



State of Nevada Department of Business & Industry

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State Proposes Program Aimed at Home Retention, Elimination of Underwater Shadow Inventory

Department of Business and Industry develops Nevada Home Retention Program to keep underwater homeowners in their homes

Las Vegas, NV- In 2012, there were more than 52,000 severely delinquent and underwater homeowners in Nevada headed toward foreclosure. Our housing recovery is fragile and affected by this “shadow inventory.” It remains an impediment to true recovery in our State. Attached is a white paper on a program the State is proposing to help tackle this problem to allow the housing market to accelerate a true recovery and restore normal market forces while finding ways to maintain and encourage owner-occupied homeownership.

In partnership with HUD and the U.S. Treasury, the Nevada Home Retention Program gives pre-identified homeowners an opportunity to refinance their delinquent underwater mortgage at the current market value of the home, giving them a fresh start to begin building equity. Thus, the homeowner is better positioned to maintain their property and invest in home improvement, thereby stabilizing the value of the home and surrounding properties.

For those homeowners that are unable or unwilling to participate in the program or in cases where the home is abandoned, a timely foreclosure will be initiated. Foreclosed properties will only be resold to qualified owner-occupants and first time homebuyers.

Key Points:

- The program’s primary objective is to encourage owner-occupied homeownership and retention.

- This is not a volunteer program. To qualify for this program, the homeowner's loan must be among the pool of loans acquired by the State from the FHA or other program partners. Homeowners will be notified and invited to refinance their current mortgage.
- It is anticipated that a number of homeowners will not qualify to refinance within the program. Some of the mortgages and homes in the pool may already be vacant or abandoned. In those cases, the goal is to move quickly to get a qualified owner-occupant into the home as soon as possible.
- A nonprofit entity would be established to administer this program on behalf of the state with formal oversight by federal and state officials and an independent board of directors.
- The nonprofit organization administering the Nevada Home Retention Program will help stimulate economic activity by contracting with certified housing counselors, real estate professionals, construction companies and other professionals to fully implement the program.
- The Department of Business and Industry continues to work with key stakeholders to finalize details of the program and will make information concerning the program available as it develops.

For more information about the proposed Nevada Home Retention Program, please see the attached white paper for a comprehensive overview of the program's administration and goals.

About the Department of Business & Industry

The Nevada Department of Business & Industry is a cabinet level agency in Nevada State government. The mission of the Department is to protect consumers and promote commerce. Our objective is to encourage and promote business development and growth, and to ensure the legal operation of business in order to protect consumers. These objectives are carried out through maintaining a fair and competitive regulatory environment and eliminating unnecessary and burdensome regulations when possible. In addition, Business and Industry is committed to providing leadership for small businesses in the areas of advocacy, navigating state government, access to capital and training.

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