



The
FORECLOSURE PREVENTION
SERVICES PROGRAM

QUARTERLY REPORT
APRIL 1ST – JUNE 30TH, 2009

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SEPTEMBER 2009

The FORECLOSURE PREVENTION SERVICES PROGRAM

The 2008-09 NYS budget included \$25 million to help homeowners in NYS, who entered into a subprime or unconventional mortgage, by providing counseling and legal services. The budget directed that the NYS Housing Trust Fund Corporation (“HTFC”), in consultation with the NYS Division of Housing and Community Renewal (“DHCR”), the NYS Banking Department and the Office of Court Administration,

“administer a subprime foreclosure prevention services program which shall provide assistance related to foreclosure prevention to homeowners who entered into subprime or unconventional mortgages, including grants and aid to non-profit organizations to provide counseling, mediation, legal representation, and negotiation on behalf of borrowers facing default or foreclosure.”

A Request for Proposals seeking organizations to provide outreach and education, counseling, mediation, legal representation and court-based services on behalf of New York homeowners who hold a subprime or unconventional mortgage was released on June 18th, 2008.

GRANTS TO NOT FOR PROFITS

Through an open window request for proposal process, from August 2, 2008 to February 3, 2009, HTFC approved sixty-four (64) grants totaling \$23,201,600 (balance of funds are committed for training). With the commitment of all available funding, each county in the state has at least one foreclosure prevention provider, and most have more than one provider.

With the emphasis on collaboration among non-profit organizations in the RFP, the funding awards made to date actually are providing funding resources to more than one hundred-twenty (120) non-profit organizations through partnership arrangements among the organizations. In addition to the direct funding partnerships, there are countless more collaborations where non-profits are sharing resources, information, and services to leverage their ability to assist homeowners within their geographic service areas.

Many proposals receiving funding have developed very entrepreneurial approaches to providing the full spectrum of services to homeowners including education/outreach, counseling, and legal services through partnerships and collaborations among non-profits who possess different expertise and provide different types of services. Many of the awardees or their partners have received funding for foreclosure prevention services from other sources including the NYS Banking Department, the Center for New York City Neighborhoods, the National Mitigation Foreclosure Counseling Program, or HUD.

Full descriptions of the grant awards and proposals can be accessed through the DHCR web site at www.nysdhcr.gov.

ORGANIZATIONS REPORTING DURING THE 2ND QUARTER

Under the grant agreement, awardees are required to submit quarterly reports on the foreclosure prevention services provided during that period. For this report, only awardees with contracts executed before April 1, 2009 were required to submit. HTFC approved awards from August 5, 2008 through February 2, 2009. Sixty (60) organizations which submitted reports for the 2nd quarter include:

ACORN HOUSING, INC.	MARKETVIEW HEIGHTS ASSOCIATION, INC.
ALBANY COUNTY RURAL HOUSING ALLIANCE, INC. (Capital District)	METRO INTERFAITH MANAGEMENT CORP.
ALBANY COUNTY RURAL HOUSING ALLIANCE, INC. (Schoharie County)	NASSAU SUFFOLK LAW SERVICES COMMITTEE, INC.
ASIAN AMERICANS FOR EQUALITY	NEIGHBORHOOD ECONOMIC DEVELOPMENT ADVOCACY (NEDAP)
BRIDGE STREET DEVELOPMENT CORPORATION (Coalition for the Improvement of Bedford Stuyvesant)	NEIGHBORHOOD HOUSING SERVICES OF JAMAICA
BROOKLYN COOPERATIVE FEDERAL CREDIT UNION	NEIGHBORHOOD HOUSING SERVICES OF NYC
BROOKLYN HOUSING & FAMILY SERVICES, INC.	NEIGHBORHOOD HOUSING SERVICES OF STATEN ISLAND
CAMBA, INC.	NEIGHBORS OF WATERTOWN, INC.
CATSKILL MOUNTAIN HOUSING DEVELOPMENT CORPORATION	NEW YORK LEGAL ASSISTANCE GROUP
CENTER FOR NEW YORK CITY NEIGHBORHOODS*	NEW YORK MORTGAGE COALITION
COMMUNITY DEVELOPMENT CORPORATION OF LONG ISLAND CHANGER	NIAGARA FALLS NEIGHBORHOOD HOUSING SERVICES
CITY BAR JUSTICE CENTER	NOS QUEDAMOS/WE STAY
COMMUNITY HOUSING INNOVATIONS, INC.	OPPORTUNITIES FOR CHENANGO, INC.
EMPIRE JUSTICE CENTER - Rochester	ORANGE COUNTY RURAL DEVELOPMENT ADVISORY CORPORATION
ECONOMIC OPPORTUNITY COUNCIL OF SUFFOLK, INC.	THE PARODNECK FOUNDATION
ERASMUS NEIGHBORHOOD FEDERATION	PATHSTONE CORPORATION
GREATER SHEEPSHEAD BAY DEVELOPMENT CORPORATION	PUTNAM COUNTY HOUSING CORPORATION
HOME HEADQUARTERS, INC.	QUEENS LEGAL SERVICES
HUDSON RIVER HOUSING, INC.	QUEENS VOLUNTEER LAWYERS PROJECT
HUMAN DEVELOPMENT SERVICES OF WESTCHESTER	RIDGEWOOD BUSHWICK SENIOR CITIZENS COUNCIL, INC.
LA FUERZA UNIDA, INC.	ROCKAWAY DEVELOPMENT & REVITALIZATION CORPORATION
THE LEGAL AID SOCIETY	ROCKLAND HOUSING ACTION COALITION
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (Capital Region)	SOUTH BROOKLYN LEGAL SERVICES
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (Rural North)	STATEN ISLAND LEGAL SERVICES
LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.	UNITED TENANTS OF ALBANY
LIFE, INC.	URBAN JUSTICE CENTER
LONG ISLAND HOUSING PARTNERSHIP, INC.	UTICA NEIGHBORHOOD HOUSING SERVICES NEIGHBORWORKS HOMEOWNERSHIP CENTER
<i>*Separate section for their findings</i>	VOLUNTEER LEGAL SERVICES OF MONROE COUNTY, INC.
	WEST BRONX HOUSING & NEIGHBORHOOD RESOURCE CENTER
	WESTCHESTER RESIDENTIAL OPPORTUNITIES, INC.
	WESTERN NEW YORK LAW CENTER, INC.
	WEST SIDE NEIGHBORHOOD HOUSING SERVICES, INC.

REPORTING REQUIREMENTS

To reduce the burden on grant awardees, HTFC and the NYS Banking Department developed a joint reporting form to be used by awardees under both grant programs. The data points included were derived from the National Foreclosure Mitigation Counseling Program report and the requirements outlined in the FY 2008-09 NYS budget that created the Program.

The following information is collected on each homeowner served under the program:

- | | | |
|---------------------------|---|--|
| ◆ Applicant ID Number | ◆ Residence Type | ◆ Type of Services Provided this
Quarter Only |
| ◆ Date of Initial Contact | ◆ Product Causing Default/
Foreclosure | ◆ Result of Assistance |
| ◆ Zip Code | ◆ Reasons for Default | ◆ If assistance could not be provided,
why not? |
| ◆ Census Tract | ◆ Status of Loan at Initial Contact | |
| ◆ Race/Ethnicity | ◆ Name of Originating Lender | |
| ◆ Income Level | ◆ Name of Current Loan Servicer | |
| ◆ Special Populations | | |

SECOND QUARTER REPORT FINDINGS

The reports submitted by the 60 groups represent foreclosure prevention service programs serving all 62 counties. A total number of 5702 individuals were provided some type of foreclosure prevention service during the reporting period.

Highlighted information collected include:

- ◆ More than 1/3 of the clients assisted earned less than 50% of area median income, and 1/3 of the clients earned between 50% and 79% of AMI.
- ◆ 1539 clients served were designated as special population; 834 being single-parent households.
- ◆ Single family residences accounted for 64% of those assisted.
- ◆ The single most reported reason for default was reduction or loss of income.
- ◆ Counseling/loss mitigation was the service provided for the majority of the clients served in the reporting period.
- ◆ Service providers reported that 4383 clients served would receive assistance beyond this reporting period.
- ◆ Of those that could not be assisted this quarter, the primary reason involved the client failing to meet the Program requirements.

2nd Quarter Reporting Results

RACE

Black/African American	1947
White	1868
Hispanic	1118
Asian	276
Multiple Race	76
American Indian	23
Other	133
Chose not to respond	261

SPECIAL POPULATION/HOUSEHOLD TYPE

Single-Parent household or	834
Persons who are elderly (age 65 or older)	234
Persons with disabilities	166
Persons who are Veterans	30
Other/More than one (special population)	296

LOAN TYPE

Fixed rate mortgage	2716
Subprime/Unconventional/Hybrid	1019
Option Adjustable Rate mortgage	1414
Unknown at Intake	292
Interest-Only loan	221
N/A Renter	40

SERVICE TYPE*

Counseling/Loss Mitigation	3331
Negotiation with lender or servicer	1184
Defense of Foreclosure Action	173
Legal Advice/Legal Representation	631
Court based services	155
Bankruptcy	42
Affirmative Litigation	28
Other	208

*More than one answer cited

IF ASSISTANCE COULD NOT BE PROVIDED, WHY NOT?

Client did not meet program requirements	94
Economics of refinance not viable	84
Other	113
Rescue funds not available	9

INCOME

Less than 50% of AMI	2036
Between 50% and 79% of AMI	1891
Between 80% and 100% of AMI	898
Greater than 100% of AMI	689
Unknown	188

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2nd Quarter Reporting Results

RESIDENCE TYPE

Single Family	3644
Duplex	1048
3-Family	147
4-Family plus	41
Condo	77
Co-Op	33
Other/Not reported	712

DEFAULT REASON*

Reduction/Loss of Income	3369
Medical Issues/Death of Family Member	526
Increase in Loan Payment	283
Increase in Expenses	433
Subprime/Unconventional Loan Product	231
Poor Budget Management Skills	270
Divorce or Separation	250
Failed Business Venture	101
Other	365

*More than one answer cited

ASSISTANCE RESULT

Ongoing	4383
Filed Bankruptcy, Chapter 7 or 13	32
Withdrew from counseling	338
Obtained loan modification	258
Sold house/Died in lien/Short sale	20
Brought mortgage current	67
Foreclosed	41
Forbearance	39
Refinanced Mortgage	24
Other	500

OUTREACH & EDUCATION

Outreach and education is a key element of an effective foreclosure prevention effort, and therefore each of the foreclosure prevention providers funded under the State's Program were required to include such activities in their scope of work. The only way to ensure that at-risk homeowners get responsible foreclosure prevention services is by raising public awareness of the availability of free, professional assistance.

CENTER FOR NEW YORK CITY NEIGHBORHOODS

One of the Program's awardees which coordinates foreclosure resources in the five boroughs in New York City is the Center for New York City Neighborhoods (CNYCN). This agency was created in 2008 to coordinate and expand multilingual services to New York City residents at risk of losing their home to foreclosure. Through comprehensive city-wide programming that includes legal services, housing counseling, community outreach and education they have become a recognized foreclosure resource in New York City.

With funding provided by the Program, CNYCN has created a call center that provides the first line of contact for NYC homeowners (all five boroughs) in mortgage distress. After assessing the needs of the caller, CNYCN refers the client to an approved housing counselor or legal service provider. From April through June of this year, CNYCN has received 1329 incoming calls, 1227 callers have been referred to NYS Subprime Foreclosure Prevention Services Program awardees, and the remainder of the calls have been referred to providers funded under CNYCN, the NYS Banking Department or other sources.

The top three counties the calls were generated from include Queens, Kings and the Bronx. Of the incoming calls, approximately 18% were directed to legal service providers.

OTHER HIGHLIGHTS

Education and Outreach highlights from Program awardees during this reporting period include:

- ◆ Queens Volunteer Lawyers Project offered twenty attorneys Settlement Conference training through the use of DVD's.
- ◆ In an effort to reach homeowners prior to default or foreclosure, Utica Neighborhood Housing Services NeighborWorks HomeOwnership Center has been promoting their Mortgage Check-Up program on local news outlets.
- ◆ Western New York Law Center attorneys were guests on "Law Line," a weekly radio program hosted by the Erie

County Bar Association. The attorneys discussed foreclosure issues with the host and answered questions called in by listeners.

- ◆ United Tenants of Albany, Inc. had an information booth at the 2009 Capital Region Housing Fair attended by 250 consumers.
- ◆ South Brooklyn Legal Services held seminars serving 190 homeowners on foreclosure process and rescue scams.
- ◆ NEDAP reached 5815 New York City homeowners through various outreach and education activities. They also produced an informational video geared specifically to Queens homeowners facing foreclosure to be shown at community meetings and other forums.

TRAINING FOR FORECLOSURE PREVENTION SERVICE PROVIDERS

In addition to the direct services grants to non-profits, the 2008-2009 NYS budget directed that training and support be provided to foreclosure prevention service providers. In response to the budget directive, the HTFC has developed a two-year training plan to increase the capacity and collective skill set of housing counselors and attorneys engaged in foreclosure prevention activities on behalf of New York homeowners. HTFC entered into a two year contract with NeighborWorks America and Empire Justice Center in order to fulfill this need.

NeighborWorks America Update

NeighborWorks America offers a “Foreclosure Basics” E-Learning course to any housing counselor in the State. Thus far, 195 individuals have registered for the Foreclosure Basics course: 111 individuals have earned a Certificate of Completion and 84 individuals are currently working toward their certificate.

NeighborWorks held a two day training event entitled “Developing Effective loss Mitigation Negotiation and Sales Skills” in Buffalo and New York City which were very successful. The Buffalo event took place April 27 – 28 with 39 Housing Counselors completing the training; the New York City event was held April 30 - May 1 with 51 housing counselors completing the training.

The next training opportunity will be a five day training event in New York City, October 26 – 30. Details will be included in the next reporting period.

Empire Justice Center Update

Empire Justice Center offered training across the State during the months of April, May, and June including “Representing Homeowners at Mandatory Settlement Conferences” and “Foreclosure Prevention Basics.”

In September, “Representing Homeowners at Mandatory Settlement Conferences” will be offered in two locations - Canton and Plattsburgh.

These free courses offered by Empire Justice Center meet attorneys’ continuing legal education requirements and in return, attendees are required to accept one pro bono case from the Legal Aid Society of Northeastern New York.

NEXT REPORT

The next quarterly report from grant awardees is due on October 15th for services provided July to September, 2009. HTFC will issue the next report in November, 2009.