## Foreclosure Settlement Benefits to North Carolina Economy

North Carolina's \$338 million proceeds from an enforcement action against banks sets right some past wrongs, helps distressed homeowners now, and guards against future abuses.

## Restitution and new loan terms to homeowners, borrowers and communities

- Help to homeowners at risk of default: \$179.51 million
- Refinancing loans at a lower rate for those current on their payments but who owe more than their house is worth, known as underwater: \$61.52 million
- Refunds from lenders to homeowners in foreclosure who were harmed by bad practices, 2008-2011:
   \$33.5 million
- Restitution to the State of North Carolina General Fund: \$10 million
- Civil penalties to North Carolina public schools: \$6.3 million

## Help for distressed homeowners

Housing counselors through the North Carolina Housing Finance Agency: \$20 million

To ensure North Carolina maximizes refunds and other benefits to homeowners from the settlement, such as lower interest rates, loan modifications and other options. Effective counseling can get help to distressed homeowners facing foreclosure or housing decisions. The NC housing agency and its partners, such as Community Development Corporations and Community Action Agencies, will work through the North Carolina Home Foreclosure Prevention Project to provide counseling.

• Legal guidance for those facing housing decisions now or who need guidance in foreclosure or other lending proceedings: \$12 million

Mortgage Foreclosure Prevention Program through Legal Aid of North Carolina (LANC)

Home Defense Project of LANC

Legal operation of Reinvestment Partners

UNC Legal Clinic: Campus-based clinics to specialize in housing legal issues

## **Prevent Future Abuses**

Prosecution of lending and financial crimes: \$10 million

North Carolina District Attorneys expand prosecution and investigative ability and get training on how to stop financial wrongdoers and prosecute them criminally.

NC State Bureau of Investigation to expand accounting and financial investigative ability and expertise to investigate financial/lending crimes.

Stop lending and financial fraud and enforce law: \$5 million for the North Carolina Consumer Protection
Division to focus on investigating and stopping financial and lending fraud, assure public awareness of
settlement eligibility and address consumer need for information.