



PROTECT  
*My Kentucky*  
HOME

## Kentucky's Response to Foreclosures



**PROTECT** *My Kentucky* **HOME**  
(866) 830-7868

**Kentucky**  
UNBROKEN SPIRIT

**The Kentucky Homeownership Protection Center was established by the 2008 Kentucky General Assembly to address the foreclosure crisis in Kentucky.**





**The Protection Center is a joint effort between Department of Financial Institutions, Kentucky Housing Corporation (KHC), and many organizations across the state.**

**The Protection Center is administered by Kentucky Housing Corporation under the direction of Governor Steve Beshear.**



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**Free foreclosure mitigation services are available to all Kentuckians through a statewide network of specially trained service providers.**



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**The Protection Center  
functions as a conduit of  
referrals to service providers  
and Legal Aid.**



# **The Protection Center utilizes a Web-based software system (created by KHC) that**

- **Gathers pertinent demographics.**
- **Administratively tracks the service and referral progress of the client.**
- **Can function as a case management tool for the benefit of the client and service provider.**

**Home buyers can call a  
telephone hotline (866) 830-7868  
or access help on the Web at  
[www.protectmykyhome.org](http://www.protectmykyhome.org).**



## **FORECLOSURE** **MITIGATION SPECIALISTS PROVIDE**

- **Information**
- **Assessment**
- **Referral**
- **Case management**
- **Negotiation on behalf of the client with servicers/lenders**





## LEGAL AID STAFF

- **Provides a free clinic on the foreclosure process.**
- **Reviews to see if the family qualifies for their services.**
- **Can represent client in court if they accept the case.**
- **Refers client to private bar or other social service agencies should client financially or otherwise not qualify for legal aid services.**



## **TIMELINE-TO-DATE**

- **Bill passed April 2008.**
- **Governor announced Kentucky Homeownership Protection Center on August 11, 2008.**
- **Statewide coverage with 18 counseling agencies and four Legal Aid offices.**



# **CURRENT STATS ON SUCCESS**

**(August 11, 2008 through July 13, 2009)**

**Phone line calls: 2,010**

**Web requests: 2,436**

**Total: 4,445 families**



## INITIAL MORTGAGE POSITION

30 days late: 516

60 days late: 1,122

90 days late: 956

Current but anticipating delinquency: 826

Summons has been served: 862

Not a foreclosure issue: 163



## CURRENT STATUS

- **Referred to counseling agency: 1,387**
- **Referred to legal aid: 307**
- **Complete: 533**
- **No response -- sent letter: 535**
- **Withdrawn -- client declined or duplicate: 1,245**
- **Initial call to KHC: 63**
- **Returned call by KHC: 123**
- **Reassigned: 252**



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# THE MOST IMPORTANT LESSONS WE'VE LEARNED





## *1. About the type of help:*

- **Foreclosure mitigation is not about counseling. It is about evaluating the financial ability of the borrower to sustain their mortgage.**
- **Foreclosure mitigation specialists have to be specially trained.**



## *2. About the borrowers*

- **Not all borrowers can be helped.**
- **Some borrowers made bad choices on their own or with help.**
- **Less than 5 percent had pre-purchase counseling.**





### ***3. About the system***

- **Need to manage pipeline of clients.**
- **Constantly look at workflow to improve and make the process more efficient.**
- **Need more marketing dollars from stakeholders to help “Get the word out.”**
- **Need one simple message to brand statewide.**



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# PROS AND CONS

# PROS

- **One statewide Web-based system managed by KHC. Reports or demographics can be pulled easily in many formats.**
- **One number, one voice, one message to the public offering help.**
- **Number is answered in Kentucky at KHC offices, and any issues can be resolved quickly.**

# PROS

- **A joint venture between counseling agencies, legal aid, and the housing finance agency.**
- **If one agency is at capacity, they can “turn themselves off” until they are ready to handle more clients. KHC then moves the referrals to other outside agencies or internal counselors if needed.**



## CONS

- **Counseling agency may have to enter some data twice due to requirements of their funding source (i.e., HUD or NW grant funds).**
- **May not capture all data as some home buyers call an agency directly and information may not be entered into Protection Center.**
- **Funding for servicer providers and marketing.**
- **Keeping the message clear throughout the state.**



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# OVERALL LESSON

**The work continues, processes  
improve, constituents served.**





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