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## **Oregon receives grant money for foreclosure counseling and assistance**

(Salem) — In response to Governor Kulongoski's call to connect Oregonians with pre-foreclosure counseling, the Department of Consumer and Business Services (DCBS), Oregon Housing and Community Services (OHCS), and the Oregon Law Center announced today that Oregon has received more than \$500,000 in grant money to provide counseling and legal assistance to homeowners at risk of foreclosure.

"Many homeowners do not know where to turn when they no longer can afford their mortgage payments and are in danger of losing their home," the Governor said. "This funding will provide much-needed assistance to the thousands of Oregon families who find themselves in this very trying situation."

Oregon Housing and Community Services was awarded \$327,000 as part of the National Foreclosure Mitigation Counseling program to train and fund local nonprofits that provide foreclosure counseling. OHCS is among 32 state housing finance agencies to receive funding through the program, which was established under recent federal legislation. The Department of Consumer and Business Services is providing approximately \$85,000 to OHCS for matching funds and additional resources for nonprofits. The DCBS funds come from the national settlement of a predatory lending lawsuit against Ameriquest Mortgage Company.

"This is a substantial amount of money that should ease the pain of foreclosure through outreach by professional counselors," said Victor Merced, director, Oregon Housing and Community Services. "I cannot emphasize enough the high value we expect to deliver to citizens beleaguered by the turmoil in the housing market."

In addition, the Oregon Law Center will receive \$75,000 a year for three years to hire a staff attorney to do exclusively foreclosure relief work. The grant is from the Institute for Foreclosure Legal Assistance – a project of the Center for Responsible Lending – managed by the National Association of Consumer Advocates. The Oregon Law Center provides free civil legal services to low-income individuals and families.

"Many Oregon families who are in danger of losing their homes are not represented by a lawyer," said Ed Johnson, housing litigation coordinator for the Oregon Law Center. "With this funding, we can provide the legal advocacy they need to help them avoid going through the painful process of foreclosure."

Last fall, the Governor called on DCBS, which regulates mortgage lenders, to take several steps to help consumers who are at risk of losing their homes. The department helped to facilitate both grants.

"We are pleased to partner with Oregon Housing and Community Services and the Oregon Law Center to reach out to homeowners in need of assistance," said Cory Streisinger, Department of Consumer and Business Services director. "With the funding, homeowners facing foreclosure will have better access to counselors and professionals who can help them understand their rights and options and make good decisions."

In addition to helping facilitate the foreclosure counseling grants, the DCBS organized a work group to address concerns about mortgage lending. The work group developed two bills that passed in the February legislative session and that the Governor recently signed: House Bill 3630, which protects consumers from foreclosure rescue schemes and requires clearer notice to consumers facing foreclosure; and Senate Bill 1064, which gives DCBS expanded enforcement over loan originators. DCBS plans to continue the work group meetings this year to develop potential legislation for the 2009 session.

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