BUSINESS

State homeowners to get loan help

Federal funds to help 'hardest hit' borrowers should arrive in October

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Federal funds to aid South Carolina homeowners struggling with their mortgage should to be accessible this fall.

The South Carolina State Finance and Housing Authority received approval this week from the U.S. Treasury Department for initiatives to assist struggling homeowners using $138 million in the federal "Hardest Hit Funds."

The money should be available in early October, said Clayton Ingram, authority spokesman.

It will be used to implement the "SC Homeownership and Employment Lending Program (SC HELP)," which will offer eligible homeowners monthly payment assistance, direct loan assistance, a Home Affordable Modification Program (HAMP), second mortgage assistance, property disposition assistance, and other services, the housing authority said.

President Obama established the Hardest Hit Fund in February 2010 to aid families in states hit hardest by the downturn of the housing market.

South Carolina joined North Carolina, Ohio, Oregon, and Rhode Island in being chosen for $600 million this year.

These states had highest clusters of people living in counties where the unemployment rate averaged at least 12 percent in 2009, Obama administration officials said

Another $1.5 billion was approved in June for Arizona, California, Florida, Michigan and Nevada — tates with home price declines of more than 20 percent.

U.S. Treasury Assistant Secretary for Financial Stability Herb Allison said the states have "designed targeted programs with the potential to make a real difference in the lives of homeowners struggling to make their mortgage payments because of unemployment."

Up to 12,000 South Carolina homeowners may be helped through programs planned by the authority, the treasury department said.

The South Carolina Housing and Finance Authority stressed that the funds will assist "responsible borrowers" — homeowners who find themselves in default or foreclosure due to circumstances beyond their control.