

**If you want to be a part of Pennsylvania's economic recovery,  
help us address the challenge of home foreclosures**

**An Op-Ed by Brian A. Hudson Sr.  
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June is national homeownership month – an odd time, you might say, to talk about home foreclosures in Pennsylvania. And yet, if we're going to return our housing market to any semblance of normalcy, the foreclosure situation is something to which we all must pay attention.

Foreclosures are up in Pennsylvania – fortunately not as dramatically as in some other parts of the country. But the level of foreclosures is significant enough to raise the inventory of homes available for sale across the Commonwealth. That draws potential buyers away from the construction of new homes. Plus it creates a negative atmosphere that suppresses consumer confidence.

As long as foreclosures remain high, they will continue to hold back the housing market's recovery. That, in turn, places a drag on the overall state economy, since housing is such an influential market segment.

#### Foreclosure expert cites important findings

The Pennsylvania Housing Finance Agency recently hosted our biennial Housing Forum in Harrisburg, bringing together housing leaders from across the state to share ideas and seek solutions. One of our keynote speakers was Rick Sharga, a top executive with RealtyTrac and one of the nation's foremost experts on the foreclosure situation.

Sharga confirmed that the level of foreclosures in Pennsylvania is depressing home prices here. It's also keeping homebuilding at historically low levels. He predicted that foreclosure activity will grow through 2011 and will continue to hamper the housing market's recovery through 2013.

But Sharga also noted – and this is important – that economic recovery will be uneven across the country. Some parts of the nation will recover sooner and faster than others.

That's significant, because in Pennsylvania we've seen that our housing markets did not over-heat to the extreme levels seen in other parts of the United States. As a result, our downturn was not as dramatic.

State tax collections show our economic recovery in the Commonwealth is outpacing previous forecasts. That, too, is good news. These factors remind us that national economic statistics shouldn't blind us to unique local conditions from which we may benefit.

### Federal funding provides a key opportunity

A recent development that may work in our favor is the allocation of \$105 million to Pennsylvania from the U.S. Department of Housing and Urban Development through its Emergency Homeowners' Loan Program, or EHLF.

This program provides up to \$50,000, or 24 months, of continuing financial assistance, to families who are in danger of losing their homes due to lost income from involuntary unemployment, under-employment or medical expenses. Pennsylvania received approval from HUD in April to begin accepting applications for this program.

This funding could be a key component of our economic recovery, because every home that we can save from going into foreclosure is one more step forward in our efforts to maintain home values in Pennsylvania and ensure community stability. That aids our continued economic growth.

### Public assistance is critical to our success

To make the most of this federal funding, however, we must receive applications from eligible families by September 30 – less than four months from now. That is our window to commit this funding, and, given this short timeframe, we're asking for the public's help in sharing this information with state residents.

All summer long you'll see commercial messages from PHFA about the Emergency Homeowners' Loan Program. But paid advertising can only reach so many, especially during the summer season when people spend more time outside their homes. That's why we're seeking everyone's assistance to help make the most of this EHLF funding while it's available.

If you know of families that are struggling to keep their homes, please direct them to our Web site at [www.PHFA.org](http://www.PHFA.org) to learn more about EHLF, or have them call our foreclosure hotline at 1-800-342-2397. Operators are available weekdays from 8:30 a.m. to 4:30 p.m.

We all want to see the economic recovery take hold, and jobs and personal income to be on the rise again. By telling others in need about the assistance available through the Emergency Homeowners' Loan Program, you can make a tangible difference in helping that occur.