

April 2008

Dear Fifth Congressional District Resident:

The home foreclosure crisis has hit Mid-Michigan families hard. Many of the mortgage foreclosure problems may be traced to the exploding use of subprime and some adjustable rate mortgages. Irresponsible lenders predatorily handed out subprime loans with little to no regard of a family's financial capability to repay the loan, especially when the "adjustable rate" mortgages reset at unrealistic higher levels. Now, families face economic turmoil and uncertainty.

In Congress, I am working with my colleagues to develop legislation to assist families and put a stop to the home mortgage foreclosure crisis. In the mean time, numerous federal, state and not-for-profit resources exist to help Michigan families facing the risk of foreclosure. Attached is a list of just some of these entities, and I hope you, your family or friends find them useful.

All too often homeowners wait too long before seeking help, which limits the ability of these organizations to provide assistance. If you or someone you know is facing mortgage foreclosure -- or feel you are at risk of facing foreclosure -- please do not hesitate to contact these services.

If you have further questions, please do not hesitate to contact my office toll free at (800) 622-2685.

Sincerely,



Dale E. Kildee, M.C.

CONGRESSMAN DALE E. KILDEE RESOURCES TO ASSIST HOMEOWNERS AVOID FORECLOSURE

Government and Nonprofit Resources: *A number of federal and state agencies and nonprofit organizations have developed foreclosure prevention programs to help homeowners who are having trouble with their home loans. The following organizations offer free or low-cost foreclosure prevention programs to eligible homeowners:*

U.S. Department of Housing and Urban Development (HUD)

HUD provides a variety of resources for homeowners at risk of foreclosure. The Department funds free housing counseling services throughout the country. HUD-approved counselors can help homeowners understand the law and their options, organize their finances, and represent borrowers in negotiations with their lenders if this assistance is needed.

Telephone: (800)-569-4287

Find HUD-Approved Housing Counseling Agencies in Michigan:

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=MI>

Additional HUD resources for avoiding foreclosure:

<http://www.hud.gov/foreclosure/index.cfm>

Michigan Attorney General

Homeowners who suspect that they have been a victim of fraud or other misleading and deceptive practices should contact the Michigan Attorney General's office, which can investigate complaints and take action against lenders and other mortgage originators for alleged illegal behavior.

The Michigan Attorney General's office: <http://www.michigan.gov/ag>

Toll Free Telephone: (877) 765-8388

Michigan State Housing Development Agency (MSHDA)

MSHDA's *Save the Dream Campaign* includes helpful information to assist homeowners who are experiencing financial difficulties or facing foreclosure including a statewide network of homeownership counselors, a second mortgage program to assist current MSHDA borrowers, and two new refinance programs available to eligible homeowners. If you are having financial problems, don't risk losing your home - there are options available.

The Save the Dream toll free number: (866) 946-7432

Locate a Homeownership Counselor directly:

http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-177801--,00.html

NeighborWorks

NeighborWorks is a national network of more than 240 community-based nonprofit organizations (located in 50 states) created by Congress to provide financial support, technical assistance, and training for community revitalization efforts. NeighborWorks provides resources for preserving homeownership in the face of rising foreclosure rates including *HOPE for Homeowner*. This toll-free national hotline offers free foreclosure prevention and counseling advice from third party, HUD-certified, not-for-profit counseling agencies dedicated to helping homeowners avoid foreclosure.

NeighborWorks has teamed up with the Homeownership Preservation Foundation and the Financial Services Roundtable to provide this service.

HOPE for Homeownership Hotline (toll free, English/Spanish): (888) 995-HOPE (4673)

Find a HUD-certified NeighborWorks organization:

<http://www.nw.org/network/nwdata/hudhousing.asp>

Neighborhood Assistance Corporation of America (NACA)

NACA is a national non-profit advocacy and homeownership organization. NACA's Refinance Program offers new loans to eligible homeowners with unaffordable mortgages. NACA's *Home Save* program gives counseling and financial assistance to eligible homeowners who are at risk of foreclosure.

NACA's Information and Refinancing Services line: 1-888-302-NACA

Website: <https://www.naca.com/program/homesaveProgram.jsp>

Government Sponsored Enterprise Resources: *GSEs also provide excellent resources for homeowners facing or at risk of foreclosure:*

Fannie Mae

Fannie Mae's *HomeStay Initiative* provides counseling and foreclosure prevention services, as well as flexible mortgage products that help homeowners with blemished credit histories refinance. Fannie has designed a product that allows eligible at-risk homeowners to refinance into 30-year fixed rate mortgage loan.

Information on *HomeStay Initiative*: <https://www.efanniemae.com/homestay>

Freddie Mac

Freddie Mac helped to develop and fund *Don't Borrow Trouble*, a comprehensive consumer awareness and foreclosure prevention campaign. In addition, Freddie Mac has partnered with national non-profit organizations, counseling agencies and several lenders on a foreclosure-avoidance initiative designed to reach out to delinquent borrowers early on and provide appropriate counseling through trusted intermediaries to help avoid foreclosure.

Information on *Don't Borrow Trouble*: <http://www.dontborrowtrouble.com/>

Legal Resources: *In addition to the resources above, some homeowners may want to retain an attorney to help them navigate the legal system:*

National Association of Consumer Advocates

The National Association of Consumer Advocates is a nationwide organization of more than 1000 attorneys who represent and have represented hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. The legal services are provided by legal service lawyers and private practice attorneys who provide free or low-cost legal representation.

Telephone: (202) 452-1989

Find an attorney: <http://members.naca.net/findanattorney.php>