



Massachusetts now has the strongest foreclosure law in the nation

Support community based foreclosure prevention counseling

In November, 2007 Massachusetts passed the most comprehensive foreclosure prevention law in the nation. MACDC along with Citizens Housing and Planning Association, Mass Affordable Housing Alliance and National Consumer Law Center worked with the Governor and the Legislature to create Chapter 206, *An Act Preserving and Protecting Homeownership* to address the ongoing foreclosure crisis which is threatening families and entire communities.

Chapter 206 provided \$2 million in line item 7006-0011 to ensure that community based, non-profit organizations have the funding to help homeowners avoid foreclosure and stay in their homes. The legislature should appropriate additional funds so that this program can continue beyond June 30, 2008. This program must continue since the foreclosure crisis is expected to continue well into 2009 and probably 2010.

Research shows that outreach is critical and must be done early to ensure families can stay in their homes and avoid foreclosures (*Addressing the Foreclosure Crisis: State and Federal Initiative in Massachusetts*, CHAPA Briefing Paper, March, 2008). Studies show that:

- over half of borrowers in foreclosure proceedings have not had any contact with the lender,
- contact rates improve when servicers use third party counselors to contact borrowers who have not responded to lender/servicer efforts and
- early counseling (when borrowers fall behind by 30 days) for low and moderate income homeowners increases the probability of curing delinquencies.

Support \$2 million in line item 7006-0011 for foreclosure prevention counseling

For more information on how to support the implementation of Chapter 206, please contact Allison Staton at MACDC at either 617-426-0303 ext. 24 or allisons@macdc.org.

MACDC

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

89 South Street, 4th Floor | Boston, MA 02111
tel: 617.426.0303 | fax: 617.426.0344 | www.macdc.org