

**United Way and Alabama Housing Urban Development (HUD) Launch
“Foreclosure Helpline: Call 2-1-1”**

BIRMINGHAM, AL – September 29 – To combat increased rates of foreclosure, United Way of Central Alabama, Inc. has partnered with HUD to offer ‘Foreclosure Helpline: Call 2-1-1’, a free referral dedicated to helping individuals who are at risk for losing their homes.

According to RealtyTrac Inc., a tracker of national foreclosures, Alabama currently has over 1,800 homeowners who have filed for foreclosure. Through this new “Foreclosure Helpline”, at-risk individuals will be connected with HUD-approved Housing Counseling Agencies who can offer loss mitigation assistance and other foreclosure prevention tools.

“It is crucial that we offer counseling to the families who have found themselves in this difficult situation,” comments Congressman Artur Davis, “Many individuals are not equipped with the tools or knowledge necessary to save their homes from foreclosure. By calling United Way’s 2-1-1, they will be introduced to experts who can guide them through this complicated process.”

The 2-1-1 Call Center is operated by United Way call center specialists who will direct homeowners to a local HUD counseling agency. These agencies are nonprofit organizations who do not charge for foreclosure prevention services. Homeowners using their services are guided to keep their homes, if possible, and avoid the destruction of their credit by foreclosure or bankruptcy.

Housing Counseling is a critical service to homeowners facing foreclosure. By meeting with a HUD-approved housing counselor and completing a counseling program, 97 percent of homeowners in default avoid foreclosure.

Housing counselors are trained in a range of loss mitigation tools which lenders of FHA-insured mortgages must consider, and even conventional lenders may find advantageous to avoid foreclosure. These include:

- Forbearance plans that allow a borrower to reduce or suspend payments for a short period of time and then agree to another option to bring your loan current
- Repayment plan that allows a borrower to resume making regular monthly payments plus a portion of the past due payments until you are caught up
- Modification of the mortgage by reducing interest rates or extending terms
- Placing past due amounts in a second mortgage
- Short sales, in which the lender agrees to a property sale for less than the amount owed under the mortgage
- Deed in lieu of foreclosure which allows you to deed the property and avoid a foreclosure

- Housing Counselors can also assist troubled borrowers to refinance their mortgage with another lender or to take advantage of programs such as FHA Secure.

There are many answers and tools available to individuals facing foreclosure. This helpline aims to make such resources easily accessible to all Alabamians. For more information visit http://www.uwca.org/get_help1.html or dial 211.

Congressman Davis

Congressman Artur Davis represents Alabama's 7th Congressional District. He serves on the Committee on Ways and Means and the Committee on the Judiciary and was recently named as one of the "Top 5 Democrats to Watch" in TIME Magazine.

United Way of Central Alabama

United Way of Central Alabama, Inc. supports over 80 health and human service programs and initiatives that provide solutions for the most important needs in the community. The Financial Stability Partnership is one key initiative working with the Alabama Asset Building Coalition to plan and implement proactive, collaborative programs underlying the HUD initiative. For more information about United Way of Central Alabama, visit www.uwca.org. To find or give help dial 2.1.1.