



# FRIENDS OF FAIR HOUSING

Vol. 12 Issue 1 • Winter 2011



Quarterly Newsletter for the Friends of Fair Housing

## *FHC Provides Foreclosure Prevention Assistance through Restoring Stability Program*

The Fair Housing Center is proud to participate in the *Restoring Stability* Program. The Ohio Housing Finance Agency (OHFA) launched *Restoring Stability: A Save the Dream Ohio Initiative* (Ohio's Hardest-Hit Funds) in the fall of 2010. Ohio received \$520 million in federal assistance through OHFA's Innovation Fund for the Hardest-Hit Housing Markets. *Restoring Stability* is designed to assist homeowners with financial hardships who have previously been unable to qualify for existing loan modification and foreclosure prevention programs, such as those homeowners who are unemployed or underemployed. Following is a list of Frequently Asked Questions about the program. You may also call the Fair Housing Center at 419-243-6163 ext. 17.

### **Who is eligible for *Restoring Stability*?**

*Restoring Stability* eligibility requirements target homeowners with the greatest need. To qualify, a homeowner must have:

- Current household income below 115 percent of area median income (AMI): \$70,724 a year for a family of four.
- Liquid assets (excluding retirement funds) equal to less than three months of mortgage payments;
- Total first mortgage debt cannot exceed \$271,050; and
- A hardship based on involuntary loss of income, such as through unemployment, reduction in wages or hours, divorce, disability, death, illness or a significant increase in medical expenses.

### **How much assistance is available to help each homeowner?**

*Restoring Stability* will offer up to \$15,000 assistance for eligible homeowners. An Action Plan approved by OHFA will determine the actual amount of assistance paid to a mortgage servicer on behalf of each homeowner. No funds are paid directly to homeowners.

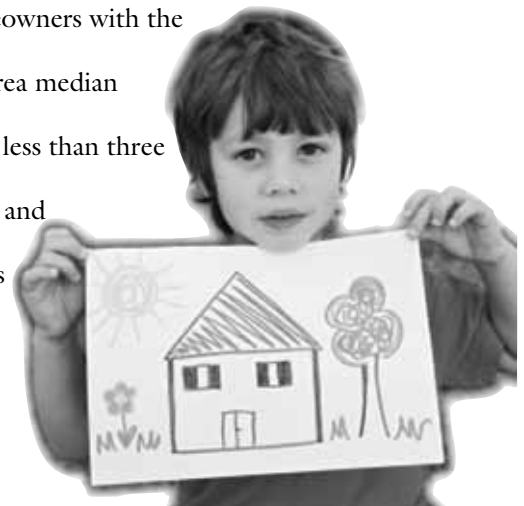
### **How will *Restoring Stability* help homeowners in Ohio?**

*Restoring Stability* has four program options to address the needs of homeowners with financial hardships who have been unable to qualify for existing loan modification and foreclosure prevention programs. Homeowners may qualify for one or more types of assistance. The amount of assistance would be specified in the Action Plan and could not exceed \$15,000.

**Rescue Payment Assistance** – *Restoring Stability* provides a payment to a participating homeowner's mortgage servicer to help bring the homeowner current on his or her delinquent mortgage. The payment could cover principal, interest, fees, delinquent taxes or escrow shortage and homeowners insurance. Participating homeowners are required to demonstrate the ability to make future payments for at least six months or to participate in Partial Mortgage Payment Assistance.

**Partial Mortgage Payment Assistance** – *Restoring Stability* supports unemployed homeowners by providing partial mortgage payments while they search for a job or participate in job training.

*Continued on page 2*



**RESTORING STABILITY**  
A Save the Dream Ohio Initiative

432 N. Superior St.  
Toledo, OH  
43604-1416  
419/243-6163  
Fax: 419/243-3536  
(800) 248-2840  
(419 area only)  
[www.toledofhc.org](http://www.toledofhc.org)



# FRIENDS of FAIR HOUSING

Volume 12

Issue 1

Katherine Lawson Broka  
President & CEO

Michael P. Marsh, CFRE  
Vice President, Development &  
Public Relations

## Officers

Marshall Rose . . . . . Board President  
and Chair  
Ernest Walker, Jr. . First Vice President  
Julia Bryant . . . Second Vice President  
John Widmer . . . . . Secretary  
Ann Hornstein . . . . . Treasurer

## Directors

Nellie Edwards  
Louis Escobar  
Linda Furney  
Sarah J. Hong  
Maria King  
Elizabeth Kollar  
Christopher Mitchell  
Linda Moye, CPA  
Maria "Lupe" Siewert  
Betty J. Valentine  
Ricky T. Walker

The Friends of Fair Housing Newsletter is published quarterly by The Fair Housing Center of Toledo, 432 N. Superior St., Toledo, OH 43604-1416.

Subscriptions are free to members of Friends of Fair Housing.

Postmaster: Send address changes to:

Fair Housing Center  
432 N. Superior St.  
Toledo, OH 43604-1416  
Phone: 419/243-6163  
Fax: 419/243-3536

(800) 248-2840 (419 area only)  
www.toledofhc.org

Follow us on  
**facebook**



## Restoring Stability Program

Continued from page 1

A participating homeowner will make an affordable monthly payment of no less than 25 percent of his or her total monthly payment to a special servicer selected by OHFA. *Restoring Stability* will send the total payment to the homeowner's mortgage servicer on behalf of the homeowner. The number of months of assistance cannot exceed 15 months. Assistance will terminate if the homeowner misses a partial payment.

**Modification Assistance with Principal Reduction** – *Restoring Stability* provides an incentive to servicers in the form of a payment to reduce a participating homeowner's mortgage principal to the level necessary to achieve a loan modification with a target of a 115 percent loan-to-value ratio or less. Servicers must agree to provide principal forbearance or forgiveness equal to or greater than the *Restoring Stability* payment.

**Transitional Assistance** – *Restoring Stability* offers an incentive to servicers to complete short sales and deed-in-lieu agreements to help homeowners exit their homes gracefully. Servicers will provide an incentive to participating homeowners to leave the property in broom-swept, saleable condition and extinguish all remaining debt. If necessary, an incentive payment could also be made to second lien holders to release their lien.

### Will the homeowner have to pay back *Restoring Stability* assistance?

A zero interest, five-year second mortgage will be recorded for the total amount of Rescue Payment, Partial Mortgage Payment or Principal Reduction assistance paid by *Restoring Stability* on behalf of the homeowner. All payments are deferred, and 20 percent of the balance will be forgiven each year. If a homeowner uses *Restoring Stability* to stay in the home and then sells or refinances the home within five years, the assistance would be repayable from the net proceeds.

### Is *Restoring Stability* limited to homeowners who are unemployed?

*Restoring Stability* is available to qualifying households who have had an involuntary loss of income, which includes not only unemployment but also a reduction in wages or hours, divorce, disability, death of a family member, illness or a significant increase in medical expenses. The Partial Mortgage Payment Assistance program, however, is limited to households with at least one member receiving unemployment benefits, or whose benefits terminated in the last 12 months.

### Is *Restoring Stability* limited to people who are delinquent on their mortgage?

*Restoring Stability* is available to homeowners who are either delinquent or current on their mortgage, but who face imminent default due to an involuntary reduction in income. Homeowners must meet other *Restoring Stability* eligibility criteria including income, mortgage amount and available liquid assets.

### Is *Restoring Stability* available to people who have received a notice of foreclosure?

Yes, homeowners who have received a foreclosure notice will receive priority processing and will be assisted if they meet the *Restoring Stability* eligibility criteria. *Restoring Stability* programs may not be used, however, to redeem a mortgage after a foreclosure sale.

### What should I do if I think I may qualify?

*Restoring Stability* is a new program and the state is working diligently to get results quickly for homeowners. One obstacle to timely assistance is the lack of records needed to process a request for assistance. You should obtain the following documents for submission: the two most recent bank statements for all checking and savings accounts, proof of all household income for the 60 days prior to an application, utility bill, most recent mortgage statement, and income tax records for the last year filed (federal only).

---

# National Fair Housing Alliance Announces Support for Amendments to Fair Housing Act

## *HOME Act Provides Protections Based on Sexual Orientation, Gender Identity, and Source of Income*



Congressman Jerrold Nadler, Chair of the Judiciary Subcommittee on the Constitution, Civil Rights and Civil Liberties, along with Judiciary Committee Chairman John Conyers and Oversight and Government Reform Committee Chairman Edolphus Towns, introduced the Housing Opportunities Made Equal (HOME) Act on December 8, 2010. The HOME Act (H.R. 6500) modernizes the federal Fair Housing Act in several important ways, including extending federal civil rights protections to people based upon their sexual orientation, gender identity, or source of income. The National Fair Housing Alliance (NFHA) has endorsed the bill and applauds Congressman Nadler for his insight and initiative.

“Housing discrimination runs counter to the American spirit of opportunity, and instead is part of America’s dark history of senseless exclusion,” said NFHA President and CEO Shanna L. Smith.

“This bill takes the long needed step of ensuring that housing providers cannot reject people or subject them to discriminatory treatment because of their sexual orientation, gender identity, or legal source of income. Housing providers can and must only use pertinent factors such as rental history or financial qualifications to make decisions about homeseekers.”

Since 1968, the Fair Housing Act, Title VIII of the Civil Rights Act, has protected people living in America from housing discrimination. Currently, the Fair Housing Act promotes residential diversity and makes it illegal to discriminate on the basis of race, color, religions, national origin, gender, disability, or familial status.

Yet, the Act does not extend protections to LGBT people, who often face harassment and violence from housing providers and neighbors, or home seekers who intend to pay for housing with government assistance. In the absence of federal prohibitions, landlords, real estate agents and mortgage lenders may offer housing on discriminatory terms to LGBT individuals, and landlords may blatantly refuse to rent to people seeking to pay for housing with veteran benefits, government-issued vouchers or social security.

Many state and local governments have already taken steps to outlaw such discrimination: 12 states and the District of Columbia outlaw discrimination based on source of income; 20 states and DC prohibit discrimination on the basis of sexual orientation and 14 states and DC prohibit discrimination based on gender identity.

“I applaud Chairman Nadler for his insight and initiative,” said Smith. “These long-needed changes to the Fair Housing Act will improve our neighborhoods and expand important civil rights to so many people who are currently left out.”

In addition to protections for sexual orientation, gender identity, and source of income, the bill would do the following:

- Add protections based on marital status;
- Reinforce existing protections for people who are discriminated against after they have already rented or purchased a home;
- Allow the public to hold municipalities accountable for failing to advance fair housing laws;
- Update the definition of “familial status” – a current federally protected class that prevents discrimination against families with children – to be more inclusive of more family types;
- Improve the Department of Justice’s ability to investigate potential fair housing and fair lending violations; and
- Clarify and strengthen protections for people with disabilities.



Friends of Fair Housing  
432 N. Superior St.  
Toledo, OH 43604-1416

NON PROFIT ORG  
US POSTAGE  
PAID  
TOLEDO OH  
PERMIT #158

Address Service Requested

## Restoring the Dream

### ***PREDATORY LENDING REMEDIATION PROGRAM UPDATE***

- 154 Loans remediated through December 31, 2010
- Over \$9.58 million in monetary benefits (averaging \$62,203 per consumer)
- Average reduction in monthly payment = \$245.81
- Average interest rate reduction = 4.36%



*Keith Foster, FHC Director of Enforcement and Compliance, with WilliAnn Moore, Past President of the Toledo Chapter of the NAACP. At a recent community dinner program, there was a special presentation of the President's Awards conducted by NAACP Toledo Unit 2010 President, Ms. Moore. Mr. Foster received the Outstanding Community Service Award.*