

NEIGHBORHOOD STABILIZATION PROGRAM

# Funds could stem foreclosures

By Holly Klatt

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## County getting \$1.1 million to help homeowners

Jackson County is waiting to hear which area neighborhoods will see the benefits of \$1.1 million in federal funding meant to combat the foreclosure crisis and its effect on the community.

The U.S. Department of Housing and Urban Development announced the award Wednesday and is to release additional details in coming weeks. The money is part of a third round of funding through the federal Neighborhood Stabilization Program

and is intended to provide assistance to communities deemed to be hardest hit by foreclosures.

"I'd rather not be on this list, but the reality is we are," county Administrator Randy Treacher said. "Hopefully, this will keep some people in their homes."

Treacher said it is his understanding that the money will be targeted at specific areas of the county. HUD has not informed local officials as

to what areas that will be, he said.

County officials likely will partner with the city of Jackson or area nonprofits once details are available, he said. Jackson is one of 16 Michigan communities to receive funding and did not apply for the money, which was handed out based on the percentage of home foreclosures, homes financed by sub-prime mortgages and homeowners delinquent on payments.

The money is meant to help communities acquire, redevelop or demolish foreclosed properties to help prevent surrounding property values from sinking. It also can be used to offer down payment and closing cost assistance to low- to moderate-income home buyers, according to HUD.

Buyers will be required to participate in housing counseling as part of an effort to prevent future foreclosures, according to the department. "Sadly, Jackson made the cut, but it will provide resources for the community to stabilize neighborhoods," said Community Action Agency CEO Marsha Kreucher.

Since 2005, more than 5,000 properties in Jackson County were foreclosed on after their owners fell behind on mortgage payments. More than 700 properties countywide have fallen into the foreclosure process since January.

Government leaders estimate there are thousands of homes sitting vacant. Many are in poor condition, and that lowers surrounding property values, said county Commissioner Gail Mahoney.

"We want to get rid of as much blight as we can," Mahoney said. In addition to the funding, the HUD will administer a \$1 billion Emergency Homeowners Loan Program. It will provide up to 24 months of mortgage assistance to homeowners at risk of foreclosure, according to the department.

## County getting \$1.1 million for foreclosure assistance

Jackson County was awarded a \$1.1 million grant Wednesday by the U.S. Department of Housing and Urban Development for emergency foreclosure assistance.

The funding, which is being funneled through the department's Neighborhood Stabilization Program, is meant to help communities acquire,

redevelop or demolish foreclosed properties.

It also can be used to offer down-payment and closing-cost assistance to low- and moderate-income home buyers.

The department on Wednesday announced a total of \$58 million in awards to communities statewide for

foreclosure assistance.

"These grants will support local efforts to reverse the effects these foreclosed properties have on their surrounding neighborhoods," Housing and Urban Development Secretary Shaun Donovan said in a written statement.

—Holly Klatt

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