



Roy Cooper North Carolina Attorney General

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Hotline to help North Carolinians facing foreclosure

HOPE hotline will connect callers with local non-profits to help people keep their homes

Raleigh: Help for North Carolinians who are at risk of losing their homes to foreclosure is now just a telephone call away, Attorney General Roy Cooper and the Office of the Commissioner of Banks announced today.

"It's tragic when families lose their homes, especially when it could be prevented," Cooper said. "One toll-free call could give them the advice they need to stop foreclosure."

North Carolinians can call the HOPE Hotline toll-free at 888-995-HOPE 24 hours a day, seven days a week to receive free counseling on options to avoid foreclosure. The hotline will connect callers with non-profit housing and credit counselors in their local community who can advise them about options such as modifying their loan, selling or refinancing their home or setting up a repayment plan with their lender.

"Homeowners struggling to pay their mortgage need to know there are resources available to help them avoid foreclosure. Call the NC HOPE Hotline and you may be able to save your home," said Deputy Commissioner of Banks Mark Pearce.

While North Carolina has not experienced the wave of foreclosures seen in many other states due to our strong laws against unfair loans, foreclosures are on the rise in the state. Foreclosure starts were up 9.4 percent in North Carolina in 2007 and are expected to increase by 10 to 20 percent in 2008, according to the Commissioner of Banks' office.

According to research by Freddie Mac, more than half of all homeowners who experience foreclosure never contact their mortgage company to try to avoid unnecessary foreclosure. Mortgage servicers and lenders have a strong incentive to help homeowners avoid foreclosure because they stand to lose \$40,000 to \$50,000 in net value when a typical home loan is foreclosed. Finding a solution to foreclosure can be in the best interest of both the homeowner and the lender.

Cooper and the Commissioner of Banks have teamed up to provide \$300,000 in seed money to reimburse counselors who are able to help prevent unnecessary foreclosures for North Carolinians who call the hotline, with more reimbursement going to counselors who are able to help homeowners keep their homes. Additional funding from Congress and the General Assembly could expand access to local counselors through the hotline.

Local non-profits will also be able to connect hotline callers with other resources as needed, such as referrals for legal help when there is evidence that the homeowner may have been the victim of predatory or abusive lending practices. The Attorney General's Office will be notified when there is a pattern of lending abuses and can take action to enforce North Carolina's strong laws against predatory lending.

Counselors can also help connect homeowners who qualify with Federal Housing Administration secure loans. In some cases, non-profits may be able to purchase a home before it is foreclosed upon and then lease it back to the homeowner, applying their lease payments to the purchase of the home.

The national Hope Hotline is a joint project between NeighborWorks America, a non-profit organization chartered by Congress, and the Homeownership Preservation Foundation, a non-profit organization based in Minnesota. The Commissioner of Banks and Attorney General Cooper are working together to select and support more than 20 high-quality counseling agencies across the state to accept referrals from the national Hope Hotline. These local counselors will be able to provide assistance not currently available through the national hotline.

"Foreclosures are hurting families across our state and damaging our neighborhoods and communities," said Cooper. "It's in all of our interest to help homeowners find a way out of foreclosure when possible."

More information about the hotline and the organizations involved is available at www.ncforeclosurehelp.org.

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