

New CHFA program offers mortgage aid to homeowners

The Connecticut Housing Finance Authority has announced a new program that will provide forgivable loans to homeowners who are 90 days or more delinquent on their mortgages and meet certain criteria.

Under the federal Emergency Homeowners' Loan Program, state homeowners who are delinquent because of a loss of income due to unemployment, underemployment, medical emergency or serious injury may apply for mortgage payment assistance for up to 24 months or \$50,000, whichever comes first.

Eligible homeowners' current household income must be equal to or less than 120 percent of the area median income adjusted for household size for the community where the residence is located.

Eligible applicants must reside in the mortgaged property as their principle residence, which must be a one to four unit structure or condominium.

Another term of the program is that homeowners exhibit a reasonable likelihood of being able to resume repayment of the first mortgage and meet other housing expenses and debt obligations within two years.

The emergency loan also may be applied to mortgage arrearages, delinquent taxes, homeowners insurance, condominium fees and foreclosure-related fees

The interest-free loan is designed to be forgiven as long as the borrowers remain in the affected property and pay the first mortgage on time.

James Paley, executive director of Neighborhood Housing Services of New Haven, said the U.S. Department of Housing and Urban Development announced the program last year. Neighborhood Housing Services is one of CHFA's approved counseling agencies for EHLA.

"They finally have gotten to the point of implementation," Paley said Thursday, lauding the availability of another tool to assist struggling homeowners.

"We're hoping each one of these tools we have to work with will, individual by individual and case by case, reduce the aggregate number of foreclosures we're dealing with."

Neighborhood Housing Services is located at 333 Sherman Ave. Call the agency at 203-

777-6925, ext. 26, for more information about EHLF.

More information about EHLF is available at www.chfa.org.

According to data compiled by CHFA, there were 829 foreclosures in New Haven in 2010. Click [here](#) for a Register story on year-over-year foreclosure trends in the New Haven metro area during 2009 and 2010.