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# Report 3

## Essential Components of Post-Purchase Program Models

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### Executive summary

Based on the review of nine organizations that offer post-purchase programs and interviews with national experts, post-purchase programs can be divided into two major types: (1) programs for preventing foreclosures; and (2) programs for sustaining homeownership. Foreclosure intervention programs offer assistance for troubled borrowers facing foreclosure; whereas, sustainable homeownership programs provide education for homeowners on how to maintain and build the value of their housing investment.

This report is divided into two sections by the major post-purchase program types – foreclosure intervention and sustainable homeownership. It identifies and describes the key program components that should be included in each program model. These components represent a compilation of promising practices currently offered by the nine programs we studied which were identified by national experts. The report also examines related implementation issues for each program model, including staffing needs, budget considerations, roles of partner organizations and measures of program effectiveness.

## I. Foreclosure Intervention Program Model

### Overview of foreclosure intervention programs

Foreclosure intervention programs address the needs of homeowners once they have encountered problems meeting their mortgage obligations, generally once they are in default. The major goals of foreclosure intervention programs are to assist homeowners to become more financially stable and to allow homeowners to keep their homes, or, if that is not possible, to find alternative housing. Foreclosure intervention services provide crisis intervention and are delivered primarily through one-on-one counseling face-to-face, over the telephone or, less commonly, over the Internet.

Foreclosure intervention counseling is the more complex of the two types of post-purchase programs examined. Done well, foreclosure intervention counseling requires the coordination of a wide range of services both within the counseling agency itself and among a variety of partner organizations. It also requires an ability to work effectively with a broad range of clients and to access expertise in a number of complex areas that includes loss mitigation techniques, alternative mortgage loan financing products, and legal issues related to predatory lending and bankruptcy.

Foreclosure intervention programs seek to meet the following goals:

- To allow homeowners to stay in their homes if that is what they desire;
- To assist the homeowner in planning an exit strategy into stable housing in cases where the homeowner does not wish to or cannot remain in the home;
- To maintain or increase neighborhood stability.
- To help homeowners address underlying issues such as employment or household debt that may affect successful homeownership in the long-term;
- To assist homeowners to exit illegal predatory loans and/or refinance into more sustainable, lower-interest loans when that is an option; and
- To reduce the organization's delinquency and foreclosure rates when such an organization maintains its own loan portfolio.

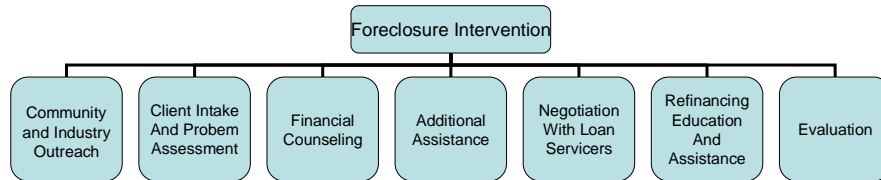
## **Key components of foreclosure intervention programs**

National experts and local practitioners outlined seven essential program components for foreclosure intervention programs (see Figure 1). How these components are organized within individual service provider organizations will depend on a number of complex factors, including the needs of their clientele, available financial resources, relationships with community partners, staff expertise, and existing technology. This list of components described in detail below should be considered as a universe of desirable program elements that must then be tailored to the needs and capacities of individual communities and service providers.

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Figure 1

**Foreclosure Intervention  
Key Components**



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*Community and industry outreach*

Early intervention is arguably the most important factor in the ability of foreclosure intervention programs to help homeowners avoid foreclosure. Once a loan is more than 90 days delinquent, the addition of lender fees to the outstanding loan amount makes it considerably more difficult for borrowers to become current with their loan. Thus, the earlier the intervention happens in the delinquency, the greater the options for both the borrower and the lender, and the greater the chance for success. Outreach to homeowners and industry professionals can increase the likelihood of an organization's reaching homeowners in a timely way.

*Community outreach.* Organizations undertake different community outreach strategies depending on whether or not the foreclosure intervention program provides services only to the organization's own loan portfolio clients or to the general public. Organizations providing foreclosure intervention services to their own loan portfolio clients try to maintain ties with homeowners through such means as newsletters, neighborhood clubs, and post-purchase classes. Organizations offering services to the general public try to advertise their services through local media and establish a presence in the communities where they work.

*Industry Outreach.* In order to improve the efficiency and effectiveness of foreclosure intervention counseling, organizations often set up early delinquency notification agreements with loan servicers. Organizations also work to establish good working relationships with loan servicers, so that they are able to access loan account information quickly and consistently and put a loss prevention plan in place as soon as possible.

## *Client intake and problem assessment*

Clients faced with the possibility of foreclosure are often reluctant to make contact with a service provider because of embarrassment. They may also fear that identifying themselves to a counselor will cause action to be taken against them because they are unclear about the role of counseling agencies. Therefore, the ability of service providers to make services easily available to clients and to reassure them they are there to help is crucial to getting clients into a process where they can be assisted. The first person that a client talks to in person or over the phone must be friendly and supportive and able to route the client to the right person to discuss any concerns.

Clients vary widely in the complexity of the problems they face in coming current with their mortgage. An initial problem assessment to identify what type of assistance each client needs ensures that services are delivered effectively.

An initial assessment of the client's problem generally includes collection of the following information:

- The length of the delinquency (30, 60, 90 days or more). Cases that are more than four to six months in arrears may be very difficult to solve without foreclosure.
- Desire of the homeowner to keep the home. If the homeowner does not wish to remain in the home, the counselor can immediately move to discussing options such as sale and loan payback.
- Reasons for the delinquency. This includes an evaluation of whether the situation is short-term (recent job loss, illness) or long-term (poor money management, long-term unemployment), and the degree of control the borrower had over the problem (for example, unexpected job loss versus overspending and financial mismanagement).
- Ability to become current with the loan. This includes an examination of the borrower's access to savings or other financial resources and the likelihood that a problem will be resolved (for example, can replace lost job, is able to return to work following an illness).
- Willingness to work with the counselor, the loan servicer, and/or other sources of referrals. This includes an analysis of the client's willingness to work out a new budget, their receptivity to advice about restructuring the mortgage and other bill payments, and whether the borrower is only looking for short-term financial relief without a willingness to address underlying issues.
- Whether the situation may involve an illegal predatory loan. If the counseling agency has in-house expertise to review the legality of the loan, it should collect loan paperwork as soon as possible for review and then refer to Legal Services or other source of legal assistance if evidence of illegality exists, or the agency doesn't have

in-house capacity to ascertain legality. For counseling agencies where predatory lending constitutes a significant part of their foreclosure intervention caseload, a supportive working relationship with a source of legal counsel is important.

After the initial problem assessment, counseling agencies provide clients with information about alternatives to foreclosure. Attractive, simple, non-judgmental, and clearly written materials that explain any technical language are key to helping clients evaluate their options. Usually, there are no simple answers to delinquency problems, and counselors may assist clients in deciding what options they wish to pursue. Some foreclosure intervention programs have a triage system, where they refer clients to either a general housing counselor, a specialized housing counselor, an in-house or an external source of legal expertise, or another source of outside assistance depending on their needs.

### *Financial counseling*

Financial counseling is essential to giving delinquent homeowners a long-term, sustainable solution to their problems. Budget counseling includes a holistic view of household finances, including debts. In many cases, good budget counseling can help borrowers cure their mortgage delinquency. However, if unsecured debt, such as credit cards, is a significant problem, the client should be referred to debt management counseling.

*Budget counseling.* A good budget counselor helps clients identify potential sources of funds that they can use to get current on their mortgage, prioritize expenses, and be realistic about budget options. Counselors also educate clients on the need for mortgage payments to take priority over unsecured debt if they wish to keep their homes.

*Debt management counseling.* Clients with significant unsecured debt problems, such as large, unpaid credit card balances, may need debt management counseling, which includes an option of a formal debt management plan, as well as budget counseling. A debt management plan involves the counseling agency or a partner organization negotiating terms with holders of unsecured debt. Often this involves eliminating fees and negotiating a lower interest rate that frees up money to address the client's mortgage delinquency. This service is most commonly provided by credit counseling agencies but may also be offered by housing counseling agencies.

### *Additional assistance*

Homeowners faced with foreclosure may need additional services beyond financial counseling, such as legal assistance, financial assistance and/or other forms of assistance. Such assistance may be provided in-house, but more often it is provided through referrals to other appropriate agencies.

*Legal assistance.* Delinquent borrowers may need advice on bankruptcy options and other legal issues. With the growth of predatory lending, counseling staff and clients need access to a source of legal counsel that can identify cases of illegal lending and advise clients on their options for negotiation or litigation. Particularly in areas where predatory lending is a major issue, a solid partnership with a nonprofit legal services agency or another source of legal counsel is essential. Having a person on the staff of the counseling agency who has the expertise to identify illegal predatory loans and prepare the necessary paperwork for a reliable referral facilitates such collaboration.

*Financial assistance.* Homeowners may face foreclosure because of a temporary financial setback such as a short-term job loss or unexpected medical bill. Even when the family's income is restored; however, it can be difficult to find the necessary funds to bring a mortgage current and pay back any additional penalties and fees. In such cases, bridge loans and other emergency assistance to get families through the immediate crisis can be crucial to saving homes from foreclosure. Grants typically range from \$500 to \$2,000, while no- or low-interest loans can be up to \$10,000.

Sources of emergency financial assistance for delinquent borrowers are extremely limited, especially for grants. Service providers have developed criteria for their disbursement that include using them only in cases where the delinquency occurred through no fault of the borrower and when the assistance will provide more than a temporary solution. Even though counseling agencies are very select in giving these funds as part of a long-term solution and where the problem was beyond the control of the client, such as a health problem, available funds fall far short of the need.

*Other assistance.* Families faced with mortgage foreclosure often confront other challenges, such as replacing a lost job or coping with health issues, and may need employment and job training services or medical assistance. Developing a long-term solution for homeowners with multiple challenges frequently involves assembling a network of community resources. Such a referral network is also a means of marketing foreclosure intervention services to the broader community.

### *Negotiation with loan servicers*

While negotiating with loan servicers is staff-intensive, it almost always brings quicker results for the borrower for several reasons. First, the fact that the client is working with a counseling agency sends a signal to the servicer that the borrower is making a serious effort to resolve the delinquency. Second, the servicer knows that the counselor has examined the borrower's financial situation and developed a plan that has a reasonable chance of success. Third, receiving a written plan from the counseling agency often prompts action on the part of the loan servicer to negotiate a solution, especially if the servicer can be assured that the borrower is able and willing to follow the plan.

It is extremely helpful to have consistent contacts with loan servicers who have the authority to approve loss mitigation options. Otherwise, valuable time on the telephone

is wasted by counselors being shuffled around to different and sometimes difficult personnel within loan servicing institutions. Newly emerging loss mitigation programs being established by some lenders may help in this regard. On the other hand, bank consolidation and concentration of mortgage servicing has made establishment of these personal relationships more challenging for counseling agencies because loan servicers are larger and less likely to be local.

### *Refinancing education and assistance*

It is not unusual for homeowners to wish to refinance their mortgage for a variety of reasons, such as to obtain lower interest rates or better loan terms or access money for unexpected costs or emergencies. New homeowners are commonly bombarded with offers for refinancing and home equity loans from a variety of sources, including lenders offering predatory loans. Refinancing is often a time when homeowners fall prey to bad financing options and/or become over-extended financially. Homeowners need reliable information on how and when to refinance their mortgage loans or obtain home equity loans. Many housing services providers offer their clients loan refinancing services so that they can maintain a long-term equity investment in their home.

When legal action is taken against a predatory lender that results in a settlement the borrower needs to be able to refinance the mortgage quickly in order to avoid mounting mortgage payments and late fees. If the counseling agency has a loan pool designated for this purpose, it allows for faster refinancing because it avoids the necessity of homeowners having to approach lenders individually to search for a loan.

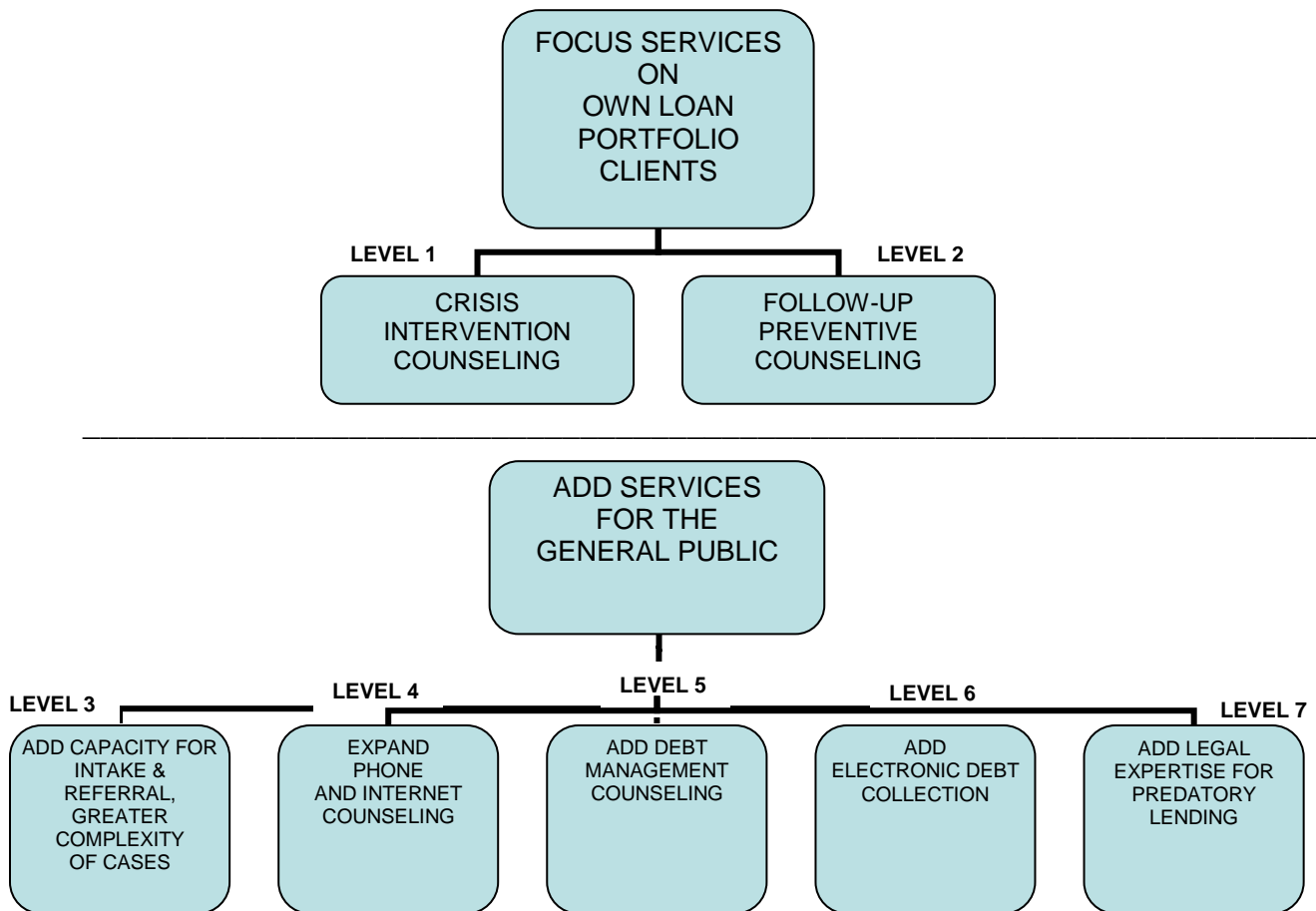
### *Evaluation*

In order to assess the efficacy of foreclosure intervention programs, counseling agencies should follow their clients to see if they are successful homeowners in the short-term (six months following counseling) as well as in the medium to longer-term (one to three years). Unfortunately, few programs have the resources to conduct this follow-up since it comes at the expense of serving the existing demand for counseling.

## **Program implementation issues for foreclosure intervention programs**

Depending on capacity and resources, foreclosure intervention programs offer different service levels. In order to explore the program implementation considerations discussed below, a seven-level typology of foreclosure intervention services was developed (see Figure 2). In this typology, each level represents either an expansion of services to a broader clientele or the addition of a major program activity. The program implementation considerations for each level include program focus, program staffing (levels and expertise), community partnerships, program budget, and measures of program effectiveness and are summarized in Table 1 on page 13.

**FIGURE 2: LEVELS OF PROGRAM FOCUS IN FORECLOSURE INTERVENTION**



*Program focus*

Housing agencies that provide foreclosure intervention programs generally work with two broad groups of clients – borrowers who obtained their mortgage loan through the housing agency and borrowers from the general public who obtained mortgage loans from different lending institutions.

Borrowers who obtained their mortgage loans through the housing agency are part of the agency’s loan portfolio and/or loan servicing activities. These borrowers have an ongoing relationship with the agency. In cases where the agency is holding and/or servicing the mortgage loan, the agency has a direct interest in reducing delinquencies



and foreclosures and possesses more leverage in working out alternatives to foreclosure. Level 1 service consists of providing crisis intervention counseling to the agency's own clients, as well as limited phone services and referrals to other sources of assistance in response to inquiries from the general public. Level 2 service includes more follow-up services, such as refinancing and home equity loans, for the agency's own clients.

Borrowers from the general public obtained mortgage loans from any number of lending institutions. For agencies who provide counseling to the general public on how to manage delinquency, the vast majority of borrowers who contact them for assistance (estimates from counseling agencies are upwards of ninety percent) will be persons with whom they have no prior relationship. The general public can be time-consuming to work with because they require negotiations with a broad array of financial institutions that may be located anywhere in the country. In addition, their cases may present complex financial management and legal issues, such as predatory lending and bankruptcy. Providing foreclosure intervention counseling to the general public is considered Level 3 service. The addition of telephone and Internet counseling constitutes Level 4 service.

In Level 5 service, the agency adds the capacity to do advanced debt management counseling that includes formal debt management plans. Level 6 service includes the capacity for electronic collection and transfer of debt payments as part of advanced debt management counseling. Lastly, Level 7 service addresses the more complex issues that arise when predatory lending is a major concern, as it is in some but not all areas.

### *Program staffing*

When considering the staffing requirements for foreclosure intervention programs, organizations must determine what quantity and types of staff, as well as what types of staff skill sets, are needed. Staffing needs will depend on the range of services that the program offers and the size of its client base.

Across organizations with foreclosure intervention programs, the number of staff doing post-purchase activities varies considerably. Small programs typically have between a three-quarter and full-time foreclosure intervention counselor and a supervisor, who oversees a range of programs, with expertise in loan origination and/or loss mitigation. Mid-sized programs typically employ four housing counselors that do some combination of pre- and post-purchase counseling. Because staff tend to work in several different areas, it is difficult to get a clear picture of staffing requirements needed solely for a foreclosure intervention program.

On average, foreclosure intervention counselors can work with four to six clients per day, and staffing levels should ideally reflect the level of demand on this basis. The greater the demand and the greater the financial resources available, the more specialized staffing can be, with counselors who handle routine cases and others who handle more complex cases, for example.

As for required staff skills sets, broadly speaking foreclosure intervention counselors need in both lending practices related to loss mitigation and effective personal counseling skills. Multilingual counselors are also increasingly important in many communities. Foreclosure intervention counselors need to be able to negotiate with lending institutions on behalf of clients and, when necessary, bring pressure on these institutions to respond. Experienced counselors can smooth relations with loan servicers who appreciate talking with professionals who understand their end of the business. Counselors also need to be simultaneously tough with and supportive of clients. Housing programs often have excess staff capacity on the pre-purchase side that they then use for post-purchase counseling. However, the skill sets and knowledge base required for the two programs are very different.

The types of more specific staff skills needed depends on the range of services offered. As reflected in Table 1 under the expertise column, as counseling agencies add services or expand to new clientele, the demands for different types of staff expertise also increase. If the service provider adds counseling or loan products for refinancing or home equity loans, staff will need to be trained to work in this area. The same is true for the addition of debt management services, including the addition of data management and data entry staff for large agencies that implement electronic transfer of debt payments.

Not all service providers have been heavily affected by the growth of predatory and illegal lending. However, when they have been, the growth in delinquency and foreclosure that results is a major drain on agency resources. In addition to having a good relationship with a source of legal services, having in-house legal expertise is extremely helpful so that illegal loans can be identified quickly and referred for litigation.

For a comprehensive foreclosure intervention program, with all of the services outlined above, the following types of staff skills would be desirable:

- Foreclosure intervention expertise to handle routine foreclosure intervention cases;
- Advanced expertise in loss mitigation techniques for more complex cases;
- Ability to negotiate with loan servicers;
- Expertise in refinance and home rehabilitation loans; and
- Expertise in housing law for service providers in geographic areas where predatory lending is a major issue.

Skill development in these specialized areas will require advanced staff training. The appendix outlines the types of training opportunities currently available through five highly regarded training providers.

## *Community partnerships*

Community partnerships can help organizations with foreclosure intervention programs build capacity. When determining the need for community partnerships, it is first important to consider the areas of expertise to which clients need to have access and then to evaluate if the expertise can be provided either in-house or through partnerships with other organizations. Loss mitigation, debt management, and legal expertise are all essential components of comprehensive approach to default and foreclosure intervention, and foreclosure intervention programs, can provide access to those areas of expertise in a variety of ways. For example, in a jurisdiction that has strong organizations that provide each of these services independently, a program model that relies on building organizational partnerships may be best. In other jurisdictions that lack other strong organizations, building in-house capacity to provide each of these services may be the best model. The exact mix of services, and who provides them, will reflect the capacity of local organizations and the needs of the communities they serve.

As foreclosure intervention counseling providers expand their clientele or add new services, community partnerships generally become essential. For example, an organization that expands services to provide counseling to the general public may need to collaborate with an outside provider of debt counseling services. Similarly, organizations that must address predatory lending will need to partner with a source of legal services to ensure access to legal advice.

Sources of potential partners for foreclosure intervention programs include:

- Lenders and loan servicers;
- Nonprofit legal services for access to legal advice on issues such as predatory lending;
- State and local housing agencies;
- American Association of Retired Persons (AARP) for predatory lending education and advocacy;
- Cooperative Extension Service of the U.S. Department of Agriculture for financial management counseling and training;
- Community colleges for financial management and home repair and maintenance training and education; and
- Consumer Credit Counseling Service agencies for debt management counseling.

## *Program budget*

Foreclosure intervention program budgets will be impacted by adding new program services or expanding the clientele being served. The biggest impact will come from the need to hire additional staff, although actual personnel costs vary by geographic region. For organizations adding electronic funds transfer, the technology costs associated with this will be another major expense

### *Program effectiveness measures*

National experts and local practitioners emphasize the importance of measuring success according to the perspective of different parties in the process, such as for:

- *Foreclosure intervention programs*: the number of people who might have lost their homes but didn't because of counseling and the number of families who relocated to stable housing when they are unable to keep their homes.
- *Lenders, loan servicers, and mortgage insurers*: lower mortgage delinquency and foreclosure rates and the amount of money saved from avoiding foreclosures.
- *Clients*: financial and personal well being for several years down the road.
- *Public sector*: estimate of tax revenues saved from avoiding vacant properties and homelessness and the financial benefits that accrue to local governments from healthy neighborhoods.

Possible measures of program effectiveness for the different "stakeholders" listed above in each of the seven services levels are outlined in Table 1. In order to report success, programs need to collect data and follow up with clients. However, lack of time and resources has limited evaluation practices and thereby limited evidence of success. Deeper analysis is required to understand the effectiveness of various foreclosure counseling methods.

**Table 1: Implementation Factors in a Comprehensive Foreclosure intervention Program**

Program Focus	Program Staffing Levels	Program Staffing Expertise	Community Partnerships	Program Budget	Program Effectiveness Measures
<b>Focus Services on Own Loan Portfolio Clients</b>					
<b>Level 1:</b> Offer crisis intervention counseling to avoid foreclosure for own loan portfolio clients with limited phone services and referrals for the general public.	Based on foreclosure intervention counselors seeing 4 to 6 clients per day, in small organizations one counselor and a part-time supervisor may be adequate. Expand on the basis of one supervisor and one loss mitigation expert for every 4 to 6 counselors.	(1) Supervisor: loss mitigation, staff management, ability to work with financial institutions; (2) Loan Servicer: loss mitigation; ability to work with financial institutions; (3) Counselors: counseling skills, budget management, loss mitigation.	(1) Source of credit counseling with ability to do debt management plans; (2) Source of legal services; (3) Referral network for additional services such as employment, healthcare, family counseling.	Primary factor is number of staff needed to cover portfolio. For small programs, the loan servicing function can be carried out by the supervisor.	(1) Number counseled; (2) Foreclosures avoided in 6 months, 1 year, 3 years; (3) Rates of delinquency and foreclosure; (4) Families relocated to stable housing; (5) Client satisfaction; (6) Some accounting of public impact of healthy neighborhoods.
<b>Level 2:</b> Expand loan portfolio client services to include follow-up preventive counseling (budget management, avoiding predatory lending, etc.) to new homeowners and those refinancing, pursuing home equity loans, or wanting a reverse equity mortgage.	Depending on demand, add counseling staff as needed.	At least some counseling staff will need expertise in refinancing, home equity loans, and reverse equity mortgages.	(1) Credit counseling may become more important for refinance/home equity loan clients; (2) Source for reverse equity mortgages and marketing them through groups such as AARP.	(1) Cost of additional staff; (2) Cost of additional staff training.	(1) Delinquency and foreclosure rates for portfolio loans; (2) Clients counseled on loan options; (3) Number of refinance, home equity, and reverse mortgage loans negotiated with lender partners.
<b>Add Services for the General Public</b>					
<b>Level 3:</b> Expand services to the general public by adding capacity. (1) Need for efficient intake and referral system to handle increased demand; (2) Ability to address more complex cases, including predatory lending.	Depending on demand, break counseling staff into two levels: general and those with advanced experience and expertise.	(1) General counseling staff can handle routine cases; (2) More complex cases referred to a second tier of staff with greater expertise; (3) Supervisor or skilled counselors need expertise to identify predatory loans.	(1) Credit counseling important in working with more complex cases; (2) Collaboration with legal services crucial where predatory lending is a problem; (3) Expanded need for strong referral network of other services.	(1) Cost of additional staff; (2) Cost of additional staff training.	Same as Level 1.
<b>Level 4:</b> Add client access to services through (a) expanded telephone counseling; (b) Internet-based counseling; (c) expanded hours of operation.	(1) Depending on demand, add counseling staff as needed and have two levels of staff as in Level 3 above; (2) Hire or contract with someone to design and monitor Internet-based services.	(1) Expertise in counseling clients over the telephone; (2) Ability of supervisor to mentor and monitor counselors to develop their expertise; (3) Counselor expertise to quickly ascertain issues and refer to staff specialists when needed.	In some cases, service providers can expand hours of operation by subcontracting with an organization in a different time zone, for example an east coast housing agency using the telephone services of a west coast credit counseling group.	(1) Cost of additional staff; (2) Cost of additional staff training (3) Cost of maintaining and monitoring Internet-based services; (4) technology investment in telephone system and computers for Internet-based services.	(1) Number counseled using different formats; (2) Foreclosures avoided in 6 months, 1 year, 3 years; (3) Rates of delinquency and foreclosure if own loan portfolio; (4) Client satisfaction.
<b>Level 5:</b> Add capacity to do advanced debt management counseling	May need additional staff to cover this service and/or train existing staff.	Expertise to identify clients who need a debt management plan and then	Working relationship with holders of unsecured debt or an intermediary with the	Cost of additional staff if needed or additional training for existing staff.	(1) Number counseled; (2) Number of debt management plans

Program Focus	Program Staffing		Community Partnerships	Program Budget	Program Effectiveness Measures
	Levels	Expertise			
that includes formal debt management plans.		to design and negotiate one with holders of unsecured debt or an intermediary.	authority to negotiate on their behalf.	May be offset by fees paid to the counseling agency by the holders of unsecured debt.	negotiated; (3) Average and total value of debt reduction; (4) Number of successful plan completions.
<b>Level 6:</b> Add capacity to do <b>electronic collection and distribution of debt payments</b> as part of advanced debt management counseling.	Add data management and data entry staff.	(1) Expertise in managing large electronic databases; (2) Data entry skills.	Clearly negotiated relationships with financial institutions and debt holders for electronic transfer of funds	(1) Additional staff costs for data management and entry; (2) Major investment in technology to allow electronic transfer of funds and files.	(1) Clients served; (2) Volume of funds collected and redistributed; (3) Number of successful plan completions.
<b>Level 7:</b> In areas where illegal and predatory lending is a major problem, add capacity to acquire <b>legal expertise</b> and other intervention strategies, such as a loan pool for refinancing.	(1) At least one staff member with legal expertise; (2) May need to expand skilled counseling staff; (3) Add refinance capacity to loan origination staff; (4) Ideally add a construction specialist.	(1) Expertise to identify predatory loans, prepare paperwork for litigation; (2) Loan origination staff expertise for refinancing; (3) Construction specialist to estimate and oversee repair/rehabilitation.	(1) Strong, supportive relationship with source of legal services essential; (2) Coalition-building on predatory lending; (3) Network of contractors for rehabilitation component of loan refinancing.	(1) Higher salary costs of staff with advanced expertise; (2) Additional staff to do loan refinancing; (3) Cost of adding a construction specialist; (4) Cost of additional staff training around predatory lending.	(1) Public education activities on predatory lending; (2) Number of predatory loans identified; (3) Number of such loans settled; (4) Size of refinance pool, number of participating institutions; (5) Number, value of home repairs.

## **Typical levels of services for key components of foreclosure intervention programs**

Table 2 provides an inventory of the array of services that could be offered within a foreclosure intervention program. The services for each of the seven key program components are categorized by the level of organizational capacity they require - Level I represents the most basic level of service, Level II an intermediate level of service, and Level III the most advanced or sophisticated level of service.

In most cases, higher levels of service require additional capacity in one or more of the following: staffing levels and expertise, technology, and funding. In other cases, a higher level of service can be achieved by establishing strategic partnerships with outside service providers. The level of service an organization provides should be based its capacity and clients' needs.

Service providers, funders, and others in the post-purchase industry can use Table 2 to do strategic planning and investing. For example, a service provider could use this service matrix to assess its own level of services across each major component. In some components its services may be at Level I while in others it may be at Level II or even Level III. This assessment could then be compared to where the service provider would like to be based on its evaluation of what level of services is needed in the area. Additional investments in organizational capacity or increased coordination with outside service providers could then be made strategically. The matrix is intended to be used in a dynamic way. An agency need not strive to be at the same level of service across all components. An agency may decide that in certain components Level I services are most appropriate, while in others it may wish to increase its capacity to Level II or Level III based on its own strategic priorities.

A funder that wishes to assist housing organizations to increase their organizational capacity in the area of debt management counseling could use the matrix as a road map for how to structure their funding initiatives. It could also be used as a springboard for the industry to think about how to develop and structure their capacity as a whole. One important question raised by national experts and local service providers is whether it would be advantageous to develop several regional or national centers that would have specialized expertise in areas such as default and foreclosure intervention counseling, where the level of expertise required has increased due to factors such as the growth in predatory lending and the consolidation of the loan servicing industry.





**Table 2: Different Service Levels for the Key Components of a Foreclosure intervention Program**

Key Components	Levels of Service		
	Level I	Level II	Level III
<b>Community and Industry Outreach</b>	Informal system where vast majority of clients contact the counseling agency on their own initiative or through a HUD referral.	Counseling agency has both formal and informal partnerships with loan servicers and other community partners who refer clients. For example, thirty day delinquency notices from servicers include the contact information for the counseling agency; the counseling agency is on referral lists maintained by community partners; and loan servicers send the agency a monthly list of borrowers who are delinquent and need to be contacted by the counseling agency.	Counseling agency has a contractual relationship with loan servicers that includes financial compensation.
<b>Client Intake and Problem Assessment</b> Initial client intake by telephone, in person or through the Internet	Basic information is collected either over the phone or in person (for walk-ins) and the client is referred to an appropriate staff person during normal workday hours (8 to 5).	Clients can call for assistance 24 hours a day, 7 days a week.	Clients can access assistance by filling out and submitting information forms through an agency website.
Assessment of problem by counseling agency staff	All delinquency management inquiries are referred to a housing counselor, who makes an initial assessment of the issues, makes a referral to outside assistance when appropriate, schedules a follow-up appointment to meet with the client if needed, and arranges to collect the appropriate release forms from the client.	Delinquency management inquiries are routed to housing counselors who then assess whether the client needs the services of a housing counselor with specialized training to handle complex cases.	A housing specialist is on staff who can review paperwork for evidence of predatory and illegal lending practices for further referral to legal services.
Provision of oral and written information to the borrower	The client is given a brief overview of options in person or over the phone and is then given or mailed information that explains the options in greater detail and is encouraged to contact their loan servicer.	The client is given or mailed written information on alternatives to foreclosure and is asked to review the materials before coming in for a follow-up appointment to discuss them in greater detail and develop a plan to move forward.	The counseling agency maintains a website where clients can access information on options to avoid default and foreclosure.
<b>Financial Counseling</b> Budget management counseling	Counselors go over the client's budget and make recommendations for where expenses could be pared back and ways that the homeowner might be able to secure more income to allow the client to meet their mortgage obligation	Clients are asked to adhere to a more formal budget plan with follow-up visits to review how the plan is working.	A system is in place to get clients help with debt management either in-house or through a formal referral system.
Debt management counseling	If debts such as credit card or medical debt are a major issue, the counseling agency reviews the situation and makes recommendations for how to handle these debts as part of its budget	The counseling agency provides debt management services in-house that include establishing formal debt management plans or the agency has a contractual partnership with an outside credit counseling agency that	Either the housing agency or a credit counseling agency has the capacity to collect and distribute debt payments from borrowers to debt holders electronically as part of a debt management plan.

Key Components	Levels of Service		
	Level I	Level II	Level III
	management services. If in-house debt management capacity doesn't exist, clients are referred to an outside credit counseling agency on an informal basis without follow-up.	develops formal debt management plans with written follow-up to assess progress.	
<b>Additional Assistance</b>			
Legal assistance	In cases with complex legal issues or evidence of illegal predatory lending, the counseling agency refers the client to a source of outside legal expertise such as nonprofit legal services or provides the client with a list of private attorneys.	Counseling agency staff has received some advanced training to review legal issues; and the counseling agency has access to outside legal expertise for consultation on complex legal issues, such as a pool of lawyers who have agreed to do pro bono consulting for the agency.	The counseling agency has a formal, active working partnership with a source of legal expertise that specializes in housing issues and that can litigate on behalf of clients.
Financial assistance	No financial assistance available.	Low- and/or no-interest loans are available to bring a client current with their mortgage.	Outright grants of financial assistance are available to assist eligible clients.
Other assistance	Informal referrals are made to other sources of community assistance, such as providing a list of available service providers.	More formal referrals are made where the housing counselor contacts the service agency to ensure that they are an available and appropriate source of assistance for the client.	The counseling agency formally coordinates with a consortium of community service providers on a regular basis to exchange information on available services and to identify gaps in services.
<b>Negotiation with Loan Servicers</b>	The counseling agency advises the client on the need to contact the loan servicer and the best way to approach them but does not contact the servicer directly.	The counseling agency works with the client to develop an acceptable alternative to default and foreclosure, contacts the loan servicer to propose this plan both over the telephone and in writing, and follows-up with the servicer until a response is received. The counseling agency may have a pre-identified contact person(s) in the loan servicer's loss mitigation department who has the authority to approve forbearance and other loss mitigation options.	The counseling agency has a formal contract with the loan servicer to provide foreclosure intervention counseling that may include financial compensation to the housing counseling agency from the loan servicer. In cases where the housing agency's own loans have been sold in the secondary market, this may entail a formal joint servicing agreement.
<b>Refinancing Education and Assistance</b>			
Availability of a construction specialist on staff	No construction specialist on staff.	Counseling agency has a construction specialist on staff who assesses the need for home repair at the time that a homeowner is refinancing, especially when the homeowner is refinancing out of a predatory loan.	The construction specialist oversees home repair work performed by a contractor as part of the refinancing package and manages an escrow account set up on the homeowner's behalf to pay the contractor.
Availability of a loan product for refinancing borrowers out of predatory loans	Homeowners must approach lenders individually.	The counseling agency approaches lenders who have expressed a willingness to offer loans in these cases on behalf of the client.	The counseling agency has established a loan pool for this purpose and, ideally, has a construction specialist on staff who factors in the cost of necessary home repairs to the total cost of the refinance package. This "total cost" approach ensures that legal settlements include the cost of deferred maintenance so that

Key Components	Levels of Service		
	Level I	Level II	Level III
			the refinancing is financially viable for the homeowner over the long-term.
<b>Evaluation</b>	Counseling agency mails a survey to counseled borrowers six months to a year after counseling with questions about their current financial situation and ability to maintain their mortgage.	Counseling agency conducts phone surveys on a regular (perhaps quarterly) basis to ascertain how the client is doing, and this information is placed in the client's file.	The counseling agency has a means to identify those clients that are likely to run into problems again and can concentrate its follow-up efforts on this group. In addition, the counseling agency actively tracks its clients and enters this information into an electronic database with which it can analyze and report outcomes.

## **II. Sustainable Homeownership Services Model**

### **Overview of sustainable homeownership services**

Sustainable homeownership services assist homeowners to acquire the knowledge and skills they need to maintain and build the value of their housing investment over the long term through home maintenance and protective measures, such as insurance and attention to home safety. In addition, these services assist homeowners to avoid problems, and therefore, have a preventive focus. Typically, trainings include home maintenance and repair, insurance issues, home safety, budgeting and financial management, how to avoid predatory lenders, and how to sell a home. Sustainable homeownership services are delivered through both group training and individual counseling formats. Some organizations also include neighborhood stabilization activities as a key component of their sustainable homeownership programs.

Sustainable homeownership services aim to realize the following goals:

- To give homeowners the skills they need to maintain and repair their homes in order to realize the full value of their financial investment as well as reduce the ongoing expense of homeownership;
- To give homeowners the information they need to protect their homes with adequate insurance and home safety measures;
- To train homeowners in budget and debt management so that they can continue to meet their mortgage obligations;
- To give homeowners and other consumers the information they need on loan refinancing, home equity loans, and reverse equity mortgages, including how to avoid predatory lenders and financial pitfalls;
- To educate homeowners on the options available when they encounter problems with meeting their mortgage payments; and
- To build stable neighborhoods so that homeowners can realize the maximum value of their housing investments.

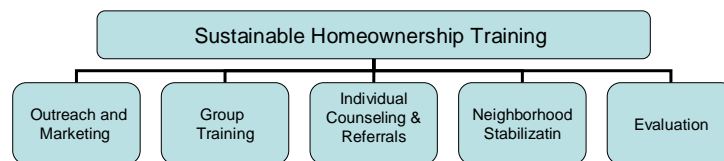
### **Key components of sustainable homeownership services**

Local practitioners identified five key components for sustainable homeownership services (see Figure 3) that are described in detail below.

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Figure 3

**Sustainable Homeownership  
Key Components**



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*Outreach and marketing*

Because homeowners often feel less urgency to attend post-purchase training than they did pre-purchase training, where their clear goal was to qualify for a home loan, increased attention to marketing and outreach is often required to attract participants to sustainable homeownership training sessions. Homeowners must be convinced that their investment of time in post-purchase training or counseling will be worthwhile, and effective marketing and outreach, as well as convenient times such as evenings and weekends, can ensure that homeowners will participate in the program initially. Providing food, childcare and small prizes at each training session can help keep participants in the program. Training programs that achieve good participation use every opportunity to market their program through other organizations in the community including lenders, churches, and public agencies.

*Group training*

Homeowners can benefit from training in a broad range of areas, and post-purchase counselors have found that how they package information can be important. For example, a workshop on refinancing and home equity loans may bring in more clients and be a more effective way to get the information across than just offering a class on predatory lending alone. Below are the four elements of group training that contribute to program success:

*Locally relevant topics.* Organizations choose topics based on the interest of the communities they serve. Training that includes a lot of “how to” information that is

applied during the course is attractive to participants, such as hands-on home repair and maintenance training. Topics may include:

- Homeowners insurance and how to settle claims
- Maintaining the value of a home investment
  - Home maintenance
  - Home repair: do-it-yourself workshops and working with contractors
  - Home safety and security features and services
- Personal finance and debt management;
- Protecting your home as a financial asset
  - Home equity loans
  - When and how to refinance
  - Reverse equity mortgages
  - Avoiding predatory lenders and finding alternatives to payday loans
- How to sell a home
- How to catch up with mortgage payments.

*Effective trainers.* A skilled trainer enjoys working with adult students who have varied skill levels, and is able to present information in an accessible and engaging manner. Humor, enthusiasm and patience are key ingredients needed for effective teachers. Instructors and training materials that can provide information in languages other than English are also essential in many communities.

*Clearly written materials.* User-friendly reference materials, with information that is presented clearly and simply and visually appealing, are important for participants to use during the training sessions and to take with them to use at home. Having materials reviewed by clients as they are being developed ensures that the materials will be appropriate for local audiences. Most organizations provide each participant with a notebook that has a well-organized index of topics covered in the training sessions along with additional topics for reference. Materials are available in multiple languages as needed and employ other media formats, like videos, to vary the presentation.

*A hands-on training facility.* Organizations that have the capacity for students to do hands-on projects using tools and making actual repairs are particularly effective because participants are able to practice the skills they are being taught. This kind of practice provides the necessary reinforcement and confidence to participants, especially non-traditional homeowners, such as single mothers, to help make any needed repairs to their own homes. A permanent training facility with walls, windows, plumbing, and other building systems to practice on is ideal.

## *Individual counseling and referrals*

The purpose of sustainable homeownership counseling is to provide ongoing support to homeowners once they are actually in their homes and are faced with new expenses and homeownership responsibilities. In contrast to group training, counseling is delivered in a one-on-one format. In the area of outreach to homeowners, organizations that have instituted this service have generally started by working with their existing clients who either have a loan through the organization or live in a neighborhood that the organization has targeted for services. Timing outreach is important, so that clients who have just moved into homes or are at the point of considering refinancing are made aware of the service and its value to them.

One effective means to bring homeowners in for sustainable homeownership counseling is for an organization to have homeowners sign a contract that requires continued counseling services as a condition of receiving a loan or purchasing a housing unit built by the organization. For example, the contract can require the homeowner to come in quarterly for budget counseling, which is essential for assisting homeowners to be successful. One-on-one counseling support given to new homeowners in the first year or two of homeownership can head off delinquency and default problems, as well as steer them away from predatory lenders and questionable credit counseling providers.

Another option is for the housing organization to stipulate that homeowners must come in for counseling before home loans can be refinanced and/or to require that homeowners maintain home repair escrow accounts that are monitored by the organization. Homeowners often need assistance when they are at the point of considering new loan options such as refinancing, and requiring counseling or escrow accounts can help new homeownership avoid becoming prey to predatory lenders.

Contracts between homeowners and counseling agencies may require homeowners to do one or more of the following activities:

- Set up a home maintenance savings account;
- Provide monthly budgets semi-annually for the first two years after home purchase;
- Participate in pre- and post-purchase counseling;
- Not increase household debt;
- Contact the agency if mortgage payments are anticipated to be late;
- Agree to become a peer counselor to other first-time homebuyers at the end of a two-year period; and
- Notify the agency before refinancing or applying for a home equity loan.

## *Neighborhood stabilization*

Neighborhood stabilization represents a new program area for some organizations while others have been undertaking these activities for many years. By encouraging new and existing residents to get involved in their neighborhoods, a sense of community can develop that improves the quality of life and heads off crime and property abandonment, which can contribute to problems of neighborhood decline and increased foreclosures. Since word of mouth is usually the most important way that people learn of foreclosure intervention services and sustainable homeownership training opportunities, establishing a strong presence in target neighborhoods is also a way to connect residents to the post-purchase services offered by the organization. Below are the four key components of neighborhood stabilization efforts:

*Establishing a neighborhood presence.* An essential component of community outreach is to establish a presence in the neighborhoods where an organization operates. Especially for programs that assist delinquent borrowers, getting known through community networks establishes a level of trust that will bring people in when they are in trouble. One means of building relationships is through neighborhood-based activities, such as having a booth at a church bazaar or setting up a satellite neighborhood office.

*Supporting neighborhood groups.* Post-purchase programs also have valuable technical assistance to offer neighborhood groups, such as block clubs or new homeowner groups. Neighborhood groups provide a forum for post-purchase education as well as community leadership development. The types of technical assistance offered include assistance with publishing a regular neighborhood newsletter, fundraising, networking with other neighborhood organizations such as schools and churches, and identifying community issues that need to be addressed.

*Building state and local coalitions.* State and local coalition building provides a forum for developing community leadership and greater civic involvement of community residents. Coalition building around issues such as predatory lending or lead paint abatement can bring greater visibility to post-purchase issues, the availability of post-purchase programs and services, and the need for additional funding.

*Acquiring and reoccupying foreclosed properties.* Abandoned properties are a major blight in many low- and moderate-income communities. They can quickly become a center of drug and crime activity that threatens the well-being of neighborhood residents and leads to neighborhood deterioration. While foreclosure intervention counseling programs strive to keep people in their homes, in some cases this is impossible. In order to preserve the integrity of the neighborhood, some organizations are acquiring foreclosed properties and finding other families to purchase them.

## *Evaluation*



To measure the effectiveness of sustainable homeownership services, organizations should track their customers to see if they are successful homeowners in the short-term (six months following services) and long-term (one to three years).

## **Program implementation issues for sustainable homeownership services**

The program implementation issues involved in sustainable homeownership training are less complex than those for foreclosure intervention and do not require a high degree of elaboration beyond the previous discussion of a comprehensive model, except for two key implementation issues: (1) program budget and (2) program effectiveness measures.

### *Program budget*

As was true of foreclosure intervention counseling, the primary budget impact of expanding training programs is the cost of hiring additional staff. However, the addition of a hands-on facility for training workshops also constitutes a major expense. Such a facility requires the initial investment to build or rent space as well as tools, materials, and ongoing utility and insurance costs.

Sustainable homeownership training providers indicate that they have been able to fund their programs through both public and private support. Support for home maintenance and safety training can be secured from insurance companies, mortgage lenders, and hardware and building supply stores. Many organizations charge nominal fees to program participants to help fund their programs. Ideally, programs would have a steady level of funding from a combination of program fees, donations from local businesses, and public sector and foundation funding.

### *Program effectiveness measures*

The appropriate measures of success offered for sustainable homeownership programs are similar to those for foreclosure intervention and generally reflect the broad program goals for post-purchase programs. As for foreclosure intervention programs, success measures can be examined according to different stakeholders in the process, such as for:

- *Sustainable homeownership programs*: lower mortgage delinquency and foreclosure rates; the number of participants in training workshops; participant satisfaction as measured from surveys; and the number of clients steered to non-predatory sources of refinance and home rehabilitation loans.
- *Lenders, loan servicers and insurers*: increased home improvement and maintenance investments; lower mortgage delinquency and foreclosure rates; and decreased insurance claims.

- *Clients:* long-term measures of personal well-being, such as satisfaction with their home and financial health; reduced home maintenance and repair expenses; degree of civic engagement and involvement; and confidence in making home repairs.
- *Communities:* broader measures of neighborhood improvement and increases in home values, depending on the scale of the program.

As was true with foreclosure intervention counseling, deeper analysis is required to understand the true impact of sustainable homeownership counseling.

**Table 3: Different Service Levels for the Key Components of a Sustainable Homeownership Services Program**

Key Components	Levels of Service		
	Level I	Level II	Level III
<b>Outreach and Marketing</b>	Advertisement through neighborhood and community media and/or the distribution of information on training programs through community partners.	Recruitment of participants through presentations at community events and community organizations such as churches and civic clubs.	Special programs are designed to be targeted at specific groups such as high school students, minorities, and women; and/or the agency establishes block clubs or new homeowner groups in part as a means to recruit homeowners into training programs.
Incentives for attending	Participants receive simple incentives such as refreshments, small prizes, and gift baskets from local businesses; and childcare is provided.	Participants receive more substantial incentives such as a significant gift certificate from a local business; and/or participants have an opportunity to have small repairs done on their homes as part of their training.	The program sets up an arrangement with providers of homeowners insurance to give participants an insurance discount when they complete a series on home safety, for example; establishes a formal certification program when homeowners have completed a comprehensive home repair and maintenance program; and/or provides participants with a major incentive from a local business, such as a home alarm system.
<b>Group Training</b> Locally relevant topics	The agency actively refers clients to training opportunities in the community but does not offer training in-house.	Agency staff is available to give training workshops to community groups by request.	The agency has a regular schedule of workshops that it offers to the public.
Effective trainers	The agency recruits trainers from the community such as real estate professionals, insurance agents, police and fire personnel, and representatives of financial institutions to present workshops on a variety of topics.	Agency staff deliver a training curriculum that has been developed in-house to ensure consistency and accuracy of the information presented, and/or skilled training staff with extensive hands-on experience in home repair and maintenance teach a consistent curriculum developed by the agency.	The agency's skilled training staff represents a demographic mix: men and women, a variety of ages, a mix of race and ethnic backgrounds; and can deliver training in both English and other languages as appropriate to the needs of the local community.
Clearly written materials	The agency provides participants with materials for each training session that have been gathered from a variety of sources.	Participants receive comprehensive materials from an outside source such as HUD or Fannie Mae in a format such as a notebook so that all of the information they need can be found in one source and has a consistent format and presentation.	The agency develops its own high-quality training materials that reflect the needs of the community, ensure comprehensive, consistent, and accurate information, and are available in both English and other languages as appropriate to the needs of the local community.
Hands-on training facility	The training workshops provide participants with some opportunities to handle tools and perform limited repairs or home maintenance activities such as changing furnace filters.	Participants have an opportunity to perform small repairs on each other's homes or as part of a home rehabilitation project.	Participants have an opportunity to perform more extensive repairs on an occasional basis, such as through a housing rehabilitation program conducted by skilled staff; or the agency has a permanent training facility for workshops that includes mock walls, windows, plumbing, and other building systems and participants receive extensive hands-on training in tool use and

Key Components	Levels of Service		
	Level I	Level II	Level III
<b>Individual Counseling and Referrals</b>	Counseling sessions for new homeowners after they are in their home to review the new household budget 2 to 3 months after purchase or at the point when homeowners wish to refinance or pursue a reverse equity mortgage.	Contract between counseling agency and homeowner where homeowner agrees to a periodic budget review during their first year of homeownership; and/o requirement that new homeowners sign an affidavit that, if they wish to refinance, they go through the housing agency if it helped them with their original mortgage loan; and/or establishment of an escrow account for unforeseen emergencies such as home repair, temporary income loss, and medical debts.	home maintenance and repair. Counseling sessions for homeowners who wish to refinance or pursue a reverse equity mortgage that includes the services of a construction specialist who assesses the cost of necessary home repairs that can then be included in the new loan.
<b>Neighborhood Stabilization</b>	Participation in neighborhood and community events and collaboration with community partners such as churches, community-based organizations, schools, and community-oriented policing programs.	Publication and distribution of neighborhood newsletters; active and ongoing technical assistance to neighborhood groups and block clubs; and/or developing local leaders and encouraging residents to get involved in neighborhood and community issues.	Building state and local coalitions around legislative issues such as predatory lending and regulatory issues such as keeping pressure on state regulators to police the lending industry; acquiring foreclosed neighborhood properties and selling them to qualified homeowners to avoid empty and abandoned properties; and/or establishing satellite neighborhood offices with community boards.

## **Summary**

Across the organizations studied, key components for effective service provision in foreclosure intervention and sustainable homeownership were identified. The key components for each program model can be used to assess strengths and weaknesses in the provision of local post-purchase services and undertake strategic planning to build local capacity.

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## **Appendix: Training resources for post-purchase program staff**

Several of the national experts and program staff interviewed raised the issue of a need for more consistent standards on staff training and certification, and the following advantages of more standardization were cited:

- The consumer would get a more consistent post-purchase “product”;
- Consumers would be helped to identify agencies, especially in housing and debt counseling, that have a legitimate, high-quality service and that do not charge high fees;
- Service providers could be helped to deliver a more consistent product and to learn of innovations in the field;
- Legitimate service providers would be given an additional means to market their services to consumers;
- Funders would be better able to identify legitimate, high-quality service providers;
- Service providers could be assisted in identifying gaps in their staff and organizational capacity; and
- The introduction of improvements in new counseling and training technologies, such as case management software, would be facilitated.

The table on the next page provides a list of select training opportunities for post-purchase staff.

**Table 4: Select List of Resources for Post-Purchase Staff Training**

Source	Overview	Relevant Courses	Duration and Cost
<p>Neighborhood Reinvestment Corporation (NR)</p>	<p>Offers national training institutes on a variety of development issues that are organized into seven major subject areas:</p> <ul style="list-style-type: none"> <li>▪ Affordable Housing</li> <li>▪ Community Building</li> <li>▪ Community Economic Development</li> <li>▪ Construction and Production Management</li> <li>▪ Home Ownership and Community Lending</li> <li>▪ Management and Leadership</li> <li>▪ Neighborhood Revitalization</li> </ul> <p>Post-purchase training falls under the Home Ownership and Community Lending subject area. NR offers thirty-seven courses in this subject area. The courses are taught at approximately five institutes a year in various locations across the country. Additionally, NR offers a professional certificate program within each of the seven major subject areas. The coursework is the same for both the institute and the certificate program, and the courses within the certificate program are taken through the institutes.</p>	<p><b>Homebuyer Education Methods: Training the Trainer (5 days)</b> Learn how to deliver a comprehensive homebuyer education program based on the curriculum that NeighborWorks® organizations across the country are using to turn thousands of prospective homebuyers into satisfied homeowners. Learn to use the best materials and methods to train homebuyers to shop for a home, get a mortgage loan, improve their budget and credit profiles, and maintain their home and finances after purchase. This course includes an exam. Participants should be fully familiar with mortgage industry terminology and processes prior to taking this course. Exam given on last day of course for those participants interested in obtaining a certificate of Professional Recognition in homebuyer education training.</p> <p><b>Beginning to Intermediate Foreclosure Prevention (2 days)</b> Learn the protocol for counseling homeowners in financial distress. Every aspect of default and delinquency will be addressed, including reasons for default; ways to maximize income and reduce expenses; calculating delinquencies; understanding the players in the mortgage marketplace; loss-mitigation options for FHA-insured and other loans; legal information about foreclosure laws and timelines; tips on effectively intervening with lenders and servicers; managing multiple mortgages or liens; and the pros and cons of refinancing.</p> <p><b>Housing Counseling (2 days)</b> Learn the principles and applications of housing counseling from the industry's and the counselor's point of view. Examine the skills needed to be an effective housing counselor. Topics include the national picture, pre- and post-purchase counseling for homeowners, and delinquency and default counseling.</p> <p><b>Marketing Your Home-Ownership Program for Maximum Impact (2 days)</b> Now more than ever community based organizations must be strategic in the way they promote their home-ownership programs. Whether you're just starting a neighborhood-based or affordable homeownership program, or jump-starting a seasoned program, a marketing plan can help you bring in more customers and more funding, and make your organization run more efficiently. We'll cover a 10-step marketing planning process, successful strategies from around the country, and important national trends in the affordable home-ownership lending industry. Learn how to do targeted marketing that will help your organization connect with immigrant and minority populations.</p> <p><b>Credit Counseling for Maximum Results (2 days)</b> A high-energy crash course in conducting results-oriented individual counseling sessions for prospective homebuyers. This training provides a proven system for triaging customers, developing corrective action plans and timelines for success, and facilitating progress as customers overcome obstacles and move towards mortgage-readiness. State-of-the-art software designed specifically for the professional credit counselor is provided and utilized during the course. These troubleshooting tools include a credit-rebuilding system, a debt reduction system, and an automated budgeting system and down payment savings accumulator. Counselors will use sample customer cases to identify obstacles, triage, develop corrective action plans, assign customer tasks, and simulate counseling sessions</p>	<p>1-, 2-, 3- and 5-day courses</p> <p>\$50 registration fee and \$175 tuition fee per day, plus travel and lodging</p>

Source	Overview	Relevant Courses	Duration and Cost
		<p>during this hands-on learning lab. This course is a “must” for the experienced counselor who is looking for some new tools to make counseling sessions more structured, efficient, and productive.</p> <p><b>Financial Fitness: Teaching Financial Management Skills (3 days)</b> Economic education is a critical piece of a comprehensive pre- and post-purchase homebuyer education program. Given today’s economic climate and the increasing complexity of financial services, long-term successful home ownership requires sound knowledge of how to navigate the maze of financial options available. This course will identify the essential components of an effective financial literacy program and provide tools to help participants design programs that meet the needs of their target communities.</p> <p><b>Home Maintenance and Financial Management for New Homeowners (2 days)</b> The key to successful home ownership is support before, during, and after the home purchase. This training-for-trainers course focuses on workshops delivered after the purchase to ensure the long-term success of new homebuyers. Topics include home maintenance and repair, financial management, insurance, and record keeping. Find out how to deliver effective post-purchase workshops in your community. This course is first in a series of three courses on post-purchase counseling.</p> <p><b>Involving New Homeowners in the Community (1 day)</b> Learn how to help new homeowners get more involved in their neighborhoods and communities. This course discusses the meaning of community leadership and ways in which to foster it. It also examines successful programs from the field that develop the leadership skills of residents and encourage them to get involved in community affairs. This course is the second in a series of three courses on post-purchase counseling.</p> <p><b>Helping Homeowners Avoid Delinquency and Predatory Lenders (2 days)</b> Delinquency prevention requires a proactive approach. Discover how to help your customers manage debt, dodge predatory lenders, and avoid mortgage default. This course includes examples of consumer awareness seminars, loan document reviews, and foreclosure prevention programs. Learn how to read the warning signs of debt problems and how to recognize predatory lenders, as well as what resources are available to help keep your homeowners out of financial trouble. A site visit to a local nonprofit is planned, to observe its delinquency counseling operation. This course is third in a series of three courses on post-purchase counseling.</p>	
Atlanta Neighborhood Development Partnership, Inc. (ANDP)	Offers a Homebuyer Education Program, a product that they sell to organizations and individuals across the country, and on occasion responds to direct requests for training, especially those from existing or new clients to help prepare them to use their homebuyer education products.	<p>Three-tiered curriculum:</p> <p><i>Family Foundation</i> and <i>Bringing Home the Dream</i> are pre-purchase programs that deal with budgeting issues and the mortgage process.</p> <p><i>Keeping the Dream Alive</i>, is the post-purchase piece that covers physical maintenance and repair, financial maintenance, insurance, record keeping, protecting your investment, and foreclosure prevention.</p>	<p>\$25/book</p> <p>Training upon request</p>
National Consumer Law	Provides nationwide training in foreclosure prevention and default and delinquency counseling that is sponsored by the U.S.	<p><b>Preserving the American Dream</b></p> <p><u>Day 1</u></p> <ul style="list-style-type: none"> <li>▪ Understanding Foreclosure and the Loss Mitigation Process</li> </ul>	2-day course offered on a contractual basis

Source	Overview	Relevant Courses	Duration and Cost
Center (NCLC)	<p>Department of Housing and Urban Development (HUD) and NR. The course is available for both beginners and experienced counselors. Course materials include NCLC's book, <i>Surviving Debt: A Guide for Consumers</i>.</p> <p>The two-day course is not offered on a regular schedule but rather on a contractual basis. NCLC provides interested organizations with a cost estimate. It is common practice for several organizations to pool their resources, in an effort to mitigate costs, and hold a combined training.</p>	<ul style="list-style-type: none"> <li>- Foreclosure in America: description, trends</li> <li>- Consequences of a Foreclosure Sale</li> <li>- Financial Dynamics of Foreclosure</li> <li>- Knowing Your Client's Deadlines</li> <li>- Terms to Know</li> </ul> <ul style="list-style-type: none"> <li>▪ The Counseling Process: Helping Homeowners Get On Track <ul style="list-style-type: none"> <li>- Twelve Steps To Effective Foreclosure Counseling</li> <li>- Drafting an Effective Hardship Letter</li> <li>- Crisis Budgeting: The Key to Preparing a Foreclosure Prevention Plan</li> <li>- Establishing the Homeowner's Resources</li> <li>- Expanding the Income Side of the Budget</li> <li>- Dealing with Second Mortgages and Other Liens</li> <li>- Unsecured Debts and Student Loans</li> <li>- Managing Utility Costs</li> <li>- Tax and Insurance Relief</li> <li>- Addressing Urgent Repair Needs</li> </ul> </li> <li>▪ Foreclosure Prevention Options to Help Your Clients Keep Their Homes <ul style="list-style-type: none"> <li>- Obtaining Information About the Amount of the Delinquency</li> <li>- HUD Loss Mitigation Options</li> <li>- Fannie Mae Options</li> <li>- Freddie Mac Options</li> <li>- Veterans Administration Options</li> <li>- Rural Housing Service Options</li> </ul> </li> </ul> <p><u>DAY 2</u></p> <ul style="list-style-type: none"> <li>▪ Other Strategies and Information Your Clients Will Need <ul style="list-style-type: none"> <li>- Pre-foreclosure Sales</li> <li>- Deed in Lieu of Foreclosure</li> <li>- Refinancing as a Foreclosure Prevention Plan</li> <li>- Tax Consequences of Foreclosure</li> <li>- Credit Consequences of Foreclosure</li> </ul> </li> <li>▪ Getting A Deal <ul style="list-style-type: none"> <li>- Foreclosure Fees and Costs</li> <li>- Other Homeowner Paid Fees</li> <li>- Escrow Miscalculations</li> <li>- Meeting Documentation Requirements</li> <li>- Communicating Effectively With Loan Servicers</li> <li>- Qualified Written Requests</li> <li>- Seven Ways to Get the Servicer to Say Yes</li> </ul> </li> <li>▪ Other Responsibilities of Effective Counseling <ul style="list-style-type: none"> <li>- Answering Your Client's Questions About Bankruptcy</li> <li>- Identifying Consumer Abuses and Predatory Second Mortgage Loans</li> <li>- Foreclosure Related Scams Your Clients Should Avoid</li> </ul> </li> </ul>	<p>Cost of course includes NCLC's time, training materials and books, and travel and lodging expenses for trainers. Call for estimate.</p>

Source	Overview	Relevant Courses	Duration and Cost
<p>Minnesota Mortgage Foreclosure Prevention Association (MMFPA)</p>	<p>Is an association of foreclosure prevention providers that consists of approximately 15 organizations and lenders with an all-volunteer board and only one, quarter-time staff member.</p> <p>Offers annual certification training to Minnesotans only and quarterly, daylong in-service trainings for re-certification (topics vary).</p> <p>Training facilitators are volunteers to keep costs low.</p>	<p>Certification training for foreclosure prevention specialists designed around Minnesota laws and statutes. The certification remains valid for two years. The course may be taken by module for individuals interested in updating their certification or for professionals from other related fields.</p> <p><u>Day 1</u> Introduction Basic Real Estate Basic Financing</p> <p><u>Day 2</u> Refinancing Alternative Financing Predatory Lending</p> <p><u>Day 3</u> The Foreclosure Process</p> <p><u>Day 4</u> Credit Reports and your credit, realistic consequences Financial Management</p> <p><u>Day 5</u> Bankruptcy Tax Consequences Negotiation</p> <p><u>Day 6</u> Alternatives to Foreclosure</p> <p><u>Day 7</u> Servicing and Collections</p> <p><u>Day 8</u> Review &amp; Test</p>	<p>2-weeks or 1-day</p> <p>\$325 for 2-week course; one scholarship per organization</p> <p>\$12 for members and \$16 for non-members for 1-day course</p>

