

Foreclosure aid marked for north central Ohio residents

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MANSFIELD -- Ohio will receive \$172 million in foreclosure relief slated for counties suffering from unemployment figures of 12 percent or more.

Under that measure, most north central Ohio counties should be eligible for the federal funds. The money could be spent on foreclosure counseling to homeowners and programs to encourage banks to consider reducing monthly payments or the principal.

U.S. Sen. Sherrod Brown, D-Ohio, had a news conference Monday announcing Ohio is among five states added to the original five that received \$1.5 billion through the Help for the Hardest-Hit Housing Markets program announced in February by President Barack Obama.

U.S. Assistant Secretary of the Treasury Alan Kreuger said each state's housing finance agency will have be able to use the money "for what works in their state."

Mansfield Mayor Don Culliver said he'll make sure some of the funding finds its way here.

"I'll be getting in touch with them to see how much we possibly can get, and what the rules are," Culliver said.

States initially included in the Hardest-Hit Housing Markets program all suffered precipitous declines in housing prices. In this round, states with high unemployment -- Ohio, North Carolina, Oregon, Rhode Island and South Carolina -- were added, Kreuger said.

February unemployment figures show Huron County at 18.1 percent, followed by Crawford County at 14 percent. Ashland, Richland and Morrow counties also had greater than 12 percent jobless rates -- 13.8, 13.6 and 12.9 percent, respectively.

Only Knox County, at 10.9 percent, fell below the threshold.

"It's clear Ohio needs this," Brown said. "Responsible borrowers across our state worked hard and played by the rules. Because of low unemployment, they find themselves under water."

While first-round states had dramatic declines in housing prices, Ohio has suffered much longer, the senator said.

"We have had 14 years in a row of increased foreclosures. I don't know of any other state that has experienced that," Brown said.

Relief funding for loan modification should go further in Ohio than in some other states, since home prices here never escalated as high, he said.

"We know that counseling works. In Columbus, it costs about \$300 for a counselor to help somebody stay in their home," Brown said.

Tracy Bond oversees the local office of Empowering and Strengthening Ohio's People, which counsels struggling homeowners.

"(The funding) is really good news for homeowners," Bond said. "The banks are getting bailed out -- but not the homeowners."

After federal funding to operate the program was cut in recent months, and some Ohio offices contemplated closing. The Mansfield office, with two counselors, is the busiest in Ohio, Bond said.

"(The federal money could) keep us open," Bond said. "It may help us expand further into some of the counties around us."

"Where there is a housing advocate working on behalf of the homeowner, there is a great chance of getting a bank to agree to a loan modification, so they can stay in their home."

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