



**National
Foreclosure
Mitigation
Counseling
Program**

National Conference of State Legislatures

National Foreclosure Mitigation Counseling Program April 2011 Update

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

NeighborWorks America

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

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Mission is to create opportunities for people to live in affordable homes, improve their lives, and strengthen their communities.

Overview of NFMC Funding

\$475 million has been appropriated to the NFMC program since Dec. 2007

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

– FORECLOSURE COUNSELING and LEGAL ASSISTANCE FUNDING:

\$440.7 million has been awarded to 166 direct grantees

– TRAINING: \$18 million

– ADMINISTRATION including 3rd party evaluation

Foreclosure Counseling Funds

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

	Number Funded	Amount Requested	Amount Awarded
Housing Finance Agencies	39	\$266.7 million	\$123.5 million
Intermediaries	19	\$741.8 million	\$253.7 million
NeighborWorks Organizations	113	\$101.1 million	\$38.4 million
Total	171	\$1.110 billion	\$415.6 million

Note: a request amount cap was instituted in Rounds 2 -4. Had there been no cap, we estimate the total requested amount would exceed \$1.5 billion.

As of 3/15/11, 93% of the awarded counseling funds have been spent down

Counseling & Legal Assistance

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

- Over **1,700** organizations are making use of these grant funds to provide foreclosure counseling in every Congressional District.
- **1,173,191** households have received NFMC counseling.
- **28,741** households have received legal assistance.

Targeting to Areas of Greatest Need

Areas of Greatest Need analysis considers:

Sub-prime Markets

- 1) # of delinquent loans
- 2) % of loans delinquent
- 3) % in foreclosure/REO
- 4) % of loans subprime

Prime Markets

- 1) # of delinquent loans
- 2) % of loans delinquent
- 3) % in foreclosure/REO

% of awarded counseling
units to be provided in
Areas of Greatest Need

Round 1	89%
Round 2	90%
Round 3	88%
Round 4	90%

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

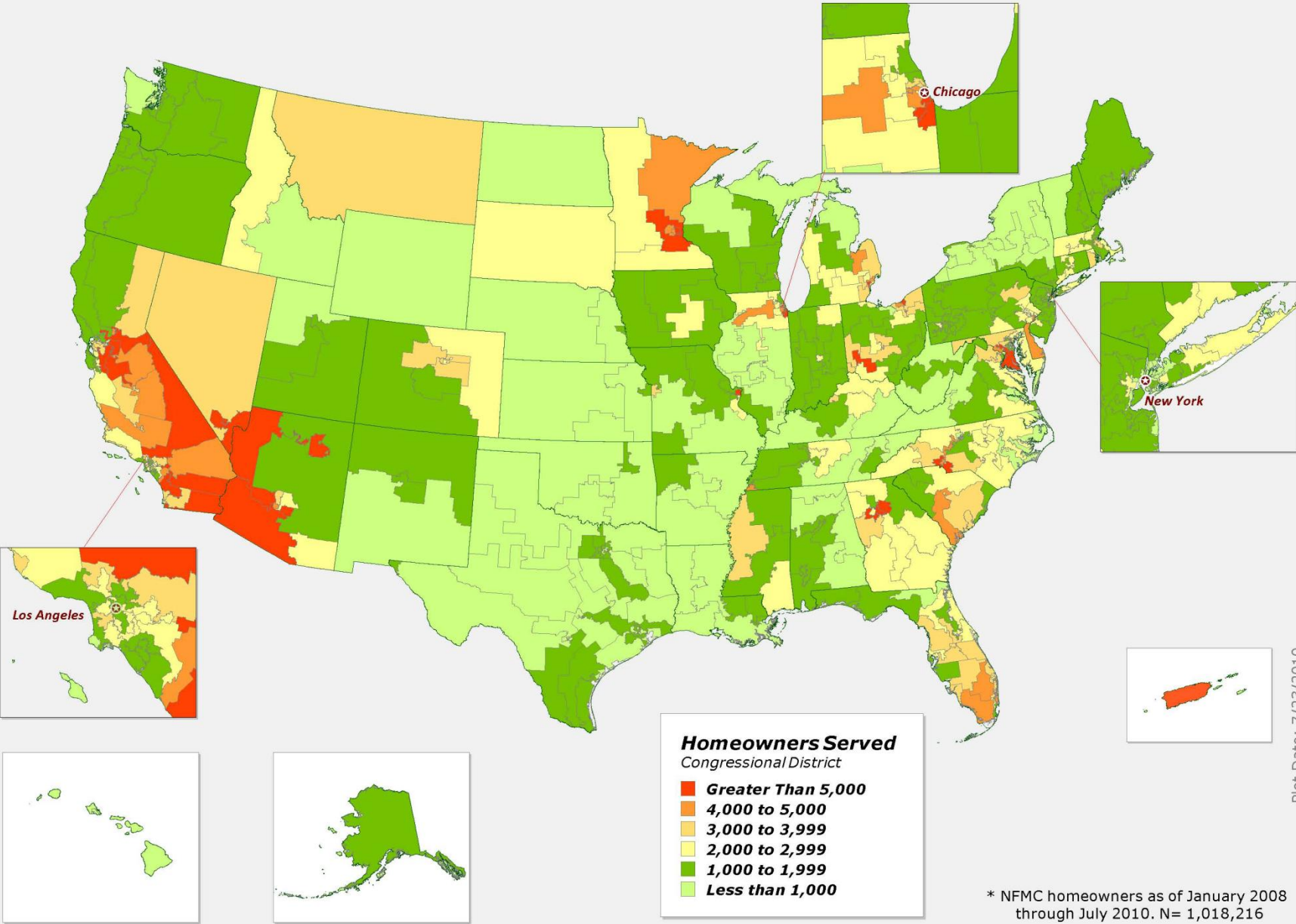
Training

Challenges

Successes

Resources

NFMC Homeowners Served by Congressional District



Training

Over 9,000 training scholarships have been provided through the NFMC Program and over 18,500 course completion certificates have been awarded to people attending:

- 11 NeighborWorks Training Institutes
- 24 Regional Place-Based Trainings
- 83 Place-Based Trainings in partnership with Housing Finance Agencies and HUD-Approved Intermediaries

Nearly 6,000 participants have completed one of the three foreclosure e-learning courses developed with NFMC funds:

- Foreclosure Basics
- Understanding and Applying Loss-Mitigation Tools
- Best Practices in Managing and Delivering a Foreclosure Mitigation Counseling Program

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

What Counselors are Saying: What Doesn't Work

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

- Servicer bottle neck, specifically regarding timely communication and decisioning
- Difficulty obtaining workable mortgage solutions from Servicers
- Reason for default more likely to be unemployment or underemployment
(up from 41% in 2008 to 60% in 2011)
- Prevalence of Scammers

What Counselors are Saying: What Works

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

- Pre-Purchase Counseling creates informed homeowners.
- Foreclosure Counseling Works. According to the Urban Institute, NFMC-counseled clients are:
 - 70% More Likely to Get out of Foreclosure
 - Receive better Loan Modifications (save \$3,200 more per year)
 - Less Likely to Re-default

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NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources

- HOPE Loan Port improves transparency.
- HAMP has set standard for acceptable affordable loan terms.
- Loan Scam Alert Campaign.

Resources

www.nw.org/nfmc

www.FindAForeclosureCounselor.org

www.LoanScamAlert.org

www.PreventLoanScams.org

NFMC Overview

Counseling

Legal Assistance

Areas of Greatest Need

Training

Challenges

Successes

Resources