



# Oregon

## Housing and Community Services

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### **New Refinance Program for Underwater Homeowners in Multnomah County**

Salem – Oregon Housing and Community Services Department (OHCS) and Oregon’s Senator Jeff Merkley announced the launch of the Rebuilding American Homeownership Assistance Pilot Program (RAHAPP), which will begin accepting applications online at noon on Wednesday June 12, 2013.

This pilot program aims to help homeowners who are trapped in high-interest loans but can’t refinance because their loans are underwater – owing more than their homes are worth. These owners are current on their loans but are not eligible for the Federal HARP refinance program because their loans are not owned or insured by Fannie or Freddie.

The pilot is based on a proposal Senator Merkley introduced in a July 2012 white paper called Rebuilding American Homeownership, which can be read [here](#) (pdf).

“We appreciate Senator Merkley’s vision to jump start this innovative program,” said Margaret Van Vliet, Director of the Oregon Department of Housing and Community Services. “This pilot, and the other foreclosure prevention programs we offer will, hopefully, provide much needed relief to Oregon families that are struggling with underwater mortgages and the fear of foreclosure.”

“Current programs have been frustrating for homeowners who are underwater and not eligible for HARP,” said Senator Merkley. “This pilot tests a different approach. If successful, it could be a win-win, substantially lowering homeowners’ monthly payments and thereby reducing the risk of foreclosure. Moreover, the homeowners would have more funds to spend on other needs, strengthening their families and the local economy. Finally, the program has the potential to pay for itself. If it works, I hope it can be expanded to help underwater families across Oregon and in other states. I applaud OHCS for piloting this different approach.”

The pilot will allow an initial group of approximately 50 underwater homeowners who are current on their payments to refinance into a 30 year fixed rate of 5.0% (5.077% APR) or a 15 year fixed rate of 4% (4.129% APR). There will be no up-front or monthly mortgage insurance payments required for RAHAPP loans.

Interested homeowners in Multnomah County are encouraged to visit the RAHAPP page at <http://www.OregonHomeownerHelp.org> for information, an eligibility quiz, and an online application. Homeowners will be able to submit applications online or in person through OHCS partner, Alpine Mortgage Planning, a Division of Pinnacle Capital Mortgage Corporation.



The RAHAPP is funded by “Hardest Hit” funds the state received from the U.S. Treasury. Oregon Housing and Community Services administers Hardest Hit funds through the Oregon Homeownership Stabilization Initiative (OHSI), which to-date has provided more than \$92 million in assistance to more than 9,000 homeowners.

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