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Sue Ellspermann
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Lt. Governor Sue Ellspermann announces expansion of foreclosure prevention program

State increases funds, expands criteria to include underemployment, healthcare hardships and military service

Indianapolis – Hoosiers who have experienced financial hardships of various types now may qualify for the Indiana Foreclosure Prevention Network’s (IFPN) Hardest Hit Fund. IFPN is a statewide multi-agency collaboration operated by the Indiana Housing and Community Development Authority (IHCDA).

Indiana’s Hardest Hit Fund program, which offers individuals who are unemployed through no fault of their own assistance in paying their mortgage, has expanded to offer more Hoosiers the opportunity to receive assistance.

“When families lose their homes, communities and businesses suffer as well,” said Lt. Governor Sue Ellspermann. “Indiana’s expansion of the Hardest Hit Fund program will provide assistance to even more Hoosiers who are directly affected by the recession, allowing them to remain in their homes with mortgage, refinancing or transition assistance.”

The U.S. Department of the Treasury approved the program changes, which significantly broaden borrower eligibility, increase the amount of assistance some borrowers receive and extend the length of time borrowers may receive assistance.

Specific program changes:

- 1) **Nearly double the funds available per applicant.** The maximum amount of assistance per household increased from \$18,000 to \$30,000 for all types of assistance except Transition Assistance.
- 2) **Six additional months of assistance.** The maximum duration of assistance increased from 18 months to 24 months.
- 3) **More hardships qualify.** Borrowers may qualify if they can no longer afford their mortgage payment due to: (a) an involuntary and substantial reduction in employment income; (b) a substantial reduction in household income due to death of a household -more-member; (c) significant expenses related to non-elective medical procedures or emergencies; (d) or military service.

- 4) **Transition assistance.** Eligible homeowners with unaffordable mortgage payments who obtain a short sale or deed-in-lieu of foreclosure from their lender/servicer and leave their home in a saleable condition may receive \$2,500 to assist with moving and relocation expenses; and up to \$5,000 paid to their lenders/servicers to help facilitate the short sale or deed-in-lieu of foreclosure agreement.
- 5) **Unemployment benefits timeline extension.** Applicants no longer have to be receiving unemployment assistance at the time of application. These requirements were replaced with the requirement that the involuntary unemployment hardship upon which the applicant seeks to qualify for Unemployment Bridge Program (“UBP”) assistance have occurred on or after Jan. 1, 2009.
- 6) **Financial literacy education.** Successful completion of a financial literacy education course was added to the requirement that monthly assistance recipients engage in approved training, education or structured volunteer work.

“We recognize that for some Hoosiers, factors beyond unemployment may negatively impact homeowners’ ability to make their mortgage payments,” said Mark Neyland, Director of Asset Preservation for IHCDA. “By broadening the Hardest Hit Fund eligibility criteria and increasing the amount of financial assistance available, we are better equipped to help homeowners avoid foreclosure while they re-establish themselves financially.”

With these program updates, IHCDA estimates that approximately 10,150 Indiana households will receive assistance over the life of the Hardest Hit Fund program.

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About the Hardest Hit Fund

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets (Hardest Hit Fund) to provide financial assistance to families in the states most impacted by the downturn of the housing market. The U.S. Department of the Treasury designed the overall program to give each participating state the flexibility to tailor its program to the unique factors contributing to its state’s foreclosure problem. The Hardest Hit Fund is a national program available in 18 states and the District of Columbia, offering qualified homeowners mortgage assistance.

Indiana was awarded more than \$221 million to help unemployed homeowners pay their mortgage and began providing assistance in 2011. Under the Hardest Hit Fund, IFPN is targeting low-to moderate-income homeowners whose primary residence is in any county in Indiana.

Interested homeowners should visit www.877GetHope.org or call 1-877-Get-Hope (1-877-438-4673) to apply.

About the Indiana Foreclosure Prevention Network: The Indiana Foreclosure Prevention Network is a coalition of community service and housing-related organizations, government agencies, lenders, realtors, and trade associations that are actively addressing Indiana’s foreclosure crisis through a variety of methods. For further information on IFPN or the Hardest Hit Fund, visit www.877GetHope.org.

About The Indiana Housing and Community Development Authority: The Indiana Housing and Community Development Authority (IHCDA), chaired by Lt. Governor Sue Ellspermann, creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial

and technical resources in the development efforts of qualified partners throughout Indiana. IHEDA believes that growing Indiana's economy starts at home. For more information, go to www.iheda.in.gov.

The lieutenant governor's family of business agencies includes the Office of Defense Development, Office of Community and Rural Affairs, Indiana State Department of Agriculture, Office of Tourism Development, and the Indiana Housing and Community Development Authority.

For updates from Lt. Governor Ellspermann and the agencies she oversees, please sign up at www.lg.in.gov.