



Colorado Foreclosure Prevention Task Force

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More foreclosure counselors, money for Hotline

DENVER, – The Colorado Housing and Finance Authority (CHFA), Gov. Bill Ritter, and the Colorado Foreclosure Prevention Task Force announced today that CHFA has been awarded a \$1.5 million federal grant to increase foreclosure prevention counseling services across the state. The money will help CHFA and 12 local housing counseling agencies hire and train additional foreclosure mitigation counselors. Award dollars also will help promote Colorado's Foreclosure Hotline (877-601-HOPE), launched by the Foreclosure Prevention Task Force in 2006 to pair at-risk borrowers with free home counseling services in their community.

Gov. Ritter, who endorsed CHFA's grant application, said the new money will help many Coloradans. "The demand for well-qualified housing counselors has increased dramatically since the onset of the foreclosure crisis," Gov. Ritter said. "With these award dollars, Colorado will be able to help nearly twice as many homeowners at risk of foreclosure in 2008 as we did last year. As Governor, I am committed to doing all I can to assist Coloradans avoid home foreclosure."

The grant comes from the National Foreclosure Mitigation Counseling Program, which was approved by Congress as part of the FY2008 Appropriations Bill. Dollars were awarded based on a competitive application process. CHFA was one of 130 award recipients nationwide and received the seventh-largest award among the 32 state housing finance agency recipients.

“Thanks to the hotline, there are at least 6,000 households out there that avoided foreclosure over the last 18 months,” said Kathi Williams, Director of the Colorado Division of Housing and co-Chair of the Colorado Foreclosure Prevention Task Force. “We did that on a budget of less than \$800,000, and these new funds will allow the hotline to do a lot more.

According to the Colorado Division of Housing, 25,320 homes foreclosed during 2007 in Colorado, up 40 percent from 2006. “That number of foreclosures would have been over 30,000 without the Hotline” Williams said.

CHFA was joined by 12 sub-grantee applicants who will assist in providing foreclosure counseling services statewide. Sub-grantees were required to demonstrate that they meet HUD required housing counseling standards with a track-record of successfully assisting borrowers in need of support. CHFA’s sub-grantees are:

- Adams County Housing Authority, Commerce City
- Boulder County Housing Authority, Boulder County
- Brothers Redevelopment, Inc., Denver
- City of Aurora, Aurora
- Colorado Homeowner Assistance Project, Fort Collins/Greeley
- Colorado Housing Assistance Corporation, Denver
- Douglas County Housing Partnership, Castle Rock
- Grand Valley Housing Initiatives, Grand Junction
- Housing Solutions for the Southwest, Durango
- Northeast Denver Housing, Denver
- Southwest Improvement Council, Denver
- Upper Arkansas Area Council of Government, Cañon City

As a condition of the award, CHFA will match the grant with a \$200,800 contribution. The award also requires funds be fully utilized by Dec. 31, 2008 and within areas with high rates of default and foreclosures.

Research shows that face-to-face counseling is more effective than counseling over the phone because it allows the borrower to build a relationship with the counselor. Likewise, a local counselor is more likely to understand the property, local real estate market, and be

knowledgeable about the breadth of community services available. This is particularly important for seriously delinquent borrowers.

About the Colorado Housing and Finance Authority (CHFA)

CHFA finances the places where people live and work. Created in 1973 by the Colorado State Legislature, CHFA strengthens communities by making loans to low- and moderate- income homebuyers, affordable multifamily rental housing developers, and small and medium sized businesses. CHFA also provides education and technical assistance about affordable housing and economic development. CHFA is a self-sustaining public enterprise funded by issuing bonds, and receives no tax dollars. CHFA issues bonds that are not obligations of the state. For more information about CHFA call 800.877.chfa (2432) or visit www.chfainfo.com.

About the Colorado Foreclosure Hotline

Colorado's Foreclosure Hotline was established by the Colorado Foreclosure Prevention Task Force in October 2006 to connect borrowers with information and resources when facing foreclosure. Since its inception, the Hotline has received more than 30,000 calls, an average of 100 per day. A recent survey showed that four out of five callers who meet with counselors avoid foreclosure. The Hotline was founded by a consortium of non-profit, for-profit and governmental agencies called the Foreclosure Task force lead by the Colorado Division of Housing and JP Morgan Chase. Since its launch Wells Fargo, US Bank, CHFA, the City and County of Denver, and several other organizations have joined in contributing more than \$500,000 for the expansion of foreclosure counseling efforts in Colorado.

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