

Murphy Announces Federal Counseling Services for Homeowners and Homebuyers, Waterbury Education Event

Contact: Kristen Bossi

(202) 225-4476

WATERBURY, CT - As home foreclosures are on the rise in Connecticut, today Congressman Chris Murphy (CT-5) announced an increase in funding this year in the federal budget for housing counseling services. The \$230 million in federal funding for housing counseling and mortgage foreclosure mitigation activities will make it possible for more families facing foreclosure to obtain help in negotiating changes to their mortgages to allow them to remain in their homes.

Murphy also announced that he is organizing a housing and mortgage education event on March 29th at 1pm at the Waterbury Arts Magnet School to help 5th District residents learn how to go about getting a mortgage they can afford, or if the resident is having trouble paying their mortgage, how to get help to allow them keep their home. The event will feature panelists with information about the products and services available to homebuyers and those attempting to prevent foreclosure.

"For many people, paying their mortgage is getting more and more difficult. As the bills pile up and some homeowners begin to worry about losing their home, I want people to know that there are resources available to help you," said Murphy.

According to the Mortgage Bankers Association, 63,000 Connecticut homeowners currently hold subprime loans. More than half of the home loans in Connecticut that are 90 days or more delinquent and in foreclosure are subprime loans; the percentage of subprime loan holders in foreclosure in Connecticut has doubled from the first quarter of 2006 to the first quarter of 2007. Lehman Brothers economist Michelle Meyer estimates that 2.8 million Adjustable Rate Mortgages (ARMs) will reset to higher interest rates in the next two years, resulting in increases of up to 30 percent in required monthly mortgage payments.

In response to this crisis, in December, the appropriations bill passed through Congress and signed by the President allocated \$180 million for NeighborWorks America to make grants to credit counseling

agencies approved by the U.S. Department of Housing and Urban Development (HUD) and \$50 million for housing counseling through HUD's housing counseling assistance program. In Connecticut, there are six NeighborWorks offices - in Waterbury, New Britain, Hartford, Stamford, and two offices in New Haven.

Murphy's March 29th housing and mortgage education event will include experts from Connecticut Housing Finance Authority, the Department of Housing and Urban Development, NeighborWorks America, McCue Mortgage, and the Connecticut Society of Mortgage Brokers.

"I encourage anyone who is in the process of buying a home, and anyone that is having trouble with their mortgage payments to come to this event. It will be a great opportunity to arm yourself with the knowledge and resources to make the best choices for you and your family's housing needs," said Murphy.

#