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Contact: Ryan McMaken
720-839-5882

HOTLINE AIMS TO CURB FORECLOSURES

New number will provide assistance to those in danger of foreclosure

DENVER—Colorado leads the nation in foreclosures and the problem could only get worse for those who get behind. A new free hotline provides an easy way for those who may be in danger of foreclosure to talk directly with a trained, professional housing counselor. Counselors can offer free assistance in helping homeowners navigate the foreclosure process and can act as a facilitator between homeowners and their mortgage lenders. The Foreclosure Prevention Hotline is 1-877-601-HOPE (4673).

The Foreclosure Hotline is the first of its kind in the United States. It is the first statewide hotline - tailored specifically to the legal realities of Colorado - and it is the first to connect borrowers with local counselors in communities throughout the state.

The Hotline is the product of a consortium of private-sector and government organizations that have come together to address the high foreclosure rate in Colorado. The consortium is composed of JP Morgan CHASE, The Colorado Division of Housing, The Colorado Division of Real Estate, the Colorado Association of REALTORS, the Colorado Attorney General's Office, The Colorado Housing Counseling Coalition, housing counseling agencies throughout the state, and a variety of other public and private groups concerned about the effects of multiple foreclosures on the community.

“Foreclosures aren’t just a problem for homeowners in foreclosure. Foreclosures cost communities a lot of money, as they negatively affect home values throughout the region. The hotline is about helping individual borrowers, but it’s also about helping protect the equity of homeowners throughout Colorado,” said Kathi Williams, executive director of the Colorado Division of Housing.

The hotline is being operated by Brothers Redevelopment. “Foreclosure is everyone’s problem because it impacts home values for entire community,” said Zachary Urban, program manager for Brothers Redevelopment. “We found early intervention not only helps prevent foreclosure but it is important because it helps sustain property values for the home owner at risk of defaulting and the other surrounding properties as well.”

14,205 foreclosures have been reported for this year through September—a 32.3 percent increase over 2005. Foreclosures often cost lenders from \$35,000 to \$50,000 on each home.

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