

# STATE OF COLORADO

## DEPARTMENT OF LOCAL AFFAIRS DIVISION OF HOUSING

1313 Sherman Street, Suite 518  
Denver, Colorado 80203

**FOR IMMEDIATE RELEASE**

Contact: Ryan McMaken, Colorado Division of Housing  
(303) 866-4651

### 4 out of 5 counseled avoid foreclosure.

10,000 calls later, foreclosure hotline still a frequent dial

At least 4 out of 5 callers to the Colorado Foreclosure hotline who meet with housing counselors avoid foreclosure, according to a report released today by the Colorado Division of Housing and Brothers Redevelopment, Inc. The report comes as the foreclosure hotline surpasses 10,000 calls five months after the hotline launched.

Receiving about 75 calls each day, the hotline (1-877-601-HOPE) connects callers with local housing counselors throughout the state. Homeowners who call are encouraged to meet with housing counselors. Among those who work with a counselor, fewer than 1 in 5 lose their homes to a foreclosure sale at auction, while most work with the counselors and with mortgage companies to find other options such as repayment plans, modifications to the mortgage agreement, or selling the home before final foreclosure.

The information was obtained through a sample of 1,500 hotline callers contacted by Brothers Redevelopment, Inc. (BRI) in an effort to measure counseling success for the Colorado Foreclosure Prevention Task Force, a consortium of non-profits, real estate professionals, and state agencies.

“We’re very happy to see that the hotline is having a positive effect,” said Kathi Williams, Director of the Colorado Division of Housing, and co-chair of the Colorado Foreclosure Prevention Task Force. “This shows how critical it is for households facing foreclosure to get help as quickly as they can. Homeownership counseling can and does help families avoid foreclosure.” The Colorado Division of Housing is among the hotline’s primary financial supporters.

Among those surveyed, 42% were at least 3 months delinquent in their payments. 6% of callers who received counseling were able to bring payments current without other action, 15% initiated a repayment plan, and 22% sold the property. 75% had conventional mortgage loans, 5% had FHA and VA loans, and 20% were unsure. 18% reported having adjustable rate mortgages, 16% had interest-only loans, and 7% had fixed-rate mortgages. 26% were unsure what type of mortgage product they had.

“Early intervention is still the key,” said Zachary Urban, Director of Housing Counseling for Brothers Redevelopment, Inc. “Clearly, the closer one gets to the foreclosure sale, the harder it is to save the home. The hotline counselors have been able to help a lot of people, but they can help more if people call sooner.”

With 10,000 callers in five months, the Colorado Foreclosure Hotline is the likely the busiest hotline in the nation. “We can’t find any other single state in which so many have called a foreclosure hotline in as short a period of time” said Kathi Williams.

In recent years, Colorado has been repeatedly ranked as a state with one of the highest foreclosure rates in the nation, with the Mortgage Bankers Association ranking Colorado as 12<sup>th</sup> in the nation for the fourth quarter of 2006. The Colorado Division of Housing reports that foreclosure filings have increased 110% since 2003.

“The State of Colorado is working to get out in front of the foreclosure challenge,” said Susan Kirkpatrick, executive Director of the Colorado Department of Local Affairs. “Through the Division of Housing, we’re monitoring the foreclosure rate, and we’re looking at the hotline’s outcomes for homeowners. We’re working to see the foreclosure rate stabilize and even decrease as soon as possible. The hotline is an important part of that effort.”

The Colorado Foreclosure Hotline is a joint project of state agencies, mortgage lenders, real estate associations and non-profits from throughout Colorado. Brothers Redevelopment, Inc. administers the hotline network. Callers to the hotline are given the option of connecting to a central call center in Denver or being connected with a local housing counseling agency based on the caller’s zip code.

# # #