

## HUD has homeowner loans on the way

Published: July 5, 2011 at 12:19 PM

WASHINGTON, July 5 (UPI) -- The Department of Housing and Urban Development said it is targeting 30,000 homeowners for help through an interest-free loan program.

There are strings attached to the loans HUD is making available out of the \$1 billion Emergency Homeowners' Loan Program, The Washington Post reported Tuesday.

Homeowners must stay in their homes for five years after the loan program has runs its course and keep up with mortgage payments.

By example, Sandra Allwine of Arlington County, Md., would receive a loan of \$50,000 that would subsidize her \$3,000 mortgage payment for two years. The loan would be forgiven five years after that if Allwine, who is unemployed, satisfies the stipulated requirements.

"We were normal middle-class Americans who had saved and lived very carefully and frugally . . . and still wound up getting kicked in the teeth," Allwine said.

The program, which is available in 27 states, is not every politician's dream come true.

"The best foreclosure mitigation program in America is a job," said Rep. Jeb Hensarling, R-Texas.

Hensarling attempted to kill the program in February, but the Senate never took up his bill, which the House had approved.

With 1.8 million homeowners facing foreclosure the loan program is "a drop in the bucket," said Mark Calabria, director of financial regulation research at the Cato Institute.

Beyond that, "What's the moral superiority of the borrower who did nothing wrong versus the taxpayer who did nothing wrong?" Calabria asked.

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