



PRESS RELEASE

Colorado Department of Law
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ATTORNEY GENERAL REALLOCATES \$23 MILLION TO AFFORDABLE HOUSING FROM NATIONAL MORTGAGE SETTLEMENT FUNDS

DENVER—[Colorado Attorney General John Suthers](#) announced today that he is reallocating \$23 million from Colorado’s National Mortgage Settlement funds to affordable housing programs with special emphasis in funding affordable housing in areas hardest hit by the recent flood and wildfires. The money is part of the overall \$51.17 million in custodial funds Colorado recovered from the National Mortgage Settlement.

The Settlement funds were initially allocated as follows:

Colorado Foreclosure Hotline:	\$1,100,000.00
Colorado Legal Services:	\$1,500,000.00
Housing Counseling Support:	\$5,625,000.00
Enforcement & Monitoring:	\$750,000.00
Affordable Housing:	\$18,195,188.00
Supplemental Loan Programs:	\$24,000,000.00

“Since the National Mortgage Settlement took effect in February 2012, Colorado’s economy has improved, foreclosures have dramatically decreased and the housing market in most of the state is rebounding,” declared Suthers. “The National Mortgage Settlement has been a key factor in this improving housing market. \$425 million in loan modifications in Colorado helped 7,500 Coloradans avoid foreclosure,” said Suthers.

The improving housing market has led to the funding for Housing Counseling Support and Supplemental Loan Programs being underutilized and leaving \$23 million available for reallocation as contemplated when the initial allocations were made. At the same time the housing market has improved, a rental crunch has developed. Vacancies have dwindled and many Coloradans are finding it very difficult to find affordable housing. Our state’s natural disasters have exacerbated the problem.

The \$18.2 million originally allocated to affordable housing under the settlement has been utilized to provide loans for 10 affordable housing projects across the state involving 900 units and for the repurposing of Fort Lyons as a residential treatment center.

The [Colorado Department of Local Affairs' Division of Housing](#), which administered the original \$18.2 million in affordable housing funds will also administer the additional \$23 million. Because these funds will be part of a revolving loan fund for affordable housing, the money should provide affordable housing assistance far into the future.

“This investment will provide affordable housing statewide for working families, seniors, formerly homeless persons, and persons with disabilities and repair and construct housing for victims of September’s floods” added Pat Coyle, Director of DOLA’s Division of Housing. “This is a major step forward in meeting the growing needs of affordable housing in Colorado.”

Attorney General Suthers praised the work of his Consumer Protection Section and First Assistant Attorney General Andrew McCallin in bringing about the settlement and Colorado’s effective use of the funds.

“The Consumer Protection Section, and Andy McCallin in particular, have done great work for the people and communities of Colorado,” said Suthers. “Many homeowners have been helped and many people will have affordable housing in the future because of their efforts.”

A copy of Attorney General Suthers’ letter to the governor and legislative leaders explaining the reallocation of funds is attached.

Homeowners facing foreclosure are urged to contact the [Colorado Foreclosure Hotline](#) (phone: 1-877-601-4673 (HOPE)). The free hotline works with homeowners in or facing foreclosure. Homeowners who call the hotline may speak with a housing counselor about their options.

If consumers believe they have been affected by the banks’ problematic processes or have experienced any form of foreclosure fraud, they may file a complaint with the Colorado [Attorney General’s Office](#). To learn more about Colorado’s ongoing fight against mortgage and foreclosure fraud, visit the Office of the Attorney General’s [Mortgage Fraud Information Center](#).

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