

Chicopee family avoids foreclosure through courts as deadline for federal Emergency Homeowners' Loan Program draws near



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The Republican | Don Treeger Attorney Richard Ravosa goes over some paperwork with Cheryl Provenzano, who he helped avoid foreclosure.

CHICOPEE – The [mortgage](#) crisis is over, at least for Cheryl L.

and Steven M. Provenzano.

The Provenzanos saw their monthly mortgage payment on a 1,900 square-foot split level on Mandalay Road go from \$1,100 to \$2,025 a month when they refinanced in September 2006. Steven, an electrician, wasn't working as much as he'd have liked.

The first [foreclosure](#) notice came in August 2007. With the help of [attorney Richard S. Ravosa](#), of Boston, they filed for Chapter 13 bankruptcy and then sued their mortgage holder on top of the bankruptcy, alleging that they'd fallen victim to a predatory loan.

Earlier this month, they settled with lender Option One and with Wells Fargo, the bank that was handling the billing and accounting on their loan, said Ravosa, who also has an office in Springfield.

Ravosa said he can't disclose the terms of the settlement, but it comes with a new mortgage with an affordable interest rate that should keep the Provenzanos in their home with their five children ages 8 to 21.

"I have peace of mind. I'm not waiting for that auction notice," Cheryl Provenzano said Wednesday. "I don't have to worry."

But for the country, the mortgage crisis continues, said Charles H. Rucks, executive director of [Springfield Neighborhood Housing Services](#). The federal government's [Emergency Homeowners' Loan Program](#) is ending. The deadline for pre-applicant questionnaires is Friday at midnight.

But Rucks said some applications may be accepted as late as July 27.

The program can loan homeowners up to \$50,000 at zero

interest, enough to make up the delinquent payments and a portion of the monthly mortgage payment going forward for two years, Rucks said. To qualify, a homeowner must have fallen behind because of a documented loss of income, either a layoff, a pay cut or a loss of hours on the job.

In return for the loan, the federal government puts a lien on the property. Rucks said homeowners must pay at least 31 percent of the income they do receive or a minimum of \$150 a month toward their mortgage. After 24 consecutive payments, the federal government will forgive the debt.

“It is a really good program,” Rucks said. “But it is finite. All of the money must be committed by Sept. 30. We cannot count on another program beyond this one.”

Springfield Neighborhood Housing Services has scheduled a series of workshops on the Emergency Homeowners’ Loan Program at 6 p.m. on Thursday, Friday, Monday and Tuesday, and at noon on Saturday in Hickory Hall at Springfield College. Neighborhood Housing Services can be reached at (413) 739-4737.

Rucks said loan modifications, like the one the Provenzanos received, are really only an option when the loan was always unreasonable.

On the other hand, Ravosa has suggested the Emergency Loan program to his clients who have reasonable mortgages, but have lost an income.

“There are fewer foreclosures because banks are more willing to work with a client who can show some income,” Ravosa said.