

PREVENT FORECLOSURE USING A HEMAP LOAN

FAIR HOUSING HIGHLIGHT #24

We are 3 months behind in our house payments due to my husband's layoff last year. He's found another job, but now the bank is threatening to foreclose. HELP!

The first thing is to talk to your bank to try to negotiate a re-payment. Ask especially about options like: Special Forebearance, Mortgage Modification, and Partial Claim.

The Pennsylvania Housing Finance Agency (PHFA) also has a special program for families like yours—the **Homeowners' Mortgage Assistance Program (HEMAP)**. This program provides loans to bring delinquent payments up-to-date as well as help with future payments. Mortgage payments are made directly to the lender on the homeowner's behalf. PHFA will make as many as 24 payments for you- up to \$60,000.

Who is eligible for a HEMAP loan?

To qualify for a HEMAP loan, applicants must be Pennsylvania residents suffering financial hardship through circumstances beyond their control (i.e. job layoff, serious illness, divorce, etc) and also be able to demonstrate reasonable prospects of being able to resume making normal mortgage payments when HEMAP assistance ends.

What a lifesaver! How do I apply?

TIMING IS IMPORTANT. To be considered for a HEMAP loan, homeowners must be at least 60 days late in their mortgage payments and have received an "Act 91 Notice" from their lender informing them that they are delinquent and that financial assistance is available through HEMAP.

After receiving the "Act 91", the homeowner should immediately go to a designated housing counseling agency to apply for a HEMAP loan. (Call **PHFA** at **800-342-2397** or www.phfa.org to find one nearest you.) Don't delay-deadlines are strict! You have only 30 days to meet with a housing counselor to begin the HEMAP application from the date you receive the Act 91 Notice. These counselors prepare the application and file the paperwork for you.

HEMAP funds are loans - NOT grants. They must be repaid. But HEMAP can mean the difference between keeping your home or losing it.

Questions? Call the Fair Housing Rights Center in Southeastern Pennsylvania at 215 576-7711 or visit us online at www.fairhousingrights.org.