



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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HOMEOWNERS' TROUBLES GROW *Increased Foreclosure Pressure Noted*

Silver Spring, MD – There's a trend developing in the housing market, and it's not a good one.

Providing consumers with an educational resource site devoted to housing, the National Foundation for Credit Counseling (NFCC) developed www.HousingHelpNow.org. Contained on the site is a self-diagnostic tool known as the Mortgage Reality Check. Through this simple test, the consumer can answer a dozen questions and immediately be slotted into the appropriate risk category for foreclosure.

Since its launch in October 2007, over 4,000 consumers have taken the test. Analysis of the most recent 30-day snapshot reveals that consumers are experiencing an increased financial stress related to foreclosure in every category. Observe the following trends:

- 78 percent of the respondents said they had trouble sleeping because of worry about their current financial situation, the possibility of losing their home or car, or their ability to use credit. This is an increase of 16 percent over the November and December 2007 findings.
- 69 percent of consumers taking the poll said they do not believe that refinancing their home will resolve their financial dilemma. This is an increase of 8 percent.
- Over half of the respondents, 59 percent, owe more on their home than it is worth, up by 11 percent.
- The category reflecting how many people had skipped paying some bills in order to pay others grew by 10 percent.

The trend toward attempting to obtain new credit lines, but being denied additional credit, grew by 8 percent, with exactly half of those taking the quiz indicating that this has happened to them. Seeking new credit could be an indication of how the consumer is trying to stay afloat in these rough economic waters: He has exhausted his existing credit lines, and to keep up his standard of living, he applies for new credit. The fact that additional credit is not available could point toward an increase in future bankruptcies.

The most disturbing trend noted was in the increase of the number of homeowners slotted into the red category, distinguishing them as those who most need immediate assistance to save their home. This category grew by 12 percent in just one month, reflecting that 83 percent of those taking the

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test fell into this most at-risk group.

The good news is that there is help available to consumers. The NFCC has close to 1,400 certified housing counselors ready to assist struggling homeowners. “There is nothing to be gained by delaying action. More resolution options are available to the homeowner who is pro-active. If you have skipped a mortgage payment, or fear doing so, contact an NFCC member agency today. After all, it’s your home, and if you won’t take the steps necessary to save it, who will?” said Gail Cunningham, spokesperson for the NFCC.

Consumers can locate the NFCC member agency closest to them by calling (866) 557-2227 or going online to www.nfcc.org. Assistance in Spanish is available by dialing (800) 682-9832.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation’s largest and longest serving national nonprofit credit counseling organization. The NFCC’s mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC members annually help more than two million consumers through 911 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit www.nfcc.org.