

PRESS RELEASE

Colorado Department of Law
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**ATTORNEY GENERAL ANNOUNCES \$51.17 MILLION WILL BE USED
FOR HOMEOWNER RELIEF, FORECLOSURE-PREVENTION EFFORTS**

DENVER — Colorado Attorney General John Suthers and Governor John Hickenlooper announced today that Colorado will use the \$51.17 million it has received under [the recent multistate settlement with the country's five largest banks](#) to fund homeowner relief and foreclosure-prevention efforts throughout the state.

“These funds will help keep Coloradans in their homes and prevent future foreclosures,” Suthers said. “In cooperation with the Governor’s Office and representatives from the General Assembly, I have vetted a series of ideas on how to spend Colorado’s share of the settlement funds. Through this public, collaborative process, I have selected a series of programs that will allow us to leverage these funds to deliver real help to the people of Colorado.”

“Housing is more than just a place to live, it provides opportunities,” Hickenlooper said. “We believe these programs will provide the critical and timely assistance to help families stay in their homes. Through a collaborative process with the Attorney General’s Office and the General Assembly, we’ve been able to find the best ways to leverage this funding to help those who are in most in need.”

Colorado has decided to allocate its \$51.17 million to a series of programs and organizations to provide statewide foreclosure and housing relief over the next three years:

- \$24 million for supplemental loan-modification programs;
- \$18.196 million for affordable housing programs;
- \$5.625 million for housing counseling through the state;
- \$1.5 million for Colorado Legal Services;
- \$750,000 for temporary staffing at the Attorney General’s Office;
- \$600,000 for the Colorado Foreclosure Hotline; and,
- \$500,000 for marketing and outreach efforts.

The \$24 million supplemental loan-modification funding will be divided into two programs. The first program will design pool insurance to facilitate a loan modification or a refinancing for borrowers in default on their loans. The second will provide cash assistance to defaulted borrowers in order to facilitate a loan modification or a refinancing. These two programs are designed to expand the benefits of the settlement to those borrowers who are generally not eligible for the principal reduction modifications that are available under the settlement or other modification programs.

The \$18.196 million affordable housing programs, also administered by the Colorado Division of Housing, will be divided into two programs. The first will be used to stimulate the construction of affordable residential rental properties. The second fund will be used to provide greater housing for veterans at the Ft. Lyon facility in Bent County.

Both the supplemental loan-modification programs and the affordable housing programs were proposed by the Governor's Office, which will oversee their implementation.

The \$5.625 million for housing counseling support will be administered by the Colorado Housing Finance Authority, which administers similar programs and can ensure no double-dipping by counseling services. This allocation will provide ramp-up capital as well as a fee-for-service system for funding housing counseling services to Colorado homeowners.

The \$1.5 million allocation for Colorado Legal Services, the state's free legal aid program for low-income Coloradans, will provide representation for home owners for whom housing counseling or the other programs funded through the national settlement are not adequate. Colorado Legal Services will through this three-year fund be able to expand its staff to serve areas where foreclosures are on the rise, including the Western Slope, mountain communities, northern Colorado and southern Colorado.

The \$600,000 award to the Colorado Foreclosure Hotline continues the Office of the Attorney General's commitment to keeping the hotline operating as a free resource for Colorado homeowners facing foreclosure. This \$600,000 award will fund the hotline's operations through 2015.

The Office of the Attorney General's temporary staff funded through these funds will increase the number of attorneys at the Department of Law who can escalate homeowner complaints to the lenders. This service, which currently is being performed by one staff attorney, has been able to help homeowners review their options in addition to the counseling and legal services already available to Coloradans.

Colorado and each of the other states' shares of the settlement funds were slightly decreased following a bankruptcy filing by one arm of Ally, formerly GMAC.

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Consumers interested in learning more about the multistate agreement can visit www.NationalMortgageSettlement.com or www.coloradoattorneygeneral.gov/mortgagesettlement.

If consumers believe they have been affected by the banks' problematic processes or have experienced any form of foreclosure fraud, they can file a complaint at www.coloradoattorneygeneral.gov/complaint. To learn more about Colorado's ongoing fight against mortgage and foreclosure fraud, visit the Office of the Attorney General's [Mortgage Fraud Information Center](#).

Homeowners facing foreclosure also should contact the Colorado Foreclosure Hotline at 1-877-601-4673 or visit www.coloradoforeclosurehotline.org. The free hotline works with homeowners in or facing foreclosure. Homeowners who call the hotline can speak with a housing counselor about their options.