



We're housing Utah

NEWS RELEASE

July 21, 2008

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Utah Housing Corp's affordable housing loans buck national foreclosure trends

The Utah Housing Corporation released a study today showing that Utah Housing Corporation's loan foreclosures decreased by 52 percent in the last fiscal year, at the same time that statewide foreclosures increased by 141 percent.

Utah Housing Corporation is a public corporation established by the Utah State Legislature to create affordable housing solutions for Utahns. Utah Housing is Utah's leader in providing lower than market rate mortgages for moderate income and first-time home buyers, financing rental properties and developing special needs housing. Some 60,000 Utahns have purchased moderate-priced homes through Utah Housing since it was established in 1975.

Currently nearly 10,000 Utah home owners have their mortgages through Utah Housing. Of those, only 1 in every 4,857 households are in foreclosure. Utah's statewide average foreclosure rate is one in every 600 households. Nationwide, one in every 501 households are in foreclosure, according to a recently released Realty Trac study. Utah's overall foreclosure rates have increased by 141 percent since one year ago, ranking Utah 10th in the nation in increased foreclosures, according to Realty Trac.

The Utah Housing study was directed by President William Erickson, as a follow to the Realty Trac study. He said one of his primary measures of success is Utah Housing's longstanding low delinquency and foreclosure rate. He attributes the solid performance of Utah Housing loans to adhering to responsible lending practices.

"Moderate income and first time home buyers do not need any surprises when it comes to making their monthly house payments," Erickson said. "All of our loan payments are fixed over the life of the loan, and not subject to fluctuations like the adjustable or variable rate stuff out there that has led to the sub-prime mess." Also, Erickson said that Utah Housing requires buyers to purchase homes they can afford, and not overextend themselves. They must demonstrate good credit and a steady history of employment.

“Utah Housing wants having a mortgage to be a positive experience for our customers, because it has finally allowed them the American dream of home ownership,” Erickson said. “We find innovative ways to assist them to accomplish this. We have programs to fund down payment assistance and closing costs, which can be as much as six percent of the amount of the loan. We also have affordable student built homes , rent to own programs, special lending programs for land acquisition, among others.”

Utah Housing plays a similar role at the state level that Fannie Mae and Freddie Mac were designed to play nationally when they were established by the federal government. While today Fannie and Freddie are in trouble with sub-prime loans, Utah Housing is in an enviable position because it has provided only responsible quality loans.

In addition to providing below-market rate mortgages for modest home buyers, Utah Housing also partners with developers to finance affordable and subsidized rental properties around the state. Special needs housing, such as shelters for victims of domestic violence, elderly, physically and mentally challenge, among many others, are also provided through Utah Housing.

For more information about Utah Housing, call 801-902-8200 or toll-free, 1-800-301-6950. Or visit Utah Housing’s website, www.utahhousingcorp.org