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FOR IMMEDIATE RELEASE

Harris County Designing Unique Home Ownership Program

Foreclosed homes to be offered at deep discounts with financing assistance

HOUSTON – Harris County Commissioners Court approved a new \$14.9 million Community Services Department program last week aimed at moving more people into houses they can afford in neighborhoods where property values are threatened by foreclosures.

The *Neighborhood Stabilization Program* – an initiative funded by the U.S. Department of Housing and Urban Development and administered locally – is being developed by the County's Community Services Department. It will allow the county to purchase foreclosed houses that need minimal repairs and then resell them to low and moderate income families at substantial discounts.

The unique program will allow qualified buyers, with the assistance of their real estate agents, to identify foreclosed homes in which they would like to reside. Community Services would then buy those properties and resell them to applicants at up to 30 percent below the purchase price.

While the main thrust of the program will be to allow qualified buyers to identify properties themselves, the county is also considering bulk purchases directly from lenders.

Buyers can arrange their own financing or obtain help securing a mortgage through the county. Qualified buyers will also be eligible for the county's down payment assistance program. Community Services will be working directly with lenders and all the mortgages involved will be stable, fixed-rate loans that will be affordable and have insurance and property tax escrows included in the monthly payments.

"That way," said David Turkel, Director of Community Services, "there are no surprises. We're talking about the stable, long-term, safe financing our parents got when they bought their homes. Nothing fancy, like the kind of deals that hurt the national housing market. We're talking about putting people in good houses they can afford. Monthly payments will not be more than 30 percent of their monthly income. We're also talking about keeping neighborhood values secure and safe in the areas where we are going to focus these efforts."

At the start of the program twenty-two zip codes in Harris County are being targeted. More zip codes will likely follow in the months to come. These are areas where foreclosures have been occurring at a fast clip. The program will target homes up to \$120,000 in those areas and all proceeds from sales will go straight back into the county program.

Turkel said it will be early summer before the program is up and running. Community Services' website is being updated to provide program information at www.hrc.hctx.net. Additionally, a recorded message is available at 713-578-2298 with the latest information about the program.

The department will spend the next 18 months assisting over 150 homebuyers who want to take advantage of this unique program.

Over the next 60 days, Turkel said, Community Services will be working with lenders and the real estate community to build the working relationships needed to make the program a public-private success.

The program will be operated under the direction of Larry Moody, Community Services' Assistant Director of Housing Programs and should be ready for a public rollout on June 1.

**INITIAL ZIP CODES WHERE THE NEIGHBORHOOD
STABILIZATION PLAN WILL BE OFFERED.**

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| • 77014 | • 77050 | • 77530 |
| • 77015 | • 77066 | • 77536 |
| • 77029 | • 77067 | • 77547 |
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