

# FACT SHEET

## PA's Homeowners' Emergency Mortgage Assistance Program & HEMAP Help Center

A program that can be a model for other states facing rising foreclosures



- PA Mortgage Foreclosure Facts**
- Even before the nation's economic crisis, 1 in 46 Pennsylvania homeowners were projected to experience foreclosure on their home as a result of their high cost loan.
  - Pennsylvania stands to lose billions of dollars in lost tax revenue due to increasing mortgage foreclosures.
  - 50 out of 67 Pennsylvania counties (74%) saw an increase of HEMAP applications in the first four months of 2009 from the same time period of 2008.
  - More people are having difficulty paying mortgages due to lost income. The December 2007 unemployment rate was 4.4%; May 2009 state unemployment figures reached 9.8%, and nationally, by September 2009, unemployment reached 9.8%

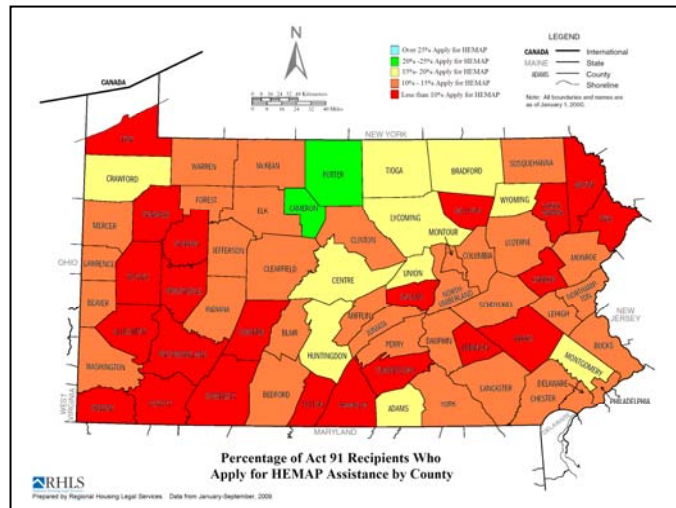
**The Response:**

The Homeowners' Emergency Mortgage Assistance Program (HEMAP) has been helping Pennsylvania homeowners facing foreclosure since 1984. HEMAP, administered by the Pennsylvania Housing Finance Agency (PHFA) has allowed over 40,000 families to save their homes.

**85% of the people who have received HEMAP loans remain in their homes.**

**Making a good program even better:**

But for all of its successes, on average only 26% of all HEMAP applicants are approved each year. To improve the submission of successful applications, the Regional Housing Legal Services has created the **HEMAP Help Center** ([www.hemap.org](http://www.hemap.org)).



**State Snapshot:** Urban, suburban and rural Pennsylvania counties all share in rising HEMAP applications.

Since its founding, the HEMAP Help Center has proven to be effective. **Recent surveys found that 40 to 50 percent of individuals who sought assistance with their applications through the HEMAP Help Center were approved by the PHFA.**

### **Background of HEMAP:**

Thousands of Pennsylvania families faced with the possible loss of their homes through foreclosure have received help from the Homeowners' Emergency Mortgage Assistance Program (HEMAP). This unique program, created by Act 91 of 1983, is the only one of its kind in the nation. By giving assurance of steady mortgage payments, it allows homeowners to seek alternate employment, job training, and/or education when they need it most. The program is funded by state appropriations and repayment of existing HEMAP loans.



#### **HEMAP offers homeowners:**

- Assistance in the form of loans to pay mortgage arrearages as well as ongoing mortgage assistance for a total of 24 months.
- Temporary assistance so homeowners can remain in their homes while they regain their financial footing.

### **About Regional Housing Legal Services**



- A member of the Pennsylvania Legal Aid Network.
- Committed to providing legal and technical assistance to Pennsylvania's low-income families and communities in need on matters related to the development and preservation of affordable housing.
- Based in Glenside, Pennsylvania with offices in Harrisburg, Gettysburg and Pittsburgh.
- Created in 1973.
- Staff of 13, including 10 attorneys.
- Serves about 60 community-based organizations per year.
- Four areas of work: affordable housing and community development services, Housing Law Project, Pennsylvania Utility Law Project, and the HEMAP Help Center.

#### **Important Information about HEMAP Loans:**

- Homeowner must be at least 60 days delinquent on their mortgage and have received an Act 91 Notice from their lender.
- Their home must be located in Pennsylvania and must be owner-occupied.
- The property must be a one- or two-family residence.
- A home used primarily for business purposes is not eligible.
- FHA Title II loans are not eligible.
- The homeowner must have had a favorable mortgage credit history prior to the delinquency during the previous five years.
- The homeowner must be suffering financial hardship due to circumstances beyond their control.
- The homeowner must have a reasonable prospect of resuming full mortgage payments within 24 months and paying the mortgage in full by maturity.
- A HEMAP loan cannot exceed \$60,000.
- A HEMAP loan cannot exceed 24 months from the date of the delinquency.
- PHFA/HEMAP must have at least a third lien position.

For more information, contact Donald Marritz at (717) 334-0528

[www.HEMAP.org](http://www.HEMAP.org)