

GCCAC Provides Mortgage Foreclosure Prevention Counseling

The number of people losing their homes in Maryland is rapidly increasing. In February of 2008, more than 4,000 foreclosure actions were taken in the State of Maryland. This is nine times the number of foreclosure actions since February 2007, according to RealtyTrac, which maintains foreclosure data. Through the State of Maryland's Home Owners Preserving Equity (HOPE) initiative, the Housing Services Department of the Garrett County Community Action Committee, Inc. (GCCAC) is providing mortgage foreclosure prevention counseling. Garrett County homeowners are very strongly encouraged to refinance their adjustable rate mortgages and subprime mortgages now, prior to experiencing an interest rate reset or delinquency. The State of Maryland's Department of Housing and Community Development (DHCD) is offering three programs this year to assist with early foreclosure prevention. The Lifeline Refinance Mortgage Program may help homeowners refinance their adjustable rate and subprime mortgages with a current fixed rate of 6.5% amortized for either 30 or 40 years. Monthly payments toward debt, to include the Lifeline Refinance mortgage, may not exceed 50% of the homeowners' gross monthly income. The property must also be the borrower's primary residence. If credit or delinquency is an issue, the Homesaver Refinance Mortgage program will allow a minimum credit score of 550. Mortgage(s) may not be more than two months past due at the time of application. To help "buy time" until an adjustable mortgage can be refinanced, the Bridge to HOPE Loan Program may provide up to a maximum loan amount of \$15,000 to pay delinquent mortgage payments, taxes and other arrearages, but excluding any attorneys' fees. It can also provide a monthly partial subsidy of the mortgage payment for up to 24 months.

In addition to the programs offered by the State of Maryland, homeowners age 62 and above who are struggling to make mortgage payments or other regular monthly expenses, or who simply need more cash resources to live in their own home comfortably, may consider a Home Equity Conversion Mortgage (HECM) insured by HUD's Federal Housing Administration. The HECM is a reverse mortgage where there are no monthly payments and the home equity may be used to provide monthly tenure payments, a line of credit, or pay off an existing mortgage. No income or credit qualifications are required of the borrower. Closing costs may be financed in the mortgage. Unlike ordinary home equity loans, a HUD reverse mortgage does not require repayment as long as the home is the borrower's principal residence. Lenders recover their principal, plus interest, when the home is sold. The remaining value of the home goes to the homeowner or to his or her survivors. You can never owe more than your home's value.

For more information about the above programs, you may call GCCAC Housing Services at 301.334.9431 or access its website at www.garrettcac.org/housing.html.