

The Miami Herald

Posted on Tue, Oct. 19, 2010

South Florida housing program carries on amid foreclosure crisis

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In the midst of national foreclosure freezes and robo-signing scandals, South Florida's massive government-sponsored foreclosure buying operation is plowing ahead.

The Neighborhood Stabilization Program, fueled by more than \$250 million in funding from the U.S. Department of Housing and Urban Development, has allowed local governments to buy up foreclosures and resell them to middle-income buyers.

In Miami, the program's first single-family home was granted to lottery winner Tiffany Williams on Tuesday. It was one of 10 homes the city has purchased. The rest of the city's \$12 million NSP grant went toward home demolitions and multifamily properties not affected by foreclosure suspensions, said program director Ann Kashmer.

"Most of them didn't go into [commercial mortgage backed securities], so those are okay," she said.

Still, as the program's second round picks up steam, questionable foreclosure practices by banks could delay the NSP's progress, said Arden Shank, president of Neighborhood Housing Services of South Florida, which oversees \$89 million in NSP second round funds.

"The very first [home] where we thought we were going to have a signed contract from the lender, as an REO (bank-owned home), it got pulled back," Shank said. "The lender discovered that when they filed the foreclosure, they had the wrong address or folio on it."

NSP's third round, announced last month, granted an additional \$25 million in foreclosure funding to Miami-Dade and Broward county governments.

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