



MARTHA COAKLEY
ATTORNEY GENERAL

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200
(617) 727-4765 TTY
www.mass.gov/ago

FOR IMMEDIATE RELEASE
August 20, 2012

MEDIA CONTACT:
Christopher Loh
(617) 727-2543

**MORE THAN \$19 MILLION IN HOMECORPS GRANTS AWARDED TO ADDRESS
FORECLOSURE CRISIS ACROSS THE COMMONWEALTH**

*Funding a Result of Multi-State Settlement with Five National Banks in Connection with Illegal
Foreclosures and Loan Servicing*

BOSTON — More than \$19 million HomeCorps grant initiatives has been awarded to organizations and municipalities across the Commonwealth, Attorney General Martha Coakley announced today. The grant funding will assist communities and homeowners mitigate the impact of the foreclosure crisis and revitalize distressed neighborhoods. The funding is the result of a [nationwide settlement involving the nation's five largest mortgage servicers](#) and their connection with unlawful foreclosures and loan servicing.

“Our economy will never fully recover until we address the impact of the foreclosure crisis,” AG Coakley said. “The HomeCorps program is designed to provide direct assistance to distressed borrowers and avoid unnecessary foreclosures, and the work of these organizations receiving these funds is a critical component of those efforts.”

The [HomeCorps program](#) is a comprehensive strategy developed by the AG’s Office to provide direct assistance to distressed borrowers and help communities recover from the foreclosure crisis. Two of the grant initiatives announced today will fund broad-scale, statewide initiatives to provide direct assistance to distressed borrowers in partnership with the AG’s Loan Modification Initiative, which has been assisting borrowers with obtaining loan modifications since April. In addition, 18 recipients will receive grant funding as part of the HomeCorps community revitalization effort focused on assisting Massachusetts communities and mitigating the impact of the foreclosure crisis.

The Massachusetts Association for Community Action (MASSCAP) will be awarded a two year grant totaling \$7.4 million to administer the [Borrower Recovery Initiative](#). Beginning in September, the grant will fund 19 borrower recovery sites supported by 21 case managers across the state to work directly with families and individuals to prevent homelessness, provide assistance to families transitioning from homeownership following foreclosure, and provide financial education and counseling to individuals and families facing eviction. The sites will receive referrals from the AG’s Office and the funding will enable direct assistance for up to

2,400 households over the course of the 2-year grant term.
http://www.nclc.org/images/pdf/debt_collection/model_family_financial_protection_act.pdf

The Massachusetts Legal Assistance Corporation (MLAC) and the National Consumer Law Center (NCLC) will be awarded a two year grant totaling \$6 million to administer the [Borrower Representation Initiative](#). MLAC and NCLC will use the grant to fund 14 locations statewide staffed by 19 attorneys dedicated to foreclosure-related cases and will deliver direct legal representation to homeowners facing foreclosure or eviction.

Legal services will include assessing potential causes of action to challenge foreclosures and evictions; providing direct legal representation to borrowers in both the pre-foreclosure context and in post-foreclosure proceedings; and helping families receive appropriate assistance, including referrals to Borrower Recovery Initiative sites. The program will also begin in September and sites will receive referrals from the AG's Office.

"MASSCAP and its members look forward to participating in this innovative approach which builds on the work we have done for over two decades to prevent homelessness," said Karen Frederick, MASSCAP President and Executive Director Community Teamwork in Lowell. "The comprehensive nature of the Borrower Recovery Initiative – drawing on the special strengths that the Attorney General, the legal services partners, and community action agencies offer – will allow us collaboratively to bring the right services at the right time to our friends and neighbors in the midst of a foreclosure crisis."

"Legal aid programs across Massachusetts have extensive experience helping borrowers threatened with foreclosure," said Lonnie Powers, MLAC's executive director. "We are excited that the Attorney General has made it possible for us to provide more high-quality legal representation to people who might otherwise lose their homes because they cannot afford to hire a lawyer. Legal representation will help ensure that borrowers' rights are protected."

"Massachusetts is unique in that no other attorney general has been as quick and as aggressive in confronting the foreclosure crisis at the state level," said National Consumer Law Center Executive Director Willard Ogburn. "The HomeCorps Program is a model for other states when deciding how to use their AG Settlement funds. Banks are always represented by lawyers in foreclosures and until now, 10 percent or less of homeowners get representation. This program helps to level the playing field, and that's one reason this HomeCorps Program will make a critical difference."

In addition, \$5.8 million in [Municipal and Community Restoration Grants](#) was awarded to 18 organizations, cities and towns across the state. The grants were awarded to innovative programs with a focus on assisting and revitalizing communities heavily impacted by the foreclosure crisis, including:

- the Boston Department of Neighborhood Development;
- the Brockton Redevelopment Authority;
- the Chelsea Restoration Corporation;
- the Citizens' Housing and Planning Association in Boston;
- the Massachusetts Department of Housing and Community Development;
- the Downtown Taunton Foundation;

- the Worcester Community Housing Resources, Incorporated;
- the cities of Fall River, Fitchburg, New Bedford, Pittsfield, and Springfield;
- the towns of Athol, North Brookfield and Randolph;
- the Neighborhood Housing Services of the South Shore;
- The Resource, Incorporated in Falmouth; and
- Pro-Home, Incorporated in Taunton.

Funding for the three grants comes from the \$44.5 million in funds obtained for Massachusetts as part of the [national settlement](#) with Bank of America, JP Morgan Chase, Wells Fargo, Citigroup and GMAC/Ally. According to the settlement signed in April by a federal judge, the banks are also ordered to provide an estimated \$14.6 million in cash payments to Bay State borrowers and \$257 million worth of mortgage relief across the Commonwealth.

#####