature extra liens and does not include debt-to-income restrictions. There are no employment or credit requirements; however, applicants must show evidence that they will be able to carry on the mortgage once grant benefits are provided. This program expires on September 30, 2010.

3. Delaware Foreclosure Mediation Program - www.deforeclosurehelp.org/mediation.html

Under this program, homeowners meet directly with their lenders to explore alternatives to foreclosure. An experienced housing counselor and trained mediator also sit in on this discussion. This mediation opportunity is only available for a limited time. To take part, contact a HUD-approved housing counseling agency immediately to schedule an appointment and complete an application. Homeowners usually are informed directly by mail about how to participate in this program.

Simonton, who has years of housing counseling experience, concludes, "No matter which federal and State initiatives may be available, it is absolutely critical that distressed homeowners reach out for help as soon as possible." If you have questions about DEMAP, HGAP, or mediation or need assistance with mortgage foreclosure issues, please call CCCS of MD & DE at 1-877-207-5682 or visit their website at www.cccs-inc.org.

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With offices in Wilmington and Dover, Consumer Credit Counseling Service of MD & DE, Inc. (CCCS) is an accredited nonprofit agency that has served the local community since 1966. CCCS

helps individuals and their families resolve their financial problems and gain economic self-sufficiency through financial literacy education and counseling. Delaware State License #07-01