

Homeowners Emergency Mortgage Assistance Program (HEMAP) and Help for the Unemployed

- HEMAP was enacted during the deep recession of 1983. It was designed to help unemployed workers save their homes at a time when unemployment went above 10% nationally.
- HEMAP offers low interest loans to homeowners to pay their mortgage for up to 36 months (during recessions) or until they get back to work. **The state has appropriated \$211 million since the program began and homeowners have repaid \$238 million.**
- Over the years the program has become less likely to assist someone behind on their mortgage due to unemployment, as the program has been underfunded.
- HEMAP currently provides assistance mostly to people who are already back on their feet, while usually denying those who will need ongoing help.
- HEMAP received \$26 million per year during the severe recession years of 1983-86. Recent funding has been between 0 and \$11 million and many deserving homeowners are not receiving loans to stay in their homes as a result.
- **In 2007 and 2008 of the 4,700 families HEMAP helped, only 20% got ongoing assistance. The rest were already back to work and able to resume their current payments, but could not make their back payments.**
- Since the current foreclosure crisis started mortgage companies are very often willing to modify mortgages of people who have a steady income. The companies have been reducing payments, based on ability to pay and putting the back payments onto the end of the mortgage.
- However for those with no steady income those “loan modifications” are very difficult to get. These people need HEMAP and are mostly the unemployed.
- Foreclosures in Pennsylvania jumped 74% between February 2008 and February 2009, over double the national average. 4,200 foreclosures were filed in PA this February compared to 2,400 a year ago.
- HEMAP needs to begin approving unemployed workers for ongoing mortgage assistance so that people do not lose their homes due to the recession. Adequate funding is needed to cover loans to the thousands of unemployed Pennsylvanians who will need help to get them through the recession.
- **HEMAP received \$16 million in funding in the 08-09 Fiscal Year. It is budgeted at \$11 million in the Governor’s budget. To deal with the large numbers of unemployed in the coming year HEMAP must receive at least \$20 million.**

HEMAP DATA - 1996 - September 2008

Year	Approvals	Rejections	Approval Ratio	Continuing assistance	Non-continuing
2008	2,017	7,118	22.1%	339	1,678
2007	2,678	8,446	24.1%	460	2,218
2006	2,764	7,608	26.6%	470	2,294
2005	2,501	6,947	26.5%	481	2,020
2004	2,752	6,176	30.8%	661	2,091
2003	2,298	6,936	24.9%	557	1,741
2002	1,988	7,167	21.7%	475	1,513
2001	1,710	6,584	20.6%	386	1,324
2000	1,766	6,276	22.0%	378	1,388
1999	1,883	5,499	25.5%	n/a	n/a
1998	2,057	4,542	31.1%	n/a	n/a
1997	2,092	4,219	33.1%	n/a	n/a
1996	1,657	4,285	27.9%	n/a	n/a

The approval and rejection numbers reflect the actual decision rendered by the loan officer. The loan officers tally these figures on a daily basis and provide them to us monthly.

Note: I do not have cont./non-cont. data for years 1996-1999. The cont./non-cont. data is at time of approval, it may change by the time it gets to closing. These numbers are hand counted each week by Closing staff.

HEMAP Appropriation Summary

Fiscal Year	Appropriation Amount	TANF Funds
1983-84	\$ -0-	
1984-85	\$ 25,750,000	
1985-86	\$ 25,750,000	
1986-87	\$ 25,750,000	
1987-88	\$ 15,000,000	
1988-89	\$ 11,700,000	
1989-90	\$ 10,000,000	
1990-91	\$ 6,500,000	
1991-92	< returned \$ 12,000,000 >	
1992-93	\$ -0-	
1993-94	\$ 19,500,000	
1994-95	\$ 18,500,000	
1995-96	\$ 18,000,000	
1996-97	\$ 3,000,000	
1997-98	\$ 10,000,000	
1998-99	\$ -0-	
1999-2000	\$ -0-	
2000-2001	\$ -0-	
2001-2002	\$ -0-	
2002-2003	\$ -0-	
2003-2004	\$ -0-	\$ 6.7 M
2004-2005	\$ 5,000,000	\$ 1.4 M
2005-2006	\$ 8,000,000	\$ 3.6 M
2006-2007	\$ 10,000,000	
2007-2008	\$ 11,000,000	\$.2 M
2008-2009	\$ 11,000,000	
Total's	\$ 222,450,000	\$ 11.9 M

PA HOUSING FINANCE AGENCY**HEMAP STATISTICAL DATA****(Cumulative)****(6/30/2008)**

Applications Received	165,162
Applications Approved	40,726
Applications Rejected	122,690
Applications Inactive / No Decision	1,746
HEMAP Approval Rate	25.0%
\$\$ of Loan Disbursements (Includes Closing Fees)	\$ 423,245,707
State Appropriations Received	\$ 211,450,000
\$\$ of Repayments (P.&I.)	\$ 237,782,691
Total No. of Payoffs	19,368
Total No. of Write-offs	11,469
\$\$ of Write-offs (P & I)	\$120,140,523
# of O/S loans	9,889
O/S Loan Balance (Prin.)	\$ 89,189,494
TANF Money Received	\$11,930,512

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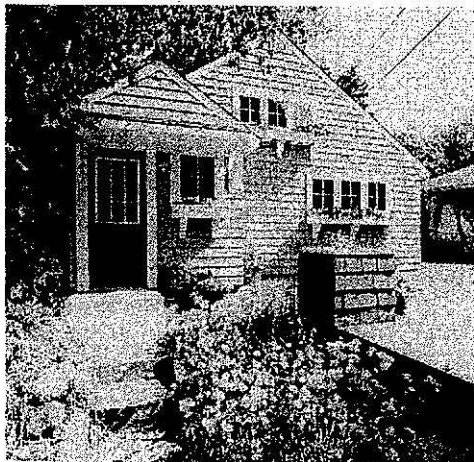
For Pennsylvania Homeowners

Tuesday June 9, 2009

State Capitol Harrisburg

Bus will leave 7 AM- 16th and JFK

Call PUP to reserve your seat 215-557-0822.



- Foreclosures in PA were up 54% in April over April of 2008.
- A record 5,000 homes went into foreclosure in PA in April alone.
- Unemployment in the state has gone from 5.6% in September 08 to 7.8% this March.
- The state's Homeowners Emergency Mortgage Assistance Program (HEMAP) loans money to deserving homeowners to pay their mortgages until they get back on their feet.
- The state has gotten back all the money it has put out since the early 80s as homeowners have repaid the loans with interest.
- **HEMAP IS UNDERFUNDED** and people are losing their homes as a result. Only 22% of homeowners were approved for loans last year and few of them were unemployed.

Philadelphia Unemployment Project Foreclosure Diversion Program Outcomes June 2008 - February 2009

57	Loan Modification
1	HEMAP
5	Repayment Plan
5	Forbearance Agreement
66	Loan Modification in process
8	Motion Opened by Attorney
2	Property Sold by homeowner
5	Foreclosure
4	Other*
2	Bankruptcy
155	<i>Total Cases</i>

*	
no show	2
non-owner	
occupied	1
other agency	1