

Foreclosure support

Skyline CAP continues addressing housing crisis

As foreclosures continue to increase both nationally and locally, Skyline Community Action Partnership Inc. (Skyline CAP) is stepping up its efforts to address this need within Orange, Madison, and Greene counties.

"Homeowners who want to save their home should contact us for help as soon as they know there is trouble," said Sara Hall, Community Programs Coordinator and Housing Counselor for Skyline CAP in Madison County. "There are different steps we can take depending on the stage of the process and the homeowner's financial situation."

Although Skyline CAP is known for its work with low-income populations, housing counseling services are generally available to any homeowner needing assistance with their primary residence (where they live most of the time).

Data released earlier this month from Realtytrac.com, a national web site for foreclosure listings and related information, revealed that foreclosures across the country are up over last month with one in every 397 homes in some stage of the foreclosure process. This includes homes who have received their initial notice of filing or those who are in the end stages with the home about to be repossessed by the bank and everything in between.

Locally, Orange County is one of the highest risk counties in Virginia for foreclosures

where one in every 202 homes is in some stage of the foreclosure process.

Orange County had 88 new homes enter the foreclosure process in July. In Madison County, nine new homes entered the foreclosure process in July, resulting in a rate of one in every 493 homes in facing foreclosure. Greene County has the lowest rate of foreclosure in the Skyline CAP service area with only one in 1,819 homes in some stage of the process. Only four homes entered foreclosure in Greene County in July.

While the initial wave of foreclosures was largely the result of subprime mortgages (adjustable rate mortgages for households with poor or no credit), the foreclosure problem is mounting now due to economic problems such as unemployment and underemployment forcing many prime rate mortgages (convention, fixed-rate loans taken out by households with good credit) into foreclosures as homeowners can no longer manage to juggle their finances with reduced income.

Even more important than the homes entering the foreclosure process is the increase in homes repossessed by the bank. Nationally, this increased by 9 percent from June to July of this year and increase six percent over July 2009. Realtytrac.com attributes this to banks who are trying to clear out bad loans. At the same time, properties beginning the default process increased by only one percent, another sign banks

are trying to manage their foreclosure cases.

"These numbers may seem scary, but the important thing to remember is that you are not alone," said Hall, one of four foreclosure prevention housing counselors at Skyline CAP. "Foreclosures are no longer prevalent just in lower-income households. Everyone is struggling and could face the possibility of losing their home."

The federal government has put forth the Making Home Affordable Initiative as a means of helping homeowners avoid foreclosure. This program offers mortgage modifications for homes that are the primary residence of the owner. Skyline CAP housing counselors are available to help work through this process and complete the paperwork. Housing counselors can also help clients work through their budget to identify areas for savings or make referrals for programs that can help increase income. The agency also offers an energy-efficiency program to help homeowners and renters reduce their utility bills to save money.

The mission of Skyline CAP, Inc. is to give a hand up to those in need through actions that promote self-sufficiency. It seeks to alleviate the impact of poverty in three-county service area of Orange, Madison, and Greene counties in central Virginia through programs that promote education, affordable housing, and emergency assistance.