

Foreclosure Task Force Hails Bill Signing- \$1 Billion In Funding Secured To Help Stabilize Communities Nationwide

With 2010 Foreclosures Predicted to Eclipse an Unprecedented 900,000 Repossessed Homes Last Year, New Funding to Help Provide Vital Stability to U.S. Neighborhoods and Families

(WASHINGTON – July 21, 2010) – The National Foreclosure Prevention and Neighborhood Stabilization Task Force hailed the signing of the Restoring American Financial Stability Act of 2010 into law today, which was sponsored by U.S. Senator Christopher Dodd (D-CT) and U.S. Representative Barney Frank (D-MA). In part, the Act provides an additional \$1 billion for the Neighborhood Stabilization Program (NSP) administered by the U.S. Department of Housing and Urban Development. The funding secured for NSP is representative of the work of the Foreclosure Task Force – led by the National Housing Conference (NHC), Enterprise Community Partners and NeighborWorks America– which is tackling the swelling foreclosure crisis.

In the first six months of 2010 alone, nearly 528,000 homes were taken over by lenders. This rate is on track to eclipse the unprecedented 900,000 homes repossessed in 2009, according to data released on July 15th by RealtyTrac Inc.

NSP provides emergency assistance to states and local governments to acquire and redevelop foreclosed, vacant and abandoned properties that lead to blighted neighborhoods and declining property values. In 2008, the task force assisted in the inclusion of \$3.92 billion in NSP funding in the Housing and Economic Recovery Act of 2008. The task force then played a crucial role in securing an additional \$2 billion for NSP in the American Recovery and Reinvestment Act of 2009. The latest round of \$1 billion in funding brings the total NSP funding to \$7 billion.

The Act signed into law today permits the purchase and redevelopment of vacant properties to count toward the requirement that 25% of funds be spent on families with very low incomes. This change will make it easier to leverage NSP funds with private dollars, reduce the per-unit cost to rehabilitate and sell low-income homes, and return more vacant properties to productive neighborhood assets. The Foreclosure Task Force worked over a two-year period to achieve this legislative change.

“Given the magnitude of the foreclosure crisis, these additional funds are desperately needed,” said U.S. Representative Maxine Waters (D-CA), Chairwoman of the House Financial Services Housing and Community Opportunity Subcommittee. “The additional NSP funds will help address the enormous supply of foreclosed properties plaguing nearly every corner of our country.”

“Enterprise is thrilled that Congressional leadership has allocated additional funding for NSP and we will be seeking additional opportunities to leverage private capital to address the myriad of

problems vacant foreclosed properties inflict upon our communities,” said Rob Grossinger, VP of Community Foreclosure Response at Enterprise Community Partners, Inc.

“We would like to thank the entire Foreclosure Task Force for their tireless dedication to securing the critical funding necessary to help stabilize communities nationwide,” said NHC President and CEO Maureen Friar. “There is no better example of NHC’s affordable housing advocacy, on behalf of low- and moderate-income families and individuals, than our work in partnership with the Foreclosure Task Force.”

“NeighborWorks America supports a comprehensive response to the foreclosure crisis: from foreclosure intervention efforts through our Center for Foreclosure Solutions and the National Foreclosure Mitigation Counseling program to work to stabilize communities when a foreclosure cannot be prevented. The additional NSP funding is a critical resource in helping to ensure communities across the country recover from this crisis,” said Ken Wade, CEO of NeighborWorks America.

Specifically, NSP funds are used to: purchase and rehabilitate abandoned or foreclosed homes; establish financing tools for the purchase and redevelopment of foreclosed homes; create and operate land banks for foreclosed properties; demolish blighted structures; and develop demolished or vacant properties.

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The National Foreclosure Prevention and Neighborhood Stabilization Task Force brings together advocates, practitioners and other experts from across the country to exchange critical information on foreclosure prevention and neighborhood stabilization efforts. The goal of the Task Force is to help craft policy, legislative and programmatic initiatives that primarily support low- and moderate-income families and individuals. For additional information on the Task Force, please visit this Resource Guide.

The National Housing Conference (NHC) has been dedicated to ensuring safe, decent and affordable housing for all Americans since 1931. NHC has earned its strong reputation as the “United Voice for Housing” by actively engaging and convening its membership in nonpartisan advocacy for effective housing policy solutions at the local, state and national levels. For more information, please visit www.nhc.org.