

# 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](http://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).*