

# NEWS

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SAN BERNARDINO COUNTY  
**AT YOUR SERVICE**



FOR IMMEDIATE RELEASE  
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## Delinquent homeowners may have a chance of relief

As a result of the County of San Bernardino's efforts to assist distressed homeowners, the U.S. Department of Housing and Urban Development (HUD) this month will auction off a special pool of severely delinquent mortgage loans through its Distressed Asset Stabilization Program (DASP).

The loans will be sold at auction on June 25 as one of eight pools of loans insured by the Federal Housing Administration (FHA).

The auction is open to non-profit and for-profit bidders that pre-qualify. The County has entered into an agreement with Palladian General Mortgage Group, which intends to bid on the San Bernardino County pool. In addition to complying with homeowner protections required by HUD, Palladian has agreed to offer additional family-friendly foreclosure alternatives as part of the County's Homeownership Protection (HOP) Program to assist struggling homeowners and stabilize county neighborhoods.

Palladian was one of four firms chosen in 2013 to develop foreclosure prevention programs for the Homeownership Protection Joint Powers Authority (JPA) created by the County and the cities of Fontana and Ontario to address the foreclosure crisis.

The County has advised HUD that Palladian is its preferred bidder. "While there's no guarantee that Palladian will be the successful bidder, if they are we think they will work hard to save many county homes from foreclosure and bring relief to distressed neighborhoods," said County Chief Executive Officer and JPA Chairman Greg Devereaux.

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“Creating and offering this pool makes it possible for severely delinquent homeowners to find alternatives to merely waiting for foreclosure to happen,” said Dena Fuentes, the County’s Director of Housing and Community Development. “If the auction is successful, we hope that

we can work with HUD to create additional, larger pools for future auctions so more homeowners can receive assistance.”

The sales of distressed mortgages through the DASP program is intended to support the communities hardest hit by the foreclosure crisis and save the FHA money by increasing recoveries to its insurance fund and reducing the costs the FHA incurs when it must foreclose on delinquent mortgages and resell the properties.

Palladian Chief Executive Officer Ronald L. Meer describes the pending HUD auction as a win-win for the County, the FHA, and for distressed homeowners. “Palladian’s leadership and investors are committed to taking a family-oriented, socially responsible investment approach to addressing the mortgage crisis while providing a reasonable return” Meer said.

The successful bidder will be prohibited from foreclosing on the delinquent homeowner for at least six months and must work with the homeowner to find a workable alternative to foreclosure.

As part of the HOP Program, each homeowner will receive housing counseling at no charge from a HUD-approved housing counseling agency.

Palladian will keep abandoned properties as rental properties for only a short period and has agreed to resell them to buyers who intend to live in them rather than to investors. “That will help fulfill one of the goals of the HOP Program, which is to stabilize neighborhoods.” Fuentes said.

The County hopes any other entities planning to bid on the San Bernardino County pool would also go beyond the HUD requirements to help homeowners and stabilize county neighborhoods.

“We encourage any other interested bidders to contact us as we’d like to be of assistance in any way we can,” said Fuentes.

Interested bidders may contact Fuentes at (909) 387-4411.