



**ERIC
GARCETTI**
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COUNCIL DISTRICT 13



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Photos Available

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GARCETTI URGES HOMEOWNERS AT RISK OF MORTGAGE DEFAULT TO SEEK ASSISTANCE ASKS CITY TO REPORT ON SCOPE OF SUB-PRIME WOES IN L.A.

LOS ANGELES – April 12, 2007 – Los Angeles City Council President Eric Garcetti today announced the creation of the Mortgage HOPE Crisis Hotline **(888) 388-HOPE**, an initiative of Operation HOPE. The toll-free hotline was created to provide free financial counseling to those most in jeopardy of losing their homes.

“Los Angeles has the worst housing crisis in the nation. Increasing monthly mortgage payments are pushing more and more homeowners into precarious situations. People experience it as a private problem, but it's a crisis for our city, and we need to reach out with the information that can help people stay in their homes and weather the storm,” said Garcetti. In addition to letting Angelenos know about the hotline, he plans to introduce a motion in Friday’s Council meeting requesting a report from city staff on financial literacy programs, foreclosure activity, and the impact of sub-prime lending practices in Los Angeles.

Angelenos in danger of defaulting on their adjustable or variable rate mortgage loans, or those who are struggling to make monthly mortgage payments, should take advantage of the free service.

Operation HOPE, Founder, Chairman and CEO John Hope Bryant stated, “Financial illiteracy is at the heart of the sub-prime mortgage lending crisis. Households where middle class Americans simply sought to purchase ‘too much home,’ effectively asking the wrong question: ‘What’s the payment?’ versus ‘What’s the interest rate?’” Bryant continued, “Frankly, this is precisely how my family lost our home when I was a child, and one of the reasons why I am so personally passionate about financial literacy today.”

Mortgage industry analysts estimate that as many as 1.5 million Americans are at risk of foreclosure as low introductory mortgage rates expire and payments increase. The newly created toll-free crisis hotline will give at-risk homeowners an opportunity to obtain free guidance and counseling on how to resolve those financial issues. The mortgage crisis counselors are trained to provide guidance on:

- How to negotiate with your lender
- How to apply for loan modifications
- How to avoid foreclosure
- How to sell a house and purchase a more affordable home
- How to restructure your existing debt and obligations

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The Mortgage HOPE Crisis Hotline will be supported by a state-of-the-art call center that was created in October 2005, by a partnership between Operation HOPE and The First American Corporation. The call center, which is located within First American's Poway, CA, campus and staffed by HOPE employees, serves as a virtual financial education and services center for individuals seeking credit counseling, homeownership counseling and loan products, as well as provides financial literacy education in area public schools and emergency financial counseling to impacted families following natural disasters.

Landon Taylor, senior vice president of market development for The First American Corporation said, "Where you find low wealth communities in need of support, you will very likely find Operation HOPE hard at work. We are very proud to once again partner with Operation HOPE in support of their mission to meet the needs of families facing financial crisis. Our organizations have a shared commitment to help more Americans understand the home-buying process and to empower them to build wealth through homeownership.

Individuals with mortgage concerns are urged to call the Mortgage HOPE Hotline at (888) 388-HOPE (4673) for personalized service. All services are free and confidential.

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