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Keeping Your Home Safe From Foreclosure By Mike Beatty

In the movie "It's A Wonderful Life" a classic scene unfolds when George Bailey, played by Jimmy Stewart, addresses a group of Bailey Building and Loan customers after a run on the local bank. George has to explain how the building and loan business works. "You're thinking of this place is all wrong," he says, "as if I had the money back in a safe."

Well, it's certain that the mortgage business has become even more complicated today. The financial crisis and the recession that followed revealed accountability issues on many levels.

The job market has simply not recovered like many have hoped. Many households have seen their income go down. Even people who own their own business are making less. In homes across the nation, people are wondering how they will pay their mortgage.

RealtyTrac predicts foreclosures will peak at 1.2 million nationally this year. In January over 8,000 homes in Georgia received foreclosure notices according to the company.

The United States Treasury Department has created a foreclosure prevention program called the Hardest Hit Fund (HHF). HHF is funding programs in 18 states and the District of Columbia that were hit hardest by the recession.

The Georgia Department of Community Affairs is tasked with making HHF work for Georgians. People who are unemployed or "underemployed" may be eligible for this assistance program. Homeowners may now apply for mortgage payment assistance online at www.HomeSafeGeorgia.com.

Eligibility requirements include being current on mortgage payments prior to job or work loss, being a Georgia resident, being the owner and living in the property, having total mortgage debt less than or equal to \$417,000, and having payments (including escrow) greater than 31 percent of household income.

Also, if a homeowner is now working and able to make their house payment, but got behind during a time of unemployment, this program may be able to help with back payments.

Homeowners who complete the process and are eligible for assistance will close a zero percent loan. HomeSafe Georgia will then make the monthly payments to the servicer after collecting a partial contribution from the homeowner. There is no cost to the homeowner to apply or close the loan.

The total amount of assistance provided to a homeowner may not be longer than 18 months. Within that time people should be able to find work or have completed a training program leading to work. Following the assistance period, the total amount of assistance will be forgiven over a five year period at a rate of 20% per year.

Churches, clubs, and community organizations are encouraged to help those who may not have internet access at home to apply for these funds. For more information, please visit www.HomeSafeGeorgia.com.

Mike Beatty is the Commissioner of the Georgia Department of Community Affairs.