
States Fall Short on Help for Housing

Six Months after Mortgage
Settlement, Less than Half of
States' \$2.5 Billion Has Gone for
Housing

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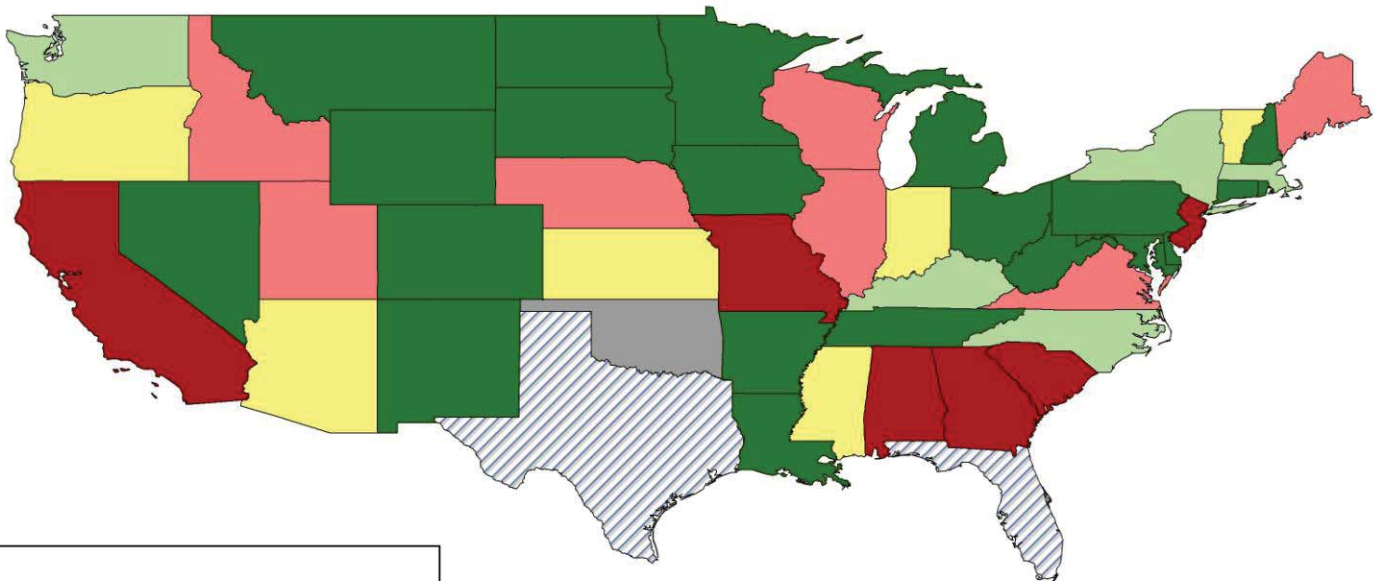
INTRODUCTION

Six months after finalizing the landmark \$25 billion [National Mortgage Settlement](#), the District of Columbia and the 49 states who were parties to the settlement have been allocating and distributing their respective shares of the \$2.5 billion that was designated for them, but less than half of the announced expenditures will be used as intended. Direct payments to the states were intended to help prevent foreclosures, stabilize communities, and prevent or prosecute financial fraud. To date, states have announced plans to spend \$966 million for housing and foreclosure-related activities, while \$988 million has been diverted to states' general funds or for non-housing uses. There is \$588 million remaining to be allocated, of which Texas and Florida comprise the lion's share and with the rest spread out among states that have already begun to roll out their plans.

As we previously described in our report “\$2.5 Billion: Understanding how States Are Spending Their Share of the National Mortgage Settlement,” the funds are also intended to “compensate the States for costs resulting from the alleged unlawful conduct of the Defendants.” The settlement goes beyond these general guidelines, however; it also includes a short description of how each state’s attorney general has directed his or her state to spend its share of the money. In addition to tracking how states have spent their funds, we have also analyzed whether states have adhered to the language in the settlement.

Our analysis of state activities shows that the while the majority of states are using or plan to use most, if not all, of their funds for housing-related activities, the largest recipients are not currently doing so. Twenty-three states are using all or substantially all their funds for housing. The settlement established an overall 10 percent cap on the money that can be

Share of State Settlement Funds Used for Housing



Substantially All (90%+)	None
Most (70%-89%)	Undecided
Some (25%-50%)	Not Participating in the Settlement
Minimal (<25%)	

Note: Data reflects actual allocations or announced plans as of the date of this report. Several states currently showing lower levels of spending on housing have additional funds that are unallocated that will likely be used for housing in the future.

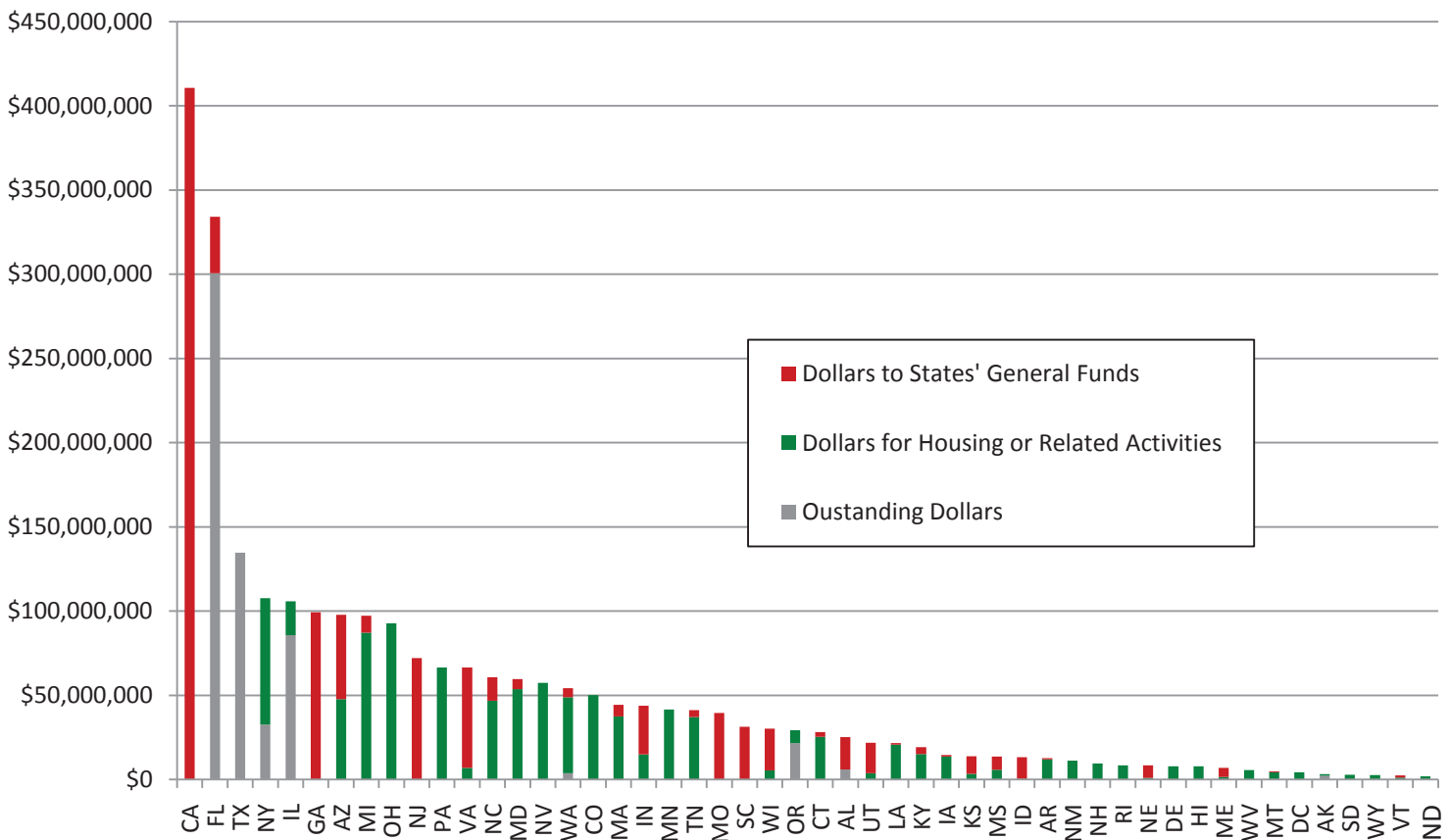
considered a civil penalty or fine, so we consider states using at least 90 percent of their funds for housing in this top category. Breaking from the other states, Kansas explicitly set aside a minimum 25 percent for activities related to mortgage fraud, servicing abuses, and costs associated with the settlement. However, Kansas also designated all remaining funds as civil penalties, which typically flow into a state's general fund.

Five states have allocated between 70 and 89 percent of their funds for housing, while fourteen states are putting some money, but less than half, towards the intended uses. The remaining states have put all the settlement funds towards other uses or have not yet determined how they will use the money.

Of the states that have decided to allocate funds for housing:

- 25 states will spend funds on legal assistance to homeowners
- 21 states will spend funds on housing counseling
- 17 states will spend funds on law enforcement or more litigation
- 14 states will spend funds on marketing or outreach to educate residents about foreclosure-prevention options
- 13 states will spend the funds on foreclosure prevention
- 8 states will spend funds on affordable housing programs
- 8 states will spend funds on foreclosure mediation programs
- 7 states will spend the funds on neighborhood stabilization activity
- 7 states will spend funds on foreclosure prevention hotlines

Allocations by State



- 5 states will spend funds on foreclosure scam rescue programs
- 4 states will spend funds on loan modification programs

CALLING THE SHOTS

Despite the central role of the attorneys general in negotiating the settlement, including the stipulations of how they will use their share of the funds, legislatures and governors have often weighed in heavily on how the funds will be spent. This has led to some very public disputes over who has the actual authority to allocate the money. Not surprisingly, perhaps, this struggle has come to the fore in California and Florida, by far the two largest individual recipients of settlement funds, accounting for almost 30 percent of all money flowing to the states. In California, the dispute is between the attorney general and the governor, while in Florida, the attorney general and legislature are at odds.

As of the time of the writing of the report, Florida's \$334 million remain in escrow, awaiting the outcome of the dispute. Attorney General Bondi has argued that she has the authority to distribute the funds because they were the result of a court order while Senator Alexander, who chairs the Budget Committee, has stated expenditures must be authorized by the legislature.ⁱ Unlike in California, where Governor Brown and Attorney General Harris had two very different views on how to spend the money, in Florida, the question seems to be solely one of legal authority. Until that question is resolved, however, we consider Florida open. We describe California's use of the funds below, among the states that have deviated from the uses stated in the settlement.

For most participating states, the settlement stipulates that the attorney general is to be the direct recipient of the funds and the sole decision-maker as to how the funds will be used. In Georgia and Utah, however, the state legislatures are the ones who received the funds and have been tasked with allocating them. Despite including a list of important foreclosure-related activities in the settlement,

Georgia ultimately allocated the entirety of its \$99 million share of the settlement to economic development programs, one of which distributes funds across the state and the other that focuses on rural areas. This prompted complaints from members of Congressⁱⁱ and affordable housing advocatesⁱⁱⁱ that individuals and communities hardest hit by foreclosures will not receive the benefits of the settlement. Approximately 17 percent of Utah's funds will go for housing, with \$1.75 million distributed to nonprofits focused on homelessness and another \$2 million to the attorney general's office to combat mortgage fraud. Utah distributed the balance of \$21.9 million into the general fund as part of a larger \$51 million surplus by the legislature.^{iv}

Texas is another state to allocate funds outside the control of the attorney general. According to the settlement, \$124 million will go to Texas's general fund with \$10 million in civil penalties allocated to the judicial fund. However, even the dollars earmarked for the judicial fund, a fund established to provide legal services for very low income people, might not ultimately serve its intended purpose. According to the settlement, the state will deposit \$10 million into the judicial fund established under Texas Government Code Section 402.007. However, this same code caps biennial funding for that fund at \$10 million and credits all civil penalties stemming from business and commerce cases in Texas to the fund.^v To the extent that previous cases already applied payments to the fund, those amounts would be deducted from the \$10 million in the settlement. Moreover, the same section of the Texas Government Code creates a loophole that allows the state to redirect civil penalties if another law requires it. Since the legislature has the opportunity to vote on the use of the share of the money allocated to the general fund, it may also choose to pass legislation directing the \$10 million for the judicial fund to other purposes. The legislature will convene in January 2013 for the first time since the signing of the settlement,^{vi} so we cannot predict how the state legislature will use the funds until then.

New Jersey's settlement language is silent on who would ultimately make the determination of how the funds will be spent, and it allows for effectively

limitless uses for its \$72.1 million share by simply stating “New Jersey plans to apply its share” rather than the more definitive “shall be used” found in most other states’ settlement descriptions. In the end, Governor Christie made the determination to put the funds into the general budget, although he said that the money will “deal with housing problems, homelessness issues and other affordable housing issues for the people of the state.”^{vii} However, settlement funds incorporated into the larger \$317 million state budget for housing did not necessarily reflect any increased outlay for additional housing activities as would be expected. Advocates also note they do not expect that the state will use any of the funds on foreclosure prevention or neighborhoods stabilization. Because the funds flowed through general fund as part of the budget process and were essentially used as a fungible source to offset potential budget cuts, we do not consider New Jersey’s use of their funds in compliance with the intent of the settlement.

DEVIATING FROM THE SETTLEMENT

The settlement directs funds to states’ attorneys general in most cases. However, even when the settlement enumerates intended uses, the attorneys general have considerable leeway in determining how to use the funds. Realistically, \$2.5 billion in unanticipated funds flowing into state government is a windfall at a time when most states are facing severe budget shortfalls. While disappointing for those who believe states’ settlement proceeds should be used for housing-related purposes, as the settlement intended, it may not come as a surprise that eight states have deviated from the agreed upon uses of the funds.

Foremost among these states is California, which obtained the largest share and is home to numerous cities hard hit by foreclosures. Under the settlement, California stated that it would set aside 10 percent of direct state funds as civil penalties and use the remaining 90 percent (approximately \$360 million) for housing counseling, legal aid, consumer financial protection investigations, and other similar programs to mitigate the damage caused by the mortgage foreclosure crisis. After much public debate between

Attorney General Harris and Governor Brown over use of the funds,^{viii} in May, the governor decided to use the funds primarily to plug the state’s \$15.7 billion budget gap.^{ix} While some of the settlement funds’ use within the budget will be to pay the debt service on affordable housing bonds,^x the bonds being paid with the settlement funds were issued four years ago and were already part of the state’s general obligations. Thus, allocation of the settlement funds for that purpose does not constitute a net increase in funding for housing overall or for foreclosure-related activities.

Arizona, the state with the second highest foreclosure rate in the first half of this year,^{xi} is another example of a state attempting to divert the funds away from the settlement’s intent. Arizona’s settlement language proposed four categories of acceptable uses for their \$97 million: to prevent future foreclosures, mitigate negative effects of the foreclosure crisis, increase consumer protection efforts, and compensate the state for any costs associated with the settlement. Within these categories, Arizona further described appropriate program uses, including but not limited to: housing counseling, foreclosure mediation, legal aid and additional state consumer protection attorneys. Recently, however, the state legislature passed a law that would allow for the transfer of \$50 million from the settlement to the state’s general fund to plug budget shortfalls.^{xii} Since the law’s passage, a consumer advocacy group filed a motion to stop the law and the transfer of settlement funds from taking effect. The Maricopa County Superior Court recently ruled that the settlement language was sufficiently broad to allow the diversion, but this ruling may face appeal.^{xiii}

A third example is South Carolina, where state senators recently overrode Governor Haley’s veto of legislation that would have redirected the state’s entire share of settlement funds.^{xiv} The governor positioned herself as a defender of the state’s obligation to honor the original intended uses for the funds as defined in the settlement.^{xv} The original uses included increasing consumer protection efforts, further restitution to victims, and increasing funding for legal aid to struggling homeowners. However,

Republicans in the state legislature wanted to see all available funds go towards a Commerce Department fund that incentivizes companies to relocate to South Carolina, similar to Georgia, described above. The Senate voted on July 18 to override the Governor's veto and directed \$10 million to the Commerce Department's Deal Closing Fund, with specific instructions to send the remaining \$21 million to the general fund.

FUNDS ALREADY FLOWING

Among the states using the funds as intended, the actual process of disbursing the funds is more complicated, and lengthier, than might be assumed. States relying on public input or collaborating with local organizations to provide services under the settlement must evaluate responses to those requests before making specific funding decisions. Nevertheless, funds have begun to flow in a number of states including Ohio, Tennessee and Connecticut.

In Ohio, the state attorney general's office announced a plan to distribute approximately 20% of funds to innovative foreclosure prevention programs, with most of the remaining 80% of funds to go towards the Moving Ohio Forward stabilization program. As of June 21, under the statewide

stabilization program, each county received their relative share of funds and had until July 2 to accept applications from organizations for grants to demolish, rehab and/or replace vacant or blighted buildings. Successful applicants began receiving grants soon after and are expected to complete their programs by December 2013.

Tennessee is another state that has already begun spending their settlement dollars. As specified in the consent judgment, Tennessee allocated most of their approximately \$40 million to the Keep My Tennessee Home program. The program, similar to a hardest hit fund, consists of financial assistance and housing counseling for struggling homeowners. Thus, through funding for this program, the state attorney general's office announced earlier this month that the state's mortgage assistance hotline had come online.

Finally, the state of Connecticut was quick to deliver their funds from the settlement to the programs specified in the consent judgment. In late May, the Attorney General's office announced the transfer of funds from their office to legal aid, foreclosure hotlines, housing counseling, and mortgage mediation and modification programs administered by both the state and non-profit groups.

State Uses of \$2.5 billion from the National Mortgage Settlement

State	Allocation	Decision Status	Percentage for Housing	Use of Funds
AK	\$3,286,839	Incomplete	30%	\$1 million will go to the Division of Banking and Securities. The distribution of the remainder is still not clear.
AL	\$25,305,692	Complete	0%	10% of funds will go to the state general fund as civil penalties. \$19.3 million will go to the AG's operating budget. The remaining \$2.5 million in settlement funds are likely to go to other government entities or charitable organizations.
AR	\$12,830,241	Complete	93%	\$9 million will go to Development Finance Authority for programs that provide down payment assistance, foreclosure counseling and financial literacy programs. \$2 million will go to AR Access to Justice Commission for legal aid. The University of Arkansas School of Law in Fayetteville and the University of Arkansas at Little Rock Bowen School of Law will each receive \$500,000 for legal aid clinics. \$1.4 million will go to the state treasury for costs and fees associated with the settlement agreement.
AZ	\$97,784,204	Complete; May be subject to court appeal	49%	The AG's office approved the state legislature's plan to transfer \$50 million from the settlement to general fund. However, consumer advocacy groups filed a court order to stop the transfer of funds. A recent ruling from the August trial in Maricopa County Superior Court decided the funds transfer was allowable under the settlement; this ruling may be appealed. AG office expects to spend the remaining \$40 million on housing.
CA	\$410,576,996	Complete	0%	The AG's office will keep \$18.4 million of their share of the settlement as civil penalties. However, a small portion of these funds will go towards housing counseling and the Department of Fair Employment and Housing. The governor and state assembly want to use the remainder to service state's housing debt.
CO	\$50,170,188	Complete	100%	Colorado will spend all of their funds on housing related programs. \$24 million will go to supplement loan-modification programs. \$18 million will go to affordable housing programs, of which up to \$13 million will go to incentivize 4% LIHTC bond transactions. \$5.6 million will go to housing counseling. \$1.5 million will go to legal services. \$750,000 will go to increase temporary staffing at the AG's office. \$600,000 will go to the Colorado Foreclosure Hotline, and \$500,000 to marketing and outreach.
CT	\$28,102,142	Complete	91%	Connecticut allocated \$23,917,142 to support the Emergency Mortgage Assistance Program administered by the state housing finance agency. The state splits the remaining funds between state and federal agencies and non-profit groups that provide counseling and mediation. Specifically, the state Department of Banking will receive \$1 million to fund their foreclosure hotline and Fair Housing Center staff attorneys. \$3.185 million will go towards supporting and expanding the staff of state housing counselors.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
DC	\$4,433,081	Complete	100%	The AG's office plans to spend all settlement funds on mortgage and foreclosure related counseling, legal assistance or advocacy, mediation and outreach assistance to help current and former homeowners secure the benefits they are eligible to receive under the settlement.
DE	\$7,913,923	Complete	100%	The AG's plans includes allocating \$4 million to the Delaware Emergency Mortgage Assistance Program (DEMAP), \$3.5 million to fund housing counselors and outreach and education programs, \$2.75 million to support continued financial fraud investigations by AG's office, roughly \$900,000 in grants to support legal aid for distressed borrowers, and \$500,000 to support the Delaware Mortgage Mediation program.
FL	\$334,073,974	Undecided	0%	10% of funds will go to the state general fund as civil penalties. The AG's office strongly supports using the remaining funds for housing related programs. However, the state legislature will make the final decision on outstanding funds use when the next session begins in early 2013.
GA	\$99,365,105	Complete	0%	All \$99 million of Georgia's direct settlement funds will go to economic development. Funds divided evenly between two existing programs - one that distributes grants to all regions in GA, and the other that targets rural communities.
HI	\$7,911,883	Complete	100%	Hawaii's AG announced intention to distribute funds to organizations that support distressed homeowners by providing educational outreach, housing counseling, foreclosure mediation programs, and legal assistance.
IA	\$14,651,922	Complete	93%	\$1 million will go to the rebuild Iowa Infrastructure Fund. Uses for the remaining \$13 million include lending additional support to the Iowa Mortgage Help Hotline and Legal Aid, which provide services to affected homeowners. Additional eligible uses for funds include housing counseling, settlement implementation, public education, and future law enforcement needs.
ID	\$13,305,209	Complete	4%	All but \$500,000 of the state's \$12,805,209 direct settlement will go to the state general fund. Of the \$500,000 remainder, \$50,000 will go to the state's Consumer Protection Fund to help consumers understand new foreclosure laws, \$120,000 will go to the State Bar Volunteer Legal Program, \$120,000 will go to the ID Legal Aid Services, \$110,000 will go to the local housing counselors, and \$100,000 to Community Action Partnership to assist families' transition to rental housing.
IL	\$105,806,405	Incomplete	19%	The Illinois AG's office announced that \$20 million would go to legal aid programs aimed at assisting homeowners impacted by foreclosure crisis. The AG's office has opposed attempts to use the remaining funds for anything other than foreclosure mitigation. Yet, the use of the remaining funds stands as an open question. It remains highly likely though that some of the funds will go to housing counseling and legal aid.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
IN	\$43,803,419	Complete	34%	\$28.8 million will go to the Low Income Home Energy Assistance Program (LIHEAP). The remaining \$15 million will go to the AG's Consumer Protection Division Homeowner Protection Unit (HPU) and other efforts to prevent foreclosure.
KS	\$13,778,401	Complete	25%	At least 25% of state direct settlement funds will go towards foreclosure prevention activities (supporting AG investigation, resolving consumer complaints, defraying settlement costs). The remaining 75% of funds will go into the general fund where the state legislature will appropriate them later.
KY	\$19,198,220	Complete	79%	\$1.5 million will go to the city of Louisville. Of these funds, \$750,000 will go towards the city's Vacant Abandoned Property Initiative, \$500,000 to anti-blight demolition efforts, and \$250,000 to the Affordable Housing Trust Fund (for affordable housing programs). \$7.5 million will go to the Kentucky Housing Corporation, of which \$3 million will go to the NeighborWorks Alliance to increase affordable housing, \$3 million to a down payment and closing cost assistance pool for those purchasing vacant or foreclosed homes, and \$1.5 million for housing counseling. \$1 million will go to legal aid. \$4 million will go to a prescription drug compliance-monitoring program. \$5 million will go to AG office for further consumer protection efforts. \$150,000 will go to lead abatement efforts by Department of Health.
LA	\$21,741,560	Complete	95%	Reportedly, \$1 million will go towards covering the costs associated with Chinese drywall litigation. However, the AG's office stated that settlement funds are to support a help hotline, housing counseling, legal aid, law enforcement agencies, and settlement implantation.
MA	\$44,450,668	Complete	84%	\$6.9 million will go to the state general fund as civil penalties and fees. \$26 million will go to create the HomeCorps program, which includes loan modifications, borrower representation, and borrower recovery initiatives. \$14.6 million will go towards compensating homeowners who lost their homes to foreclosure.
MD	\$59,697,470	Complete	90%	10% of state direct settlement funds will go into the state coffers as civil penalties. A working group of representatives from AG, governor, and state assembly offices created a recommended plan for using the remaining funds. It is as follows: \$14 million towards neighborhood stabilization programs (to be allocated by RFP), \$10 million specifically towards anti-blight programs, \$8.6 million for housing counseling, \$6.2 million for legal aid, \$2.1 million for additional staff in state AG's consumer protection office, and \$2.1 million for additional staff in state financial regulation division.
ME	\$6,907,023	Complete	36%	\$500,000 will go to Pine Tree Legal, \$1 million for the Maine Bureau of Consumer Credit Protection, and \$5.4 million for the general fund.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
MI	\$97,209,465	Complete	90%	All direct settlement dollars will go into the Homeowners Protection Fund. Within the fund, settlement dollars will flow to different housing related programs. \$25 million will go towards stabilization efforts, including fighting blight (approximately \$10 million going to blighted home demolition efforts in Detroit and the rest dispersed through the state). \$20 million will go towards foreclosure counseling. \$15 million distributed as grants to assist homebuyers. \$10 million will go to the Educational Achievement Authority to assist struggling public schools. \$7.5 million will go to compensate foreclosure rescue fraud victims. \$6 million will go to the AG Home Protection Unit. \$5 million will go to help veterans impacted by foreclosure or related services. \$5 million will go to the Homeless Assistance Recovery Program to cover closing costs for homeowners wanting to refinance a home. \$3.7 million will go towards new state affordable housing programs and neighborhood revitalization efforts.
MN	\$41,536,169	Complete	Up to 100%	AG's office plans to distribute direct settlement funds to qualifying homeowners. If there is any remainder, it will go into the state general fund.
MO	\$39,583,212	Complete	0%	State House leaders backed a plan by the Governor to use nearly all of the \$39.5 million to cover planned cuts in state higher education. The AG office will receive the remaining \$1 million for internal use.
MS	\$13,580,374	Complete	43%	State allocated \$5.8 million towards creation of Foreclosure Prevention Consortium. The Consortium's planned responsibilities include providing legal assistance (\$1.92 million), foreclosure counseling (\$2.144 million), a prevention hotline (\$944,343), veteran housing assistance programs (\$500,000), and monthly audits of reimbursement request (\$381,927). Any remaining funds will go to general fund.
MT	\$4,858,276	Complete	91%	Approximately \$450,000 of direct settlement dollars will go to the state as civil penalties. \$3 million will go to NeighborWorks for foreclosure prevention and housing counseling. \$863,000 will go to the Montana Legal Services Association for legal aid to struggling homeowners. The remainder will go to enhance law enforcement efforts aimed at preventing and prosecuting financial fraud.
NC	\$60,852,159	Complete	77%	\$14 million of the direct settlement are going into the state general fund as civil penalties (with \$5.7 going towards the public schools). \$20 million will go towards funding housing counselors through the state Housing Finance Agency. \$12 million will go towards supporting legal assistance efforts. \$10 million will go towards increasing prosecution of lending and financial crimes, \$5 million will go to support the state AG's office division of Consumer Protection.
ND	\$1,947,666	Complete	100%	AG office plan includes using direct settlement funds to develop a program with private industry to increase housing in oil country, particularly for newly hired law officers and emergency responders.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
NE	\$8,422,528	Complete	12%	\$1 million will go into the state Affordable Housing Trust Fund. The remainder will go into cash reserves.
NH	\$9,575,447	Incomplete	100%	NH Executive Council approved the AG's plans to fund foreclosure prevention and homeowner assistance programs and to expand its consumer protection activities. Thus, \$2.5 million will go to the New Hampshire Housing Finance Authority to support housing counseling services, and \$1.5 million to New Hampshire Legal Assistance and the pro-bono referral program administered by the New Hampshire Bar. No specific allocation plans for use of remaining funds announced.
NJ	\$72,110,727	Complete	0%	The governor directed settlement funds to the general budget indicating they should support existing state housing programs this fiscal year. (See the discussion in the text for additional details.)
NM	\$11,174,579	Complete	100%	The AG's office plans to allocate \$4.5 million in payments to borrowers for mortgage servicing abuse. The remaining \$11.7 million will go towards foreclosure prevention efforts, homeowner hotlines, consumer outreach and housing counseling services.
NV	\$57,368,430	Incomplete	100%	The AG's office announced their intention to allocate \$33 million in next three years towards creating a distressed homeowner hotline, funding housing education efforts, and assisting community groups that offer housing assistance. The remainder will go towards housing, but no specific allocation announced.
NY	\$107,642,490 ^{xvi}	Incomplete	70%	\$9 million sent to support NY Foreclosure Prevention Services Program. \$6 million sent to support housing and community renewal activities statewide through not-for-profit community-based housing organizations. The remainder's use is still not clear, though the state recently committed \$60 million from the direct settlement towards housing counseling and legal aid services.
OH	\$92,783,033	Complete	100%	\$75 million will go towards a new stabilization grant program for abandoned/vacant property demolition (note that above \$500,000, counties match funds without using NSP dollars). \$20 million will go towards a new grant program to non-profits and local governments to fund innovative programs to help struggling homeowners. \$2 million will go to the AG Economic Crimes Division to prosecute foreclosure relief scammers.
OR	\$29,253,190	Incomplete	26%	State Emergency Fund controls direct settlement fund distribution. In May, the Executive Board authorized allocating \$3.8 million to the Housing and Community Services Department for housing counseling, legal aid, and outreach programs. Later, the Board authorized an additional \$3.8 million to the state Department of Justice to support mediation services. The Board has not yet defined a use for the remaining 75% of settlement dollars.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
PA	\$66,527,978	Complete	100%	The state legislature signed the HEMAP bill into law (SB 1433). Thus, approximately 90% of funds will go to the Homeowners Emergency Mortgage Assistance Loan Program (HEMAP) for foreclosure prevention. The remaining 10% of funds are distributed evenly between the state AG's office for future consumer financial protection efforts, and to Access to Justice legal aid.
RI	\$8,500,755	Complete	100%	AG's office announced that all funds would go towards foreclosure related programs, including prevention. Rhode Island Legal Services recently received a two-year \$1.57 million grant for the Foreclosure Prevention Project.
SC	\$31,344,349	Complete	0%	The state Senate voted, and overturned a veto by the Governor, to allocate \$10 million from the settlement to the state Commerce Department's Closing Fund (an economic development program). Further, against Governor's stated position, the Senate bill will send the remaining \$21 million to the state general fund.
SD	\$2,886,824	Complete	100%	AG announced that all funds would go towards foreclosure related programs.
TN	\$41,207,810	Complete	90%	10% of direct settlement dollars will go into the state general fund as civil penalties. Of the remaining \$37 million, \$34.5 million will go into the Tennessee Keep My Home program for foreclosure prevention. The remaining \$2.5 million will go towards supporting legal aid, consumer education, and law enforcement programs.
TX	\$134,628,489	Undecided	0%	The state treasury is holding all direct settlement dollars for future appropriation by the legislature.
UT	\$21,951,641	Complete	17%	The AG's office sent over 80% of direct settlement dollars to the state's general fund. Of the remaining settlement dollars, approximately \$1.75 million will go into programs for the homeless, and \$2 million will go to the AG's office to expand foreclosure prevention efforts and hire additional fraud investigators and prosecutors.
VA	\$66,525,233	Complete	11%	\$7 million will go towards the creation of a Housing Trust Fund. Within this fund, 80% of dollars will go towards affordable housing and 20% towards reducing homelessness. The remaining \$59 million will go into the state general fund.
VT	\$2,552,240	Complete	50%	Current proposal calls for half of the direct settlement dollars to go toward housing counseling, legal assistance, and manufactured home financing program. The other half will go into the state general fund.
WA	\$54,242,749	Incomplete	83%	10% of direct settlement dollars will go into the state general fund as civil penalties. \$45 million will go towards foreclosure relief programs, including housing counselors, free legal assistance and mediation. However, the AG appointing committee, made up of four legislators, executive director of HFA, and seven citizens, will determine how best to use funds.

State	Allocation	Decision Status	Percentage for Housing?	Use of Funds
WI	\$30,191,806	Complete	18%	Following a decision by the AG and Governor, \$24.6 million will go into the state general fund to plug a budget hole. \$3 million will go to investigate mortgage fraud. \$750,000 will go to fight unemployment in Milwaukee. \$750,000 will go to support loan guarantee program for Milwaukee businesses. \$1 million will go towards anti-blight programs, of which Transform Milwaukee Initiative will receive \$500,000 for use in Milwaukee, and \$500,000 for statewide use (\$100,000 remaining for second round of RFP).
WV	\$5,748,915	Complete	100%	AG plans to use some funds for "Project: Save Our Homes" workshops around the state. These workshops will help homeowners access assistance and to support Legal Aid of West Virginia.
WY	\$2,614,515	Complete	100%	AG announced exclusive use of direct settlement funds for mortgage and foreclosure matters, including \$2.6 million for Wyoming Housing Network, which provides mortgage and housing-related consumer assistance, consumer education, credit counseling, mediation programs, legal assistance, training, or staffing.
Total	\$2,541,915,614			

* Early reports estimated the state portion of the settlement to be higher, and some AGs released press releases based on these higher estimates. Therefore, some of the amounts described in the "Use of Funds Column" exceed the amount listed in the "Allocation" column.

** In the "For Housing?" column, the word "open" after a "Y" or "N" indicates that an announcement has been made, or some of the funds have been pledged, but the final decisions have not yet been made.

The table above is based on the best available information at the time of publication and is intended to provide local and national actors with a holistic snapshot of how the funds are being spent. Information was gathered through a combination of news sources, attorneys general websites, conversations with local housing advocates, and the original settlement language. Allocation decisions continue to be made, and some of the information above may be out of date. We welcome new information from readers and plan to continue tracking states' progress.

Please send any updates to ajakabovics@enterprisecommunity.org.

ⁱ Associated Press, "Bondi Battling with Legislature over Mortgage Settlement," *TBO.com*, n.d., <http://tbo.com/ar/455456/>; J. Turner, "'No Feud,' but No Agreement with Legislators on Mortgage Settlement Money," *Sunshine State News*, August 8, 2012, <http://www.sunshinestatenews.com/story/pam-bondi-no-feud-no-agreement-legislators-mortgage-settlement-money>.

ⁱⁱ "Reps. Lewis, Scott, Johnson to Governor Deal: Invest Mortgage Settlement Funds in Foreclosure Prevention", n.d., <http://johnlewis.house.gov/press-release/rep-lewis-scott-johnson-governor-deal-invest-mortgage-settlement-funds-foreclosure>.

ⁱⁱⁱ "Georgia Leaders Bypass Metro Atlanta with Their Allocation of \$99 Million in Federal Foreclosure Funds," *SaportaReport*, n.d., <http://saportareport.com/blog/2012/06/georgia-ignores-metro-atlanta-in-its-allocation-of-99-million-in-federal-foreclosure-funds/>.

^{iv} Tom Harvey, "Few Foreclosure Funds Went to Help Utah Homeowners," *Salt Lake Tribune*, March 16, 2012, <http://www.sltrib.com/sitrib/money/53734314-79/million-foreclosure-settlement-general.html.csp>.

^v *GOVERNMENT CODE CHAPTER 402. ATTORNEY GENERAL, Texas Government Code*, n.d., <http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.402.htm>.

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- ^{vi} Texas Legislature, “82nd Legislature Regular Session Dates of Interest”, n.d., <http://www.tlc.state.tx.us/gtli/sessions/dates.html>.
- ^{vii} “Affordable Housing Advocates Accuse Gov. Christie of Misusing \$75M from Foreclosure Settlement,” *The Star-Ledger - NJ.com*, n.d., http://www.nj.com/news/index.ssf/2012/05/affordable_housing_advocates_a.html.
- ^{viii} “Attorney General Kamala D. Harris Issues Statement on May Revision”, May 14, 2012, <http://oag.ca.gov/news/press-releases/attorney-general-kamala-d-harris-issues-statement-may-revision>.
- ^{ix} Alejandro Lazo, “Gov. Brown Has His Own Plans for Mortgage Settlement Cash,” *Los Angeles Times*, May 14, 2012, <http://www.latimes.com/business/money/la-fi-mortgage-money-20120514,0,4318600.story>.
- ^x Edmund G. Brown Jr., *Governor’s Budget 2012-13*, *May Revision* (Sacramento, May 2012), http://www.dof.ca.gov/documents/2012-13_May_Revision.pdf.
- ^{xi} RealtyTrac, “Midyear 2012 U.S. Foreclosure Market Report”, July 12, 2012, <http://www.realtytrac.com/content/foreclosure-market-report/midyear-2012-us-foreclosure-market-report-7291>.
- ^{xii} See Section 128 of *General Appropriations 2012-2013*, 2012, <http://www.azleg.gov/legtext/50leg/2r/laws/0294.pdf>.
- ^{xiii} AP News, “Challenge to Use of Mortgage Settlement Rejected,” *BusinessWeek*, October 11, 2012, <http://www.businessweek.com/ap/2012-10-11/challenge-to-use-of-mortgage-settlement-rejected>.
- ^{xiv} *General Appropriations Bill*, 2012, http://www.scstatehouse.gov/sess119_2011-2012/appropriations2012/tap1b.htm#s90.
- ^{xv} Nikki Haley, “Governor’s Veto Message”, July 5, 2012, http://www.scstatehouse.gov/sess119_2011-2012/appropriations2012/gmbvto12.pdf.
- ^{xvi} New York received an additional \$25m from a separate settlement they entered into simultaneously with the banks over their use of MERS.