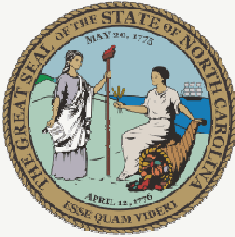


Shared Prosperity

TUESDAY, JUNE 23, 2009

Collaborating to Prevent Foreclosure



June 16, 2009

North Carolina [Governor Bev Perdue](#) celebrated the success of the [North Carolina Home Foreclosure Prevention Project](#). Since the project's inception in November 2008, the state has prevented a

more than 1,000 foreclosures and currently boasts the lowest home loss rates in the region. The project has attempted to address the issue by coordinating the efforts of housing advocates and lenders. The state contracted with mortgage servicers to provide pre-foreclosure notices to at-risk homeowners, in order to give them time resolve their debt. The state has also invested \$1.9 million in

federal grant funding to establish and support a network of certified housing counselors to advise borrowers on alternative resolutions to their mortgage difficulties. In addition, North Carolina promotes access to legal service providers to examine sub-prime mortgages for evidence of illegality and fraud. The state has experienced a 9 percent decline in its rate of foreclosure over the past year.

CONTACT US

1180 Observatory Drive
Suite 7122
Madison WI 53706

NEW ON THE CSI WEBSITE

[Spotlight on Innovation: VA-Governor Kaine Announces Public-Private Partnership to Improve Health of State Workforce](#)

[Featured Brief: The Broken Health Care System](#)

[Recent Events: Regional State Recovery Roundtable—May 2009](#)

Visit us at:
www.stateinnovation.org

CSI WEBINAR: ADULT BASIC EDUCATION

July 6, 2009 - 3:00 pm to 4:30 pm EDT, the [Center for State Innovation](#) will be hosting a discussion on flexible new funding sources in ARRA and the [Workforce Investment Act \(WIA\)](#), and states' opportunities to invest in proven practices.

National resource people on the connection between basic skills and discretionary grants include: Keith Bird ([KY Community and Technical College System](#)), Evelyn Ganzglass ([CLASP](#)), Rachel Gragg ([The Workforce Alliance](#)), Ed Strong ([Corporation for a Skilled Workforce](#)).

California Foreclosure Prevention Act

June 15, 2009

California [Governor Arnold Schwarzenegger](#) announced the implementation of the [California Foreclosure Prevention Act](#) which was designed to stem the tide of lost homes and financial distress that has afflicted the state. The act prohibits creditors from putting a house up for sale for 90 additional days unless that creditor has created

an authorized loan modification program. Acceptable loan modification programs offer changes that achieve a 38 percent debt-to-income ratio for borrowers, with the caveat that if a lender can prove that they will lose more on the plan than on a foreclosure they can choose not to offer loan modification. Lenders have 30 day

grace period to develop a plan. Upon approval borrowers will receive a 90-day foreclosure stay on the condition they comply with the loan modification arrangement.



PUBLICATIONS FROM OUR PARTNERS

[Removing Obstacles to Generic Drug Competition](#)
Center for American Progress – June 23, 2009

[Tax Measures Help Balance State Budgets](#)
Center on Budget and Policy Priorities – June 23, 2009

[Will a "Play-or-Play" Policy for Health Care Cause Job Losses?](#)
Economic Policy Institute – June 17, 2009