

Emergency Mortgage Assistance Promises Relief for Homeowners Facing Foreclosure

Deborah Goldring has a story that you seldom hear these days: a foreclosure experience with a happy ending!

And thanks to a special program available to Maryland homeowners under threat of foreclosure, it is a happy ending that hundreds of other Maryland households could enjoy in the next few months.

Ms. Goldring, who has lived in her cheerful, well maintained Northeast Baltimore home for 25 years, found herself in danger of losing her home as a result of circumstances that were truly beyond her control. In 2007, her husband died, after a lengthy decline that included trips to four nursing homes and hospitals. To pay off the medical bills, she cashed out their pension plans. It still wasn't enough, and she found herself running late with mortgage payments. Some months she could only pay a portion of the mortgage.

Then in 2009 the other shoe dropped:

She was laid off from the job she had held for 18 years.

At that point, Ms. Goldring started applying to her lender for a mortgage modification. "I submitted the paperwork at least four times," she recalls. She never got the modification. The lender did grant forbearance for three months at a time, but in January 2011 she was informed that the lender intended to start foreclosure in June.

Ms. Goldring was determined to keep fighting for her house. She searched online for programs to help people in her situation, and discovered something called the Emergency Mortgage Assistance (EMA) program. On the same webpage, she saw an announcement for the upcoming Money Power Day, a day of free workshops and information on personal finance organized by the Baltimore CASH Campaign.

She attended, and

there met Stephanie Davis, a foreclosure prevention counselor at St. Ambrose Housing Aid Center.

At last the pieces started coming together. EMA was a state program, just getting under way in Maryland, with \$40 million to make available to qualified homeowners. The funds came from a new federal bridge-loan program approved by Congress at the end of 2010. The state designated 11 nonprofit housing agencies, including St. Ambrose, to help homeowners apply for the program.

This time, Ms. Goldring's had a refreshingly different application experience. Four weeks after connecting with Ms. Davis, her application was in, reviewed and accepted. When her new \$42,225 interest-free loan closed



Homeowner Deborah Goldring explains how the EMA program rescued her home from foreclosure. Behind her (left to right) are Maryland Lieutenant Governor Anthony Brown, U.S. Representative Elijah Cummings, and Baltimore Mayor Stephanie Rawlings-Blake.



continued on next page

Emergency Mortgage Assistance... CONTINUED FROM PAGE 1

in early June, her prospects for keeping her home had improved substantially:

The payments that were in arrears for the previous year were paid off, bringing the mortgage status back in good standing.

Based on her income – currently, only unemployment benefits – her monthly payment has been reduced to \$577. That amount will rise when she is earning regular income again. The difference between her payment and what the lender requires each month is covered by the new loan, for up to 24 months.



Brian Woodley, an underwriter for Maryland DHCD, and Stephanie Davis, a foreclosure prevention counselor for St. Ambrose, worked behind the scenes to move Ms. Goldring's loan application through the system.

If she does not sell her house or refinance it in the next five years and meets all the other terms of the loan, the entire amount of the loan will be forgiven.

"This is really exciting," Ms. Goldring says. "I never imagined there would be this kind of assistance.

"This is the best thing that could have happened to me, and others like me who are struggling to keep their homes."

For a Limited Time Only

State officials estimate there are enough funds in the EMA program to help nearly 1,200 Maryland borrowers who are at risk of losing their homes to foreclosure. However, homeowners have only a narrow window of time to apply for EMA loans. By law, the state must allocate all its program funds by September 30.

At a press conference on May 31, held in Ms. Goldring's back yard, U.S. Representative Elijah Cummings and Baltimore Mayor Stephanie Rawlings-Blake urged homeowners to act promptly. "Our goal today is to ensure that people know about this program and how to apply for it," said Rep. Cummings, who was a staunch advocate in Congress for creating the program. Added the mayor, "I urge anyone facing foreclosure to take advantage of this lifeline for you and your family."

Vinnie Quayle, Executive Director of St. Ambrose, urged homeowners who have been frustrated by negotiations with lenders to give the EMA program a fresh look. "This is a new program, and a different program. Please don't give up," he said. "Come in. Help is here."

Scope of Program

The loans are an incredible deal for homeowners who qualify.

Homeowners can receive emergency assistance for up to 12 months of payments in arrears and up to 24 months going forward, for a maximum combined loan amount of \$50,000.

The note is a zero interest loan, with no payments for five years. If the borrower meets all conditions – keeping the property as principal residence and making current and timely mortgage payments for the entire period – then the balance due declines by 20 percent annually until the note is extinguished after five years.

However, if the borrower defaults on the mortgage payments or does not comply with the conditions, the borrower is responsible for repaying all the loan amounts paid on his or her behalf.

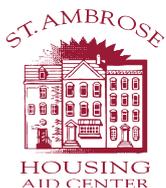
"This is a new program, and a different program. Please don't give up. Come in. Help is here."

—Vinnie Quayle, Executive Director, St. Ambrose

Eligibility

The eligibility requirements are quite strict. Homeowners at the time they apply for the EMA loan must meet all these conditions:

- Be experiencing a loss of employment income (of at least 15 percent) because of the economy or a medical condition.
- Be between three and 12 months delinquent on their mortgage payments and facing foreclosure. The mortgage must be a first mortgage and on the homeowner's principal residence.
- Have a total household income equal to or less than 120 percent of the Area Median Income (AMI), when wages, unemployment benefits and other income are included. That means income of less than \$78,900 for a two-person household in Baltimore City or Baltimore County, or \$98,650 for a four-person household.



- Have a reasonable likelihood (based on industry underwriting standards) of being able to resume mortgage payments within two years, when full employment has been regained.

The Paperwork Challenge

As with any loan transaction, the paperwork requirements are huge. Housing counselors at St. Ambrose say getting homeowners to gather all the necessary documents is the single biggest obstacle standing between the endangered homeowners and a successful EMA loan application.

The documents range from proof that the applicant owns the home (deed, homeowner's insurance policy, recent property tax bill) to documentation of the status of the mortgage and proof of hardship (paycheck stubs, notification of termination or salary reduction, medical bills, credit report). "We give homeowners a list of documents to bring when we make the appointment," says Ms. Davis. "If they bring all the documents with them, we can get the application completed pretty quickly."

"Stephanie warned me, 'It's a lot of paperwork,'" Ms. Goldring recalls, "but I had already pulled all that paper together trying to get my loan modification, so for me it was a piece of cake."

Easy or not, homeowners are managing to complete their applications. State officials had received 350 applications in the first two months of the program and approved 90 loans. Considering that more than 85,000 homes in Maryland are at high risk of foreclosure, according to the Mortgage Bankers Association, hundreds more can help secure their homes through the EMA program.

St. Ambrose Housing Aid Center

is a prime partner in implementing the EMA program for the Maryland Department of Housing and Community Development. For more information, please contact the Foreclosure Prevention Program's special EMA inquiry line: 410-366-6091.

Don't delay: all funds must be committed before September 30.

To learn more, call 410.366.8550 or visit our website at www.stambrosehousing.org.

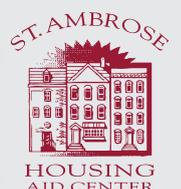
Support St. Ambrose Programs and Give Yourself a Tax Break!

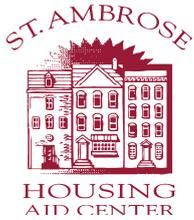
Maryland's Community Investment Tax Credit (CITC) has to be one of the best buys in philanthropy. For every dollar you give, the net cost to you can be as little as 27 cents.

As of January 1, 2010, individuals as well as Maryland businesses are eligible for this innovative state program. When you make a contribution (\$500 minimum) to St. Ambrose or another participating nonprofit for an eligible CITC project, you receive a Maryland tax credit equal to half the value of the donation. That credit is in addition to the regular charitable deductions available on Federal and State tax returns.

The state program is designed to encourage private contributions that help nonprofits achieve essential community goals. Two projects at St. Ambrose are eligible to receive CITC funds: Holistic Homeownership Counseling and In My BackYard (IMBY), the rental services program that is purchasing vacant properties to create more affordable rental opportunities.

The CITC is a great opportunity for businesses and individuals to make targeted contributions, for a minimal cost. To learn more about the community investment tax credit program, go to the state website at <http://www.neighborhoodrevitalization.org/Programs/CITC/CITC.aspx>. For more information about the eligible St. Ambrose programs, contact Karen Griffin at 410-366-8550, extension 251, or kareng@stambros.org.





St. Ambrose Housing Aid Center
321 East 25th Street
Baltimore, Maryland 21218
www.stambros.org

Non-Profit Organization
U.S. Postage
PAID
Baltimore, MD
Permit No. 5990

Founder Vincent Quayle Announces His Retirement

I want to share with you some wonderfully exciting news. After 42+ years, I have decided to retire as the Executive Director of St. Ambrose Housing Aid Center. About three years ago, the Board of Directors and I began talking about this inevitable event. I attended some “transition” workshops to learn how an agency like St. Ambrose prepares for the change to new staff leadership, and the staff weighed in with their thoughts and concerns.

Then last July, the doctors at the University of Maryland Medical Center told me that a lump on the right side of my neck was cancerous. Two operations in July, an autumn of chemo and radiation treatments, and a winter recovery period with plenty of time to meditate on what it felt to be approaching 72, all under the loving care of my bride of 34 years, convinced me that it was time to step down.

Our hope is to have the new Director on board by January 1, 2012. I will continue as Executive Director until that time, with the expectation that I will assist in the transition and introduce our new Director to all of you.

These past 42 years have been a marvelous experience: sharing in the Civil Rights movement, helping to break down barriers, enabling African-American families to share in the great American dream of owning their own home and helping tens of thousands of Baltimore

households to have access to quality affordable housing opportunities. Throughout the years, we at St. Ambrose have forged partnerships, and often friendships, with like-minded individuals in government, the foundation community, national corporations and other nonprofits, all committed to making Baltimore a great place to call home.

Most important to me are the myriad of young people attracted to the vision of St. Ambrose. I leave knowing I was part of a powerful movement and that St. Ambrose is more than a place to work, it is a life’s calling that has transcended the borders of work place. To all of you who supported us through these long years and without whom there would be no St. Ambrose, please accept my heartfelt gratitude! I hope you will continue to be a resource for the organization through your guidance, support and prayers.

Please know that this is not a good-bye but an introduction to our plans to build a bridge from the present into a desired future. If you have any questions about the process, please feel free to contact me at 410-366-8550 x 212 or vinq@stambros.org.

