

News Release



Leading Tennessee Home

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THDA Receives \$1,329,700 from Congress **Counseling Grant To Support Foreclosure Prevention**

NASHVILLE, TN (March 18, 2008) – Tennessee Housing Development Agency has received \$1,329,700 to support Tennessee’s foreclosure prevention counseling efforts. The much-needed boost will enable foreclosure prevention counselors to provide counseling to the state’s homeowners in danger of foreclosure.

“Our Board of Directors developed a foreclosure prevention initiative last fall and committed \$350,000 to get us started,” said Ted R. Fellman, THDA executive director. “The federal funds will be used provide funding to the organizations that have certified counselors to underwrite the cost of the actual counseling.

“We have already expended funds in this effort. THDA has a three-pronged effort to help people save their homes,” he added.

- Outreach / Public Awareness: Letters are being sent by THDA each quarter to homeowners* whose adjustable rate mortgages are scheduled to reset, urging them to review their documents and confirm they can afford the new interest rate on their mortgages. The letter includes local counselors’ contact information and the national toll-free help line, 1-888-995-HOPE. This quarter (April through June 2008) will see 2,769 ARM resets in Tennessee.* Additionally, THDA sent to Tennessee media a website with 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.
- Training/certification – THDA partnered with NeighborWorks® America to certify experienced staff with 23 counseling agencies as foreclosure prevention counselors. The training took place March 10-14 in Nashville.
- Counseling – Congress allocated \$180 million to establish the National Foreclosure Mitigation Counseling (NFMC) Program. Administration of the program was assigned to the Neighborhood Reinvestment Corporation. This is the source of the grant allocation announced today. With these funds, THDA will provide funding to the organizations that have certified counselors to underwrite the cost of the actual counseling.

The Tennessee Department of Financial Institutions and Regions Bank have supported the initiative. More industry partners are expected to join.

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THDA is not the only NMFC grantee working in Tennessee. West Tennessee Legal Services (WTLS) and Structured Employment Economic Development Co. (SEEDCO) each received grants to be used in multi-state areas. WTLS received \$1,484,533 and SEEDCO received \$1,163,745. (<http://www.nw.org/network/newsRoom/pressReleases/2008/netNews022608.asp>)

These funds were approved by Congress in the FY08 Consolidated Appropriations Bill. The National Foreclosure Mitigation Counseling Program is administered through a competitive application process by NeighborWorks[®] America, within guidelines defined by Congressional legislation. NeighborWorks[®] America is an independent, Congressionally-chartered non-profit organization based in Washington, D.C., with a mission to provide access to sustainable homeownership and safe, affordable rental housing.

Latest Foreclosure Data

RealtyTrac, Inc. reports Tennessee had one foreclosure filing for every 532 households in February, placing it 10th among the states in the rate of foreclosure. Nevada was first, with one filing for every 165 households.

According to year end data from RealtyTrac 2007 U.S Foreclosure Market Report data about one percent of all Tennessee households were in some stage of foreclosure during the year. This is in par with national average of 1.03 percent foreclosure rate. California was the state ranked first in terms of foreclosure rate with 3.4% in 2007.

Tennessee finished 2007 with a December decline of 2.18 % in foreclosure filings. A total of 3,778 foreclosure filings were reported in December 2007, which was 32 % higher than December 2006. The fourth quarter of 2007 saw a slight decline (-.07) over the third quarter of 2007. The fourth quarter of 2007 saw a 20.5% increase over the fourth quarter of 2006.

Among the 100 largest metros, Memphis has been ranked 13th in the nation with 2.1% foreclosure rate (Detroit was number one with 4.9 percent). A total of 22,654 foreclosure filings were reported on 11,291 properties. This foreclosure rate is 30.4 percent higher than 2006. Nashville/Davidson had less than 1 percent foreclosure rate (0.9%), up 54% percent from the previous year, and is ranked 59 among 100 largest metros. The next Tennessee metropolitan area, Knoxville, had only a 0.6 percent foreclosure rate in 2007.

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.

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

***Editor's Note: THDA purchased a data base of mortgages reflecting moderate sales price ranges.**