



NEWS FROM **CONNECTICUT SENATE DEMOCRATS**

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SENATOR DUFF: FEDERAL-STATE SETTLEMENT TO WILL HELP FAMILIES KEEP THEIR HOMES

Connecticut to receive \$200 million to provide financial relief, mortgage counseling and foreclosure prevention programs

NORWALK - Senator Bob Duff (D-Norwalk) today praised the announcement by state and federal authorities of a \$25 billion settlement with five leading mortgage lenders as a victory for Connecticut residents in need of financial relief. The settlement represents the largest joint federal-state financial settlement in history. Connecticut's share of the settlement is approximately \$200 million.

"This settlement represents a victory for Connecticut residents," said Senator Duff. "It provides financial assistance to help families stay in their homes, grant payments up to \$2,000 to borrowers that were the victims of unfair foreclosure practices and establishes state-level foreclosure prevention programs. I want to thank Attorney General Jepsen for playing a critical role in putting an end to abusive lending practices by lenders and ensuring Connecticut residents impacted by the foreclosure received some compensation."

Under the terms of the settlement:

- Connecticut borrowers will receive an estimated \$119 million in benefits from loan term modifications and other direct relief.
- The estimated 7,500 Connecticut borrowers who lost their home to foreclosure from January 1, 2008 through December 31, 2011 and suffered servicing abuse would qualify for an estimated \$1,500 in cash payments to individual borrowers.
- The value of refinanced loans to Connecticut's underwater borrowers would be an estimated \$36 million.
- The state will receive a direct payment estimated at \$27 million to help pay for local foreclosure prevention programs, such as the Connecticut Department of Banking's foreclosure prevention hotline, HUD- approved housing counselors, the Judicial Branch's foreclosure mediation program, non-profit legal aid groups that help homeowners facing foreclosure, and loan modification programs supported by the Connecticut Housing Finance Authority.