



**Press Release  
For Immediate Release**

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**Preventing Foreclosures and the Unemployed  
Innovative Foreclosure Prevention Program  
Needs Support from HUD  
Press Conference- Friday April 17 1:30PM**

*Date: Friday April 17*

*Time: 1:30 PM*

*Place: City Hall Court Room 676, Philadelphia*

*Who: Judge Annette Rizzo, U.S. Rep. Chaka Fattah, Terry Gillen of RDA,  
other Philadelphia officials and homeowners*

*What: Call for federal funds to help the unemployed save their  
homes and to support Mortgage Diversion Program*

**The Save Our Homes Coalition will hold a press conference on Friday April 17 at 1:30 in Court Room 676 City Hall, Philadelphia (where the national model Foreclosure Diversion Pilot Program is held). The Judge who runs the court, member of Congress and others will call on HUD or the Congress to make federal funds available for innovative, model foreclosure prevention programs HEMAP and the Foreclosure Diversion Pilot Program.**

**Speakers:**

**Common Pleas Judge Annette Rizzo** who runs the Philadelphia Foreclosure Diversion program,

**US Representative Chaka Fattah** (D-Phila),

**Terry Gillen**, Director of the Philadelphia Redevelopment Authority and top aid to Mayor Nutter,

**Curtis Jones**, Member, Philadelphia City Council

**Mark Schwartz** of PA Housing Finance Agency

**Joe Benner and Deborah Jackson**, Homeowners facing foreclosure

**John Dodds**, Director, Philadelphia Unemployment Project

## Background

The PA Homeowners Emergency Mortgage Assistance Program (HEMAP) program is designed to provide loans to assist unemployed and other homeowners bridge the period of their loss of income. It has been highly lauded as an innovative and exemplary program. Over 40,000 families have been aided by the program since 1983. The state of Pennsylvania has provided \$211 million in appropriations since '83 and homeowners have paid back \$237 million to date. It is a program which offers assistance to the unemployed, but is stretched for funding in the state budget. Funding shortages have made the program unable to aid the unemployed as it is designed to do, particularly with applications rising by 23% in the first quarter on 2009.

The Obama Making Home Affordable foreclosure prevention plan provides \$75 billion and emphasizes loan modifications which are a good solution for high price and sub prime mortgages, but have less usefulness for homeowners delinquent due to unemployment. **As the recession and unemployment grow more and more families will face foreclosure due to the economy.**

The President offered \$2 Billion in competitive grants through the Neighborhood Stabilization Program (NSP) portion of the Making Home Affordable program to “test new and innovative ways to prevent foreclosures.” However, these funds have been restricted to homes where the foreclosure has been completed. **The Coalition is calling for HUD secretary Shaun Donovan to grant a waiver to allow funds to help PA fund HEMAP and to assist with operations of the Diversion Program to prevent foreclosures.**

Alternatively, the Congress could act to allow foreclosure prevention to be provided through a loan type program to aid the unemployed or to amend the NSP program.

“We believe that funds to help the unemployed prevent loss of their homes is critical, as they will be the next wave of foreclosures”, said John Dodds, Director of the Philadelphia Unemployment Project. “With \$75 Billion from the Obama program going to the mortgage companies, some funds should be made available to loan to the unemployed to pay our mortgages until we get back to work,” said unemployed Philadelphia homeowner Joe Benner, who is facing foreclosure. (Note linked study by Federal Reserve economists on need for more help to prevent foreclosures for the jobless:

<http://www.latimes.com/business/la-fi-mortgage11-2009apr11,0,3219271.story>)

The Foreclosure Diversion Pilot Project has been a national model as a court sponsored program to foster negotiations between lenders and homeowners with the goal of preventing a foreclosure. Hundreds of homeowners have had loan modifications and other workouts completed through the Diversion program. It has been called a model for the Obama plan and has been highly successful.

The Save Our Homes Coalition is a Philadelphia based grouping made up of housing advocates, attorneys and homeowners which came together in 2008 as a result of the housing crisis.