

**Dear Housing Advocate,**

We are writing to ask for your support for adding additional funding to the Homeowners Emergency Mortgage Assistance Program (HEMAP) in the 2009-10 Pennsylvania budget.

The bases of our concerns are as follows:

1. Unemployment in Pennsylvania has risen from to 5.6% in September 2008 to 7.8% in March 2009 and is projected to go much higher.
2. State funding for HEMAP was substantially higher from its inception in the recession of 1983 through the late 1990s.
3. In 2007 and 2008 of the 4,700 families HEMAP helped, only 20% got ongoing assistance. The rest of the homeowners were already back on their feet and able to resume their current payments, but needed assistance with their back payments.
4. Over the years, as funding has lagged, the program has become less likely to assist someone behind on their mortgage due to unemployment, even though the law was designed to assist jobless homeowners until they can get back to work.
5. Foreclosures in Pennsylvania jumped 74% between February 2008 and February 2009, over double the national average. 4,200 foreclosures were filed in PA last month compared to 2,400 a year ago.
6. Although the President Obama's Making Home Affordable plan addresses many of the issues causing foreclosures, it does not address well the issue of those who are unemployed and in foreclosure, which has been the historic purpose of HEMAP.
7. HEMAP's initial appropriation for 2009-09 of \$11 million was running out this spring when the Governor found an additional \$5 million to get the program through until June 30.
8. \$11 million was the amount the Governor requested for the coming fiscal year, already \$5 million short of what was needed in 2008-09. With unemployment soaring in Pennsylvania we believe HEMAP will need a minimum of \$20 million to assist victims of the recession prevent foreclosure.

In short, HEMAP needs additional funding that reflects the growing needs caused by the recession. These funds will allow it to begin approving unemployed workers for ongoing mortgage assistance so that people do not lose their homes due to unemployment.

I thank you for any effort to help secure the additional funding needed.

**As a first step I ask that you sign the attached letter petitioning Representative Dwight Evans and Governor Rendell for the additional funding.**

Best Regards,

John Dodds,  
Director  
Philadelphia Unemployment Project

To the Honorable State Representative Dwight Evans or the Honorable Edward Rendell

Dear Representative Evans or Governor Rendell,

In light of the rising numbers of unemployed Pennsylvania residents and the corresponding increase in the number of mortgage foreclosures, we the undersigned are requesting that funding for fiscal year 2010 for Pennsylvania Housing Finance Agency's HEMAP program be increased to \$20 million.

HEMAP is a popular and greatly needed program, the only one of its kind in the United States. Unique to the program is its offer of financial assistance to help unemployed citizens facing foreclosure. The Obama foreclosure plan, Making Home Affordable, and the City of Philadelphia's Foreclosure Diversion Pilot Program (which has also been adopted in Allegheny and Luzerne counties) promote loan modifications to prevent foreclosure. Such workouts are a fine solution for many threatened homeowners but rarely applicable for homeowners without a job and regular income.

HEMAP is designed to loan money to unemployed or ill homeowners to make mortgage payments until they can get back on their feet. Due to inadequate funding PHFA has been reluctant to grant ongoing assistance to the unemployed. Only about 20% of HEMAP loans go for ongoing assistance at this time.

Governor Rendell has recently provided HEMAP with an additional \$5million for the current fiscal year above the budgeted \$11 million. This increase will serve to alleviate a projected budget deficit for this year. However, the proposed \$11 million appropriation for FY 09-10 is clearly inadequate considering the 74% increase in foreclosures over last year and an unemployment rate in the state that has gone from 5.6% in September 2008 to 7.8% in March. In times like this programs such as HEMAP must be expanded. During the deep recession of 1983 the state appropriated \$25.75 million for three consecutive years. If we are to protect the homes of families caught up in this severe economic downturn we cannot continue to support the HEMAP program with inadequate dollars. HEMAP loans are repaid by assisted homeowners and are a smart investment in our state and its people.

Please work for a \$20 million appropriation in the upcoming budget. Thank you.

Sincerely,