



FOR IMMEDIATE RELEASE
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CONTACTS: BRAD GERMAN, FREDDIE MAC
703-903-2437
MIKE BURNETTE, H.O.M.E.
804-354-0641, ext. 118
804-869-1848, CELL

**REP. SCOTT, FREDDIE MAC, H.O.M.E. CITY OF RICHMOND, LAUNCH
“VIRGINIA LENDING PROTECTION PROJECT” UNITING ANTI-PREDATORY
LENDING DRIVE WITH SAFE, FLEXIBLE MORTGAGES FOR HOMEOWNERSHIP**
Central Virginia’s First Don’t Borrow Trouble Network Can Be Reached At 804-354-0641

RICHMOND, VA . . . A groundbreaking new homeownership initiative to simultaneously help Richmond area borrowers avoid predatory lenders, prepare for the financial responsibilities of homeownership, and access a wider range of safe, flexible mortgage products was unveiled today by a new coalition that includes Housing Opportunities Made Equal, Inc. (H.O.M.E.), Branch Banking and Trust (BB&T), the City of Richmond, and Freddie Mac, one of the nation’s largest investors in residential mortgages.

“Homeownership is a critical building block for Virginia families working to achieve the American dream,” said Congressman Robert C. “Bobby” Scott. “The Virginia Lending Protection Project will provide our working families with a wealth of new homeownership opportunities and a proven program for avoiding the unscrupulous practices of predatory lenders. Freddie Mac, H.O.M.E. and their partners deserve our thanks for working to strengthen our community through this exciting new program.”

The “Virginia Lending Protection Project” joins *Don’t Borrow Trouble*, a nationally award winning anti-predatory lending campaign launched by Freddie Mac and low-downpayment mortgage products designed to help residents clear the key obstacles to homeownership. These

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obstacles include a lack of information about mortgages and home buying, weak credit, or a lack of downpayment savings.

Mayor Rudolph C. McCollum, Jr., a long-time backer of H.O.M.E. and several of its initiatives, said he is glad to see this project come to fruition. “Borrowers and homebuyers in Richmond will benefit greatly from this new partnership, which puts emphasis on helping people use credit responsibly. This is yet another triumph for the City with H.O.M.E.’s efforts,” said Mayor McCollum.

“The key to creating homeownership opportunities is by helping borrowers overcome the obstacles they are likely to encounter at each step of the home buying process, from building credit to shopping for a mortgage to closing the loan,” said Chris T. Morris, Vice President, Housing and Community Investment at Freddie Mac. “The “Virginia Lending Protection Project” addresses these obstacles by combining in a new way proven programs that get results.”

The Virginia Lending Protection Project is the latest Freddie Mac effort to expand responsible homeownership in the Richmond area. In the past five years, Freddie Mac has invested more than \$6.7 billion in mortgages, making affordable homeownership possible for an estimated 55,000 Richmond area families.

Overcoming the Obstacles to Homeownership

First, with the support of the City of Richmond and HUD, H.O.M.E. will provide personalized free borrower counseling to potential homebuyers. BB&T will provide affordable mortgage financing with flexible underwriting for qualified borrowers that includes acceptance of non-traditional credit references and other credit challenges. As a result, homebuyers may obtain mortgages that require as little as a \$500 down payment from their own funds. Freddie Mac plans to purchase the eligible mortgages BB&T originates, thereby ensuring a steady supply of new mortgage credit for additional borrowers.

“This partnership will enhance the services H.O.M.E. provides for prospective homebuyers,” said Constance Chamberlin, President and CEO of H.O.M.E. “It will help us help more people become successful, long-term homeowners.”

“BB&T is excited about its involvement in the Virginia Lending Protection Project and H.O.M.E. This initiative offers us yet another opportunity to fulfill our commitment to be a

community bank oriented mortgage lender and assist in the expansion of homeownership opportunities, especially for low and moderate income individuals and families,” said Carol Ordess, Regional Mortgage Manager.

Call Don't Borrow Trouble Anti-Predatory Hotline at 804-354-0641

The Virginia Lending Protection Project also works to help current and future homeowners protect their credit by alerting them to the dangers of predatory lenders. To help these families, H.O.M.E. is mounting the *Don't Borrow Trouble* anti-predatory lending campaign. *Don't Borrow Trouble* combines advertising, consumer education and a special consumer hotline (804-354-0641) to alert families about predatory lending practices, such as exorbitant interest rates, excessive fees, or deceitful lending practices.

Borrowers who believe they have been the victims of these practices are urged to call the *Don't Borrow Trouble* hotline administered by trained HOME staff members. The staff at H.O.M.E. will provide housing counseling assistance and will work closely with other community partners to provide a full range of options for victims. *Don't Borrow Trouble* was developed in Boston by Mayor Thomas M. Menino and the Massachusetts Community & Banking Council and is being expanded nationally by Freddie Mac.

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to create a continuous flow of funds to mortgage lenders in support of homeownership and rental housing. Freddie Mac purchases mortgages from lenders and packages them into securities that are sold to investors. Over the years, Freddie Mac has opened doors for one in six homebuyers in America. (For more information about Freddie Mac, visit <http://www.freddiemac.com>.)

H.O.M.E. is a private, non-profit organization founded in 1971 to ensure that everyone is treated fairly in their search for housing. To achieve this goal, HOME has developed a comprehensive range of programs and partnerships to address the barriers to housing choice. HOME helps victims of housing discrimination, offers comprehensive housing counseling services including pre-purchase counseling, budget and credit counseling, downpayment and closing cost assistance, mortgage default counseling and many more housing related services. HOME provides training and technical assistance to the housing, lending and insurance industries to help make their housing or housing related service(s) available to the greatest number of people. (For more information on HOME, visit www.phonehome.org.)

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