DeWine acknowledged that assistance may not be available for homeowners who have loans with Fanny Mae and Freddie Mac, since the agency argued loan modifications may ultimately hurt the taxpayers who fund them.

By JAMES W. WADE III

Staff Reporter

Ohio Attorney General Mike DeWine spent Friday morning touring East 144th Street in Cleveland. This once great thriving neighborhood has been hit hard by the housing crisis in recent years. There are more 12 vacant houses along a half-mile stretch of the street.

With around 7,438 structures on Cleveland's demolition list DeWine took the tour with Cleveland Councilman Zach Reed, a councilman who knows first hand how residents who are still living on East 144th have been struggling.

Thursday when the news came, at a press conference in Columbus, DeWine pledged $75 million from Ohio's portion of the massive mortgage settlement to put toward demolition condemned homes across Ohio
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“This settlement will provide much-needed relief to Ohio homeowners and communities and help our state to recover from the destruction left behind from the mortgage financing crisis,” said Attorney General DeWine.

Ohio’s estimated share of the settlement is $335 million and can be broken down into four major areas for relief:

- Ohio borrowers will receive an estimated total of $102 million in benefits from loan term modifications and other direct relief.
- Ohio borrowers who lost their home to foreclosure from January 1, 2008 through Dec. 11, 2011 and suffered servicing abuse would qualify for part of an estimated total of $44 million in cash payments.
- The value of refinanced loans to Ohio’s “underwater” borrowers would be an estimated total of $90 million.
- The Ohio Attorney General’s Office will receive an estimated $97 million to help with foreclosure prevention, revitalizing neighborhoods by getting rid of blighted properties, assistance to Ohio families who have experienced or are on the brink of foreclosure and the investigation and prosecution of mortgage rescue scam artists.

The settlement is with the following mortgage servicers: Ally, Bank of America, Citi, JPMorganChase and Wells Fargo. Borrowers should contact these mortgage servicers to obtain more information about specific loan modification programs and whether they qualify under the terms of this agreement.

Ohio was particularly hard hit by the foreclosure crisis, and many communities are struggling with abandoned properties that detract from the value of existing housing. New foreclosure filings in Ohio totaled 85,483 in 2010, with one foreclosure filing in 2010 for every 59 housing units. Many Ohioans are also “underwater” with nearly one in three mortgage holders owing

more on their mortgage than their home's value.

DeWine admitted Cleveland may be the hardest hit area in the state when it comes to vacant homes, and dropping property values. Cleveland property values have tumbled so dramatically that housing experts report it now takes an average of 954 days to sell a Cleveland home.

DeWine said he believes cities will be able to apply for the demolition funds by this spring, with the money flowing by the summer. The money will be issued as matching funds, with each city having to put up and equal amount of the money it has requested.

"Abandoned vacant homes right next to them, and people are trying to raise their kids," said DeWine. "They're trying to live a good life, and they have to put up with this." Ohio's mortgage settlement money will also be used to help families who have been foreclosed on, or families who have mortgages that are upside down.

"This settlement will provide much-needed relief to Ohio homeowners and communities and help our state to recover from the destruction left behind from the mortgage financing crisis," said Attorney General DeWine.

There will be $102 million available to Ohio borrowers who are seeking loan term modifications, or principal balance reductions. There has been $90 million set aside to help Ohio residents refinance loans that may be underwater.

Another $40 million is available to Ohio homeowners who may have suffered from loan servicing abuse, and faced foreclosure between January 1, 2008 and December 11, 2011.

DeWine acknowledged that assistance may not be available for homeowners who have loans with Fanny Mae and Freddie Mac, since the agency argued loan modifications may ultimately hurt the taxpayers who fund them.

Councilman Reed and Councilman Tony Bracatelli are fighting hard for the City of Cleveland residents against vacant homes and the foreclosure crisis. “
One of the necessary components of Ohio's economic recovery is ridding our communities of the blight of abandoned homes. These vacant properties are a drag on our recovery, inhibiting the growth of our neighborhoods. They create a toxic breeding ground for crime. And, they depress the value of the remaining homes in that neighborhood,” DeWine stated.