

News Release



Leading Tennessee Home

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Families Need Guidance

THDA Helping Train Foreclosure Counselors

NASHVILLE, January 30, 2008 - Tennesseans are not immune to the foreclosure crisis facing homeowners across the nation. Seven of the 192 “areas of most distress” are located in Tennessee.

Tennessee Housing Development Agency has committed \$350,000 to a foreclosure prevention initiative and is working with partners to achieve several goals: public awareness, training for counselors, and capacity building for counselors.

- THDA has sent to Tennessee media a series of public service announcements to be placed in the Spring and Summer, educating the public about the seriousness of foreclosure. Lack of action on a homebuyer’s part does not stop the problem.
- A letter is being sent to homeowners* whose adjustable rate mortgages are scheduled to reset on or following January 1, 2008, urging them to review their documents and confirm they can afford the new interest rate on their mortgages. The letter will include the national toll-free help line, 1-888-995-HOPE, and a list of Tennessee counselors prepared to review the homeowners’ options.
- Training - Congress has allocated \$180 million to establish the National Foreclosure Mitigation Counseling (NFMC) Program. Administration of the program was assigned to the Neighborhood Reinvestment Corporation. THDA is eligible to apply for a NFMC grant to provide funds for approved non-profit agencies for foreclosure intervention counseling services and for program-related support.
- THDA and its partners will make capacity-building grants to certified counseling offices to get them ready for the hundreds of families facing budget-breaking adjustable rate mortgage increases.

The first one-day meeting of experienced homebuyer educators is being hosted by Regions Bank February 1. During the meeting, the requirements of the NFMC will be explained to experienced non-profit housing counseling agencies from across the state. Tennessee’s overall foreclosure counseling initiative, new National Industry Standards for Foreclosure Counseling and the “triage” method of assessing a consumer’s needs also will be covered.

Financial support for the Initiative is from Regions Bank, the Tennessee Department of Financial Institutions, THDA and NeighborWorks® America. Additional funding is being sought to build the capacity of the certified counselors. Letters are being sent to over 21,000 Tennessee households with adjustable rate mortgages. Not all households will need counseling assistance, but it is expected that many will.

NeighborWorks® America identified the areas of most distress. In Tennessee, the Metropolitan Statistical Areas experiencing high foreclosure rates are as follows: Cleveland, Jackson, Morristown, Nashville/Murfreesboro/Franklin, Chattanooga, Clarksville and Memphis.

In addition, according to NFMCP criteria all rural areas in Tennessee are defined as areas of greatest need under the federal foreclosure counseling grant. The four criteria used to determine areas of greatest need include the following: number of delinquent loans (30-90 days); percent of delinquent loans (30-90 days); percent of loans in foreclosure process; and percent of loans that are subprime.

More information about the National Foreclosure Mitigation Counseling Program can be found at <http://www.nw.org/network/nfmcp>.

THDA is a political subdivision of the State of Tennessee. THDA is the state's housing finance agency, responsible for selling tax exempt mortgage revenue bonds to offer affordable mortgage funds to homebuyers of low and moderate incomes through local lenders, and to administer various housing programs targeted to very low-, low- and moderate-income households.

THDA was established in 1973, making its first mortgage in 1974. It has provided affordable fixed rate mortgages to over 96,000 households without using state tax dollars. THDA issues between \$250 and \$300 million in mortgage revenue bonds annually for its first-time homebuyer program.

In the year 2007, THDA created the Tennessee Housing Trust Fund using state, THDA and locally-generated match to support programs for the very-low income, elderly and special needs populations.

More information about THDA is available on-line at www.thda.org.

***Editor's Note: THDA selected homeowners whose homes' sales prices fit within THDA's acquisition limits.**