

News Release

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SC HELP Foreclosure Prevention Program Now Available Statewide

Almost \$300 million in funds to keep homeowners in their homes.

[Columbia, SC] Following a successful pilot program and Treasury's approval of South Carolina's readiness assessment, **SC Housing Corp.** will take its foreclosure prevention program statewide. Starting January 20, the South Carolina Homeownership and Employment Lending Program (**SC HELP**) will use almost \$300 million in federal funds to help responsible but struggling homeowners in the state.

Key components for SC HELP include:

- **Monthly Payment Assistance**-assisting homeowners with monthly payments for a defined period of time while they seek employment and a return to self sustainability.
- **Direct Loan Assistance**-for borrowers who have experienced a hardship but have regained the ability to pay. Funds can be used to pay arrearages in order to bring the loan current.
- **Property Disposition Assistance**-in cases where the mortgage cannot be salvaged, funds may be provided to incentivize short sales, deeds-in-lieu of foreclosure and to help transition families from homeownership to rental housing.

Homeowners applying for **Monthly Payment Assistance** or **Direct Loan Assistance** must meet certain threshold requirements in order to apply for help:

1. Borrower or co-borrower must be able to document that the delinquency was a result of a hardship event beyond his/her control (i.e. unemployment, death of a spouse, catastrophic medical expenses, etc.)
2. Mortgage payments must have been made on time for 12 months preceding the hardship event with no more than two 30-day late occurrences
3. The property securing the mortgage must be owner-occupied as a full-time residence
4. Borrower must provide a financial hardship affidavit
5. Mortgage can be no more than 120 days delinquent
6. Loan servicer/investor must be willing to accept payments and provide required data and reporting

Assistance from SC HELP will be provided in the form of a nonrecourse zero-percent interest, non-amortizing, forgivable loan secured by a subordinate lien on the subject property. The loan will be forgiven over a five-year period at a rate of 20% per year. If property is sold or refinanced

prior to the loan termination date, funds will be recovered should sufficient equity be available from the transaction. The **Property Disposition Assistance Program** will provide a one time, lump sum grant to the recipient.

Additional criteria and documentation requirements must be met for final eligibility determination. Homeowners wishing to make an application should apply online at www.SCMortgageHelp.com. **SC HELP** officials emphasize that using the online application is the fastest and most efficient way to begin the process. Homeowners without internet access may call toll-free to 855-HELP-4-SC (855 435-7472) to begin the process.

SC HELP is intended to assist *responsible* borrowers – those borrowers who are facing possible foreclosure due to circumstances beyond their control, i.e. unemployment, death of a spouse, catastrophic medical expenses and/or divorce. SC HELP is NOT intended to serve borrowers who are facing foreclosure due to poor credit and/or debt management, stripping the equity from their home for non-essential purposes, or overall mismanagement of their personal budget.

Additional information, background and resources are now posted on SC State Housing's website, as well as **www.SCMortgageHelp.com**, and will be updated frequently.

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SC Housing Corp. is a nonprofit division of the South Carolina State Housing Finance and Development Authority (SC State Housing).