

Feds supply Placer County with foreclosure relief funds

Placer County is set to launch a program that seeks to reduce the number of vacant, bank-owned houses in unincorporated neighborhoods while helping residents with low or moderate incomes purchase homes.

The initiative is part of a federally funded effort known nationwide as the Neighborhood Stabilization Program.

Placer County has been awarded a \$750,000 grant for its program.

The federal government designated which areas are eligible to participate in the program, using data on such factors as foreclosure rates and the numbers of sub-prime mortgages in each area.

In Placer County, unincorporated areas eligible for participation include North Auburn-Bowman, Foresthill, Kings Beach, Tahoe Vista and Sheridan.

The primary goal is stabilizing communities hard hit by foreclosures by acquiring vacant, bank-owned houses; renovating them if necessary; and helping residents with limited incomes purchase the houses. Loans also can be made directly to homebuyers to purchase houses already listed for sale directly from banks.

In Placer County, the home-purchase assistance will be available to residents with low or moderate incomes. To meet moderate-income limits, a four-person household must have annual income of no more than \$87,350.

Each participating household will be required to make a 3 percent down payment and line up financing from a private

lender for part of the home-purchase price.

The Neighborhood Stabilization Program will provide gap loans up to \$150,000 to cover the rest of the purchase prices. The loans will be shared-equity, second deeds of trust that do not require monthly payments and generally will not be repaid until homes are sold.

Participants do not have to be first-time buyers.

To be eligible for acquisition, bank-owned homes must have been vacant at least 90 days.

More information is available by calling (530) 745.3150.