

Effective Models and Strategies from Successful Foreclosure Intervention Programs

NYS Foreclosure Forum

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The Current Situation in NYS

- Foreclosures and defaults at historic highs
- Nonprofit organizations are stressed with foreclosure counseling workloads and more foreclosures are expected for next 2-4 years
 - **238,693 projected foreclosures (2009-2012)**
 - **Home equity losses of \$242 billion**
(Source: Center for Responsible Lending)
 - **180,326 mortgages in NYS “seriously delinquent”** according latest 2Q 2011 NDS
 - In poll of counselors, **“37 percent recently worked with homeowners considering suicide”**
(Source: New York Times)

The Current Situation in NYS

- The state and national economies are weak and faltering with high unemployment
- Funding cutbacks are expected at all levels
- **Bottom line:** Doing “business as usual” isn’t an option – we need transformative change and a new sustainable business model

These Models and Strategies

- Drawn from work in several states where foreclosures have been loan-term problems, such as OH, MI, and IN
- Other states that have organized statewide collaborations, such MN, MA, KY and CO
- Some of these best practices are documented in nine case studies posted at *“Housing Professionals Resource Center”* on Freddie Mac’s website

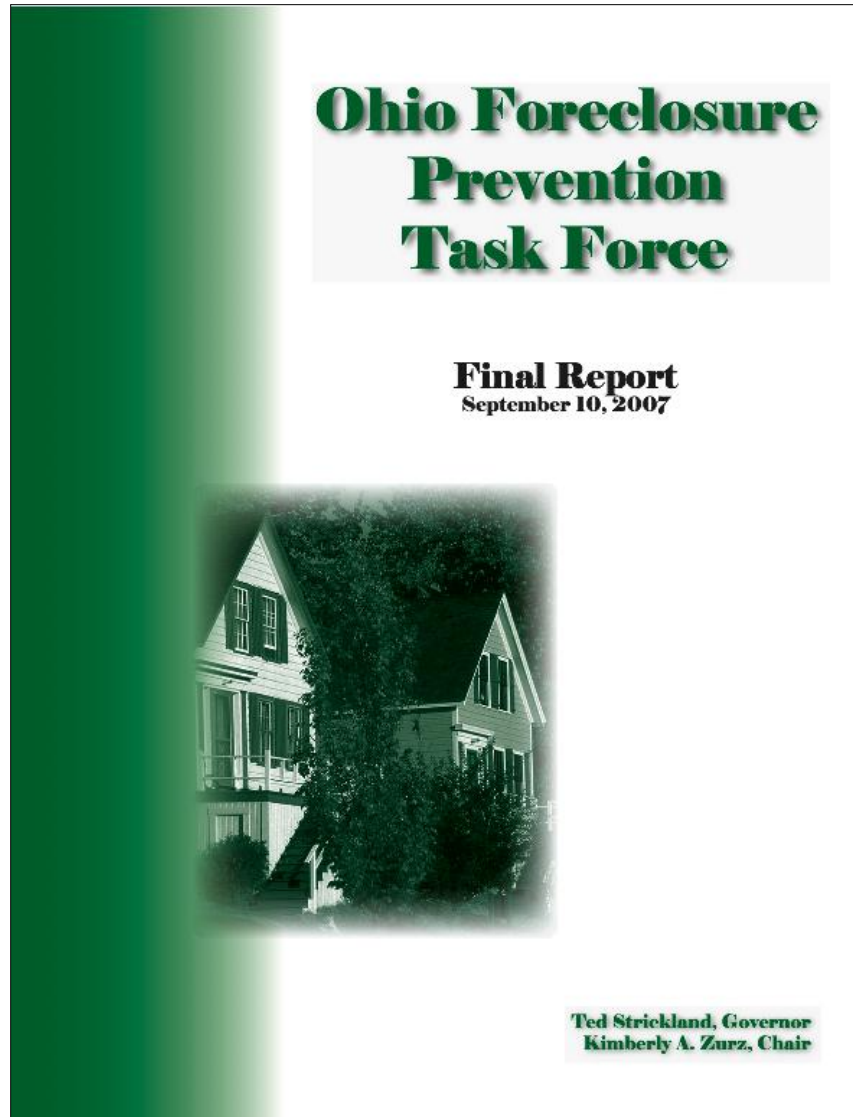
Developing a Coordinated Statewide Response to Foreclosures



High-Level Statewide Task Forces

- At least 15 states have developed a Foreclosure Prevention Task Forces, including Ohio
- Often appointed by the Governor with broad representation of lenders, servicers, govt. officials, nonprofits, legal services and more
- Charged with developing coordinated and comprehensive responses to foreclosures

Ohio Foreclosure Prevention Task Force



Ohio Foreclosure Prevention Task Force

- Encourage borrowers to get help early
- Expand housing counseling services
- Work with servicers to provide alternatives
- Provide refinance/restructure options for homeowners
- Improve Ohio's foreclosure process
- Strengthen protections for homeowners
- Help communities recover from the aftermath of foreclosures

Coordinated Responses

- Many states and regions have developed active coalitions, such as the **Baltimore Homeownership Preservation Coalition**, to coordinate service delivery, often including:
 - Aggressive outreach campaigns and websites
 - Real-time research on foreclosure issues
 - Statewide Hotlines for consumers
 - Triage systems and “self-help” videos
 - Referrals to counseling and legal services
 - Uses for funding from legal settlements

Effective Triage Systems are Critical

- Volume and demands of crisis require it
- Focus time and resources on those who can benefit most from intensive services
- Standardized process eliminates waste and helps guide the responses of front line staff
- **Best Practices:** Education and intake done online, in groups or via phone

Using Group Intake and Education

Best Practice: Family Services of Charleston, SC saves 27.5 hours of staff time per week by:

- Providing service overview, basic education on foreclosure process and resolution options, and conduct intake in group workshops every Tuesday evening
- Counselors facilitate the workshop and do brief 1:1 triage at end of evening
- Provide individualized counseling within 72 hours by phone or face-to-face as needed

Minnesota HOC Statewide Model

FORECLOSURE COUNSELING PROGRAM MODEL

A Minnesota model for delivering foreclosure counseling,
emphasizing early intervention and prioritizing service to achieve maximum impact.



Purpose of MN HOC Triage System

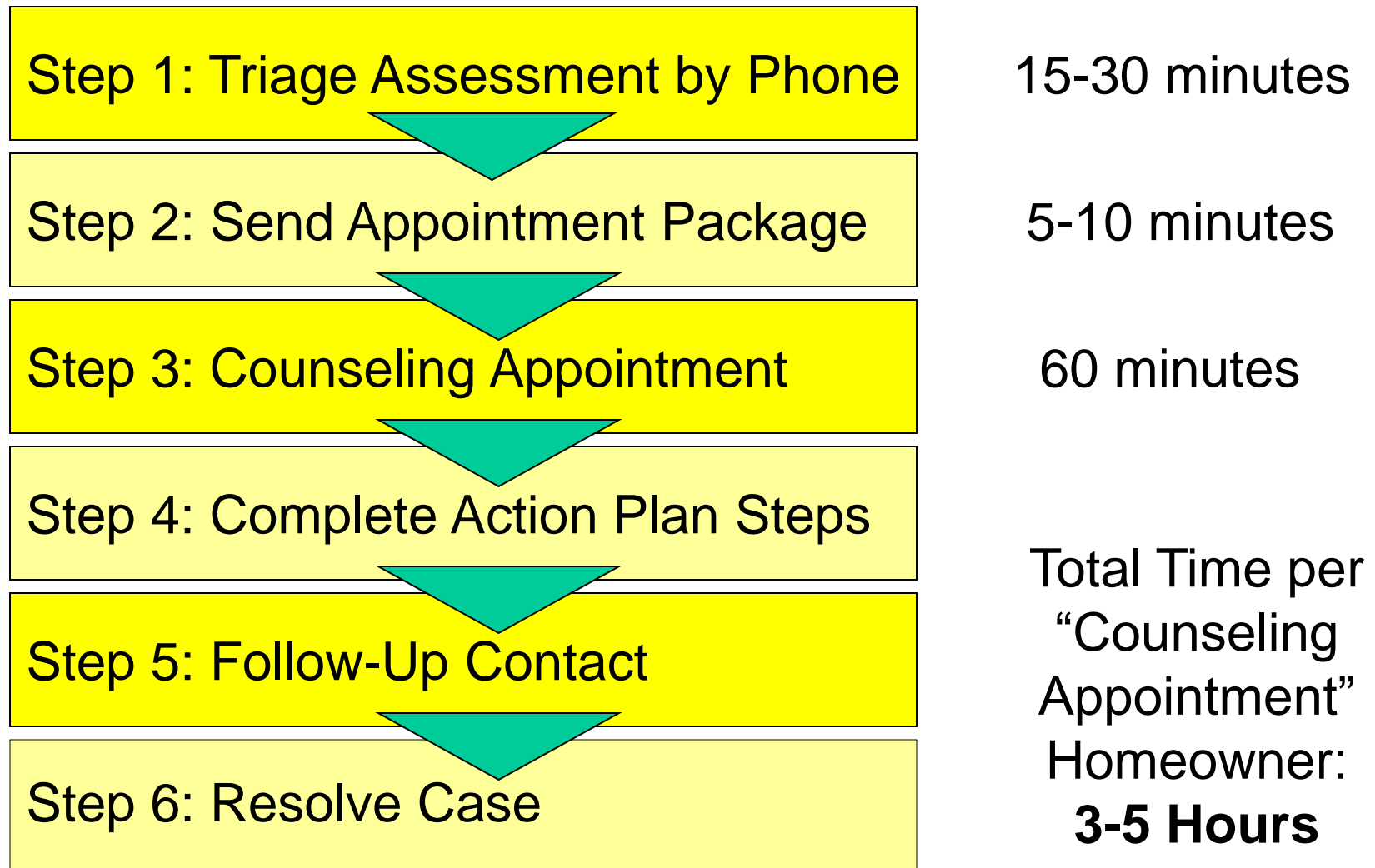
- Statewide intermediary in Minnesota
- Supports a network of nonprofit organizations that provide foreclosure counseling (19 organizations with over 70 counselors)
- In response to high foreclosure counseling demand, the system was implemented in 2008 to set statewide service standards and increase efficiency of services

Defining Service Categories

Defined Four Service Categories

- **Current** – Current on their mortgage and not at immediate risk of foreclosure
- **Smooth Transition** – Don't want to remain in their home and/or it's unrealistic to do so
- **Self Directed** – Want to proceed of their own or need more info or need to resolve issues
- **Counseling Appointment** – Want to remain in the house, there is time, home is affordable and/or adjustments can be made in income/expenses or loss mitigation

Overview of MN Process



Impact of MN Triage System

- Minnesota HOC reports counselors and program managers like the standardized process
- 3-5 hour average per case
- Serves as excellent quality control and new counselor training tool
- Has dramatically increased production and efficiency across the state:
 - Helped **12,158** homeowners in 2010
 - **66% of these avoiding foreclosure**

Use Technology Better

- Many providers find that counseling can be provided effectively over the phone and supported using email and their websites
- Saves time and is more convenient for both counselors and clients
- **Best Practices:** Tools such as web-based intake and HOPE LoanPort
- **Best Practice:** Use of low-cost webinars to educate consumers about options

Online Assessment Tools – Indiana Foreclosure Prevention Network



DON'T LET THE WALLS FORECLOSE IN ON YOU.

[HOME](#) [TAKE ASSESSMENT](#) [LOG IN](#) [ABOUT US](#) [CONTACT US](#) [PRIVACY POLICY](#)



Welcome to the [Indiana Foreclosure Prevention Network \(IFPN\)](#). This website was created to provide the thousands of Hoosiers, like you, who may be facing foreclosure with access to free and unbiased information and counseling.

The on-line education assessment will help you understand the options you may have in this time of financial uncertainty. During each section, you will be asked a series of questions that will help our experienced foreclosure prevention specialists assess your situation.

If you would like to provide this information directly to a specialist, call

877-GET-HOPE any day of the week between the hours of 8:00AM and 8:00PM.

The information you provide will be confidential and secure ([privacy policy](#)). It will only be used by certified individuals and non-profit organizations affiliated with IFPN.

Stop the walls from foreclosing in on you. Take a few minutes to get help and to get hope. [Click here to begin](#) or call 877-GET-HOPE.

Online Assessment Tools

www.877gethope.org

877-Get-Hope



Foreclosure Prevention

What is Foreclosure?

When you purchased your home, you took out a mortgage loan. A mortgage loan is a secured loan which means that your lender has a security interest or collateral in your home. If for any reason, you do not make your mortgage payments, your lender is entitled to take or repossess your home.



MORTGAGE
LOAN
SECURED



EXIT



Online Intake

Colorado Foreclosure Hotline Website

[CONTACT A COUNSELOR NOW](#) | [FAQ'S](#) ▶ | [EDUCATION](#) ▶ | [PRESS](#) ▶ | [SUPPORTERS](#) ▶ | [SPONSOR INFO](#) | [CONTACT US](#) | [HOME](#)

- ➔ Never a charge for housing counseling.
- ➔ Always confidential.
- ➔ Housing counseling is not reported to any credit reporting agency and will not impact your credit score.

First Name:

Last Name:

Street Address:

Zip Code:

Phone:

Best Time to call: Morning
 Afternoon
 Evening

Email:

Type of Information Requested:

Have you missed a mortgage payment? Yes
 No

“Alternatives to Foreclosure” Webinars Phone and Web-Based Seminars

The screenshot shows the ByDesign financial solutions website. At the top, there is a navigation bar with links for Client Login, En Español, About Us, Press, FAQs, Store, and a search bar with a GO button. Below the navigation bar is the ByDesign logo and a banner image of a family. A dark blue navigation bar contains links for Budget and Credit Solutions, Bankruptcy, Identity Theft Solutions, Housing Solutions, Personal Finance Education, and Corporate Solutions. The main content area has a yellow header for the 'Alternatives to Foreclosure Webinar' with 'email a friend' and 'print' options. A left sidebar lists various services, with 'Alternatives to Foreclosure Webinar' highlighted. The main text describes the webinar's purpose and lists topics to be covered.

Client Login

En Español | About Us | Press | FAQs | Store | Search: GO

ByDesign™
financial solutions

Budget and Credit Solutions | Bankruptcy | Identity Theft Solutions | Housing Solutions | Personal Finance Education | Corporate Solutions

Alternatives to Foreclosure Webinar

✉ email a friend 🖨 print

- > Pre-purchase Counseling & First-time Homebuyer Workshops
- > Post-purchase Counseling
- > Default & Foreclosure Counseling
- > Alternatives to Foreclosure Workshop
- ▶ Alternatives to Foreclosure Webinar
- > Reverse Mortgage Counseling
- > Rental Counseling

Educational Products
▶ SHOP ONLINE

Having trouble making your mortgage payments?
Concerned about losing your home?

The thought of losing your home in a foreclosure is frightening. If you find that you are unable to make your mortgage payment, ByDesign's education presenters can help through a free webinar. A webinar is a seminar, or workshop, offered live on a web site and over the phone simultaneously.

The two-hour webinar is designed to help homeowners know what to do if their mortgage becomes delinquent, including:

- understanding the terms used in the mortgage industry
- understanding the foreclosure timeline
- analyzing their personal finance situation
- clarifying the roles of the loss mitigation and collections departments

- > FAQs
- > Request an Appointment
- > Client Testimonials
- > Office Locations
- > Schedule of Alternatives to Foreclosure Webinars

“Alternatives to Foreclosure Webinars” – Online Registration

To Request a Webinar Reservation:

Request a webinar reservation by clicking the Webinar Number of your choice. In the e-mail, please tell us your: **name, mailing address, phone number and e-mail address.** There is no need to include the webinar details. The Webinar Number automatically included in the subject line of the e-mail will alert us to the webinar you are interested in.

| Available Webinars -- Alternatives to Foreclosure | | | | | |
|---------------------------------------------------|----------|--------|-------------------------------------|----------|-----------------|
| Webinar Number | Date | Time | Webinar Name | Location | Spots Available |
| 3677 | 03/04/08 | 5:30PM | Webinar Alternatives to Foreclosure | Webex | 10 |
| 3678 | 03/11/08 | 5:30PM | Webinar Alternatives to Foreclosure | Webex | 29 |
| 3679 | 03/26/08 | 5:30PM | Webinar Alternatives to Foreclosure | Webex | 30 |

Maintaining Reasonable Caseloads and Monitoring Hours Per Case

- Both need to be monitored regularly at a counselor and program level
- Minimum and maximum caseloads should be set and enforced
- **Best Practice:** FTE counselor caseloads ranging *typically* between 30 and 60 new cases a month

What Does It Actually Cost to Provide Foreclosure Counseling?

Cost per Homeowner Counseled

| Representative Organization | Average Number of Counseling Hours per Organization | Total Program Costs | Number of Potential Customers Served per Year per FTE | Cost per Customer |
|------------------------------------|-----------------------------------------------------|---------------------|-------------------------------------------------------|-------------------|
| High Volume/ Low Intensity | 4 | \$137,475 | 250 | \$550 |
| Moderate Volume/ Mod. Intensity | 6 | \$130,194 | 145 | \$898 |
| Low Volume/ High Intensity | 10 | \$124,550 | 75 | \$1,661 |

Adapted by Doug Dylla from: "Measuring the Delivery Costs of Prepurchase Homeownership Education and Counseling" by J. Michael Collins and Christi Baker, May 2005.

Changing the Mindset

- Not all homeowners can be saved
- Critical for counselors, managers, and board of directors to understand, accept and integrate this reality into program
- Counseling should influence and motivate the homeowner toward acceptable goals
- But no amount of counseling will prevent some families from losing their homes -- but we can assist these families with a “soft landing”

Understanding the Role and Skill Set of Foreclosure Counselors

- It's not pre-purchase counseling
- Many times, it's crisis intervention
- Diverse skill set required and frequent trainings
- **Best Practices:** NeighborWorks trainings on foreclosure counseling – some offered online; special weekly meetings on evolving issues; monthly calls with other counselors in regions

Specialists in Servicer Communications

- In today's environment, servicer communications and negotiations are more challenging than ever
- **Best Practice:** Dedicating a counselor with specific skills to all servicer communications, allows for increased efficiencies and relationship building
- **Best Practice:** State Commerce Department Help Line for counselors; negotiated servicing deals through state agencies or through legal settlements
- **Best Practice:** Servicers having special contacts for counselors such as Citi's Office of Homeownership Preservation

Wrap Up: Lessons Learned

- **Develop a statewide approach** with high-level support and coordinate service delivery plans
- Explore a **consolidated website/outreach efforts** to work together to **promote best practices, improve efficiencies and share capacity**
- Develop a **standardized system for intake/triage**
- Use the **phone and e-mail** more in your work
- **Monitor costs and caseloads** of counseling services
- More examples on **Freddie Mac's website**