

Letter to Editor

Hutchinson Leader

With all the foreclosures in the news lately, it is important that homeowners know what to do if they fall behind in their payments, or what their options are if they are concerned about their mortgage terms. For example, if you have an adjustable rate mortgage (ARM) that you will be unable to make the payments on when the interest rate rises, you need to evaluate all your options and start your plan now. Lutheran Social Services (www.lssmn.org/debt) provides counseling for the Hutchinson area and can be reached at 1-888-577-2227 to set up an appointment. At this appointment, your counselor will do a financial analysis and come up with a budget and plan based upon your financial situation. Lutheran Social Services administers a Minnesota Housing Finance Agency

(MHFA) Foreclosure Prevention Program that offers a 0% deferred loan to qualified homeowners facing foreclosure.

According to the Minnesota National Association of Housing & Redevelopment Officials (Nahro), a meeting was held on July 31, 2007 at the State Capital focused on possible changes to foreclosure law. A "Foreclosure Prevention Funders Council" has also been meeting to act as a resource/clearinghouse of ideas and information to the Legislature. The intent is to have some proposals in place before the next legislative session begins on February 12, 2008.

Although Hutchinson has only six foreclosures listed currently on Foreclosure.com and McLeod County has 27 foreclosures listed, a recent study sponsored by the Greater Minnesota Housing Fund projects an increasing number of foreclosures in Greater Minnesota during the next one to two years. The rising foreclosure rate is fueled by borrowers with subprime loans and adjustable rate mortgages (ARM). The current low foreclosure rate in Hutchinson shows a commitment by our local lenders for prudent underwriting standards.

The Hutchinson HRA offers first time homebuyer programs that support successful homeownership. In particular, our entry cost assistance programs are linked to thirty year fixed rate mortgages for those homebuyers that are mortgage ready. For first time homebuyers, the best plan is to attend a Homestretch first time homebuyer workshop and consult with a participating HRA Program lender. Call Heartland Community Action Agency at 320-235-0850 to register for the next Homestretch workshop; it will be well worth your time. In addition, the HRA website (www.hutchinsonhra.com) describes the first time homebuyer programs available in Hutchinson and provides a list of participating HRA Program lenders. With the programs available for mortgage ready first time homebuyers, our workforce has a good opportunity to own and keep a home in Hutchinson.

Sincerely,

Jean Ward

Hutchinson HRA Executive Director