



The
FORECLOSURE PREVENTION
SERVICES PROGRAM

QUARTERLY REPORT
OCTOBER 1ST – DECEMBER 31ST, 2008

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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.

The following chart summarizes the grant awards made to date. For full descriptions of the proposals which have received funding to date, please go to the DHCR web site at www.nysdhcr.gov.

2008 SUBPRIME FORECLOSURE PREVENTION SERVICES PROGRAM AWARDS

NAME OF AWARDEES	SERVICE AREAS	AWARD	PARTNERS/ COLLABORATORS
ASIAN AMERICANS FOR EQUALITY	5 boroughs	\$600,000	AAFE Community Development Fund
ALBANY COUNTY RURAL HOUSING ALLIANCE	Albany, Columbia, Fulton, Montgomery, Rennselaer, Schenectady Counties	\$357,000	Affordable Housing Partnership, Better Neighborhoods, Inc., Troy Rehabilitation & Improvement Program
ALBANY COUNTY RURAL HOUSING ALLIANCE	Schoharie County	\$52,000	Schoharie County Rural Preservation Corporation & Legal Aid of Northeastern New York
AMERICORPS OF WESTERN NEW YORK	Erie County	\$300,000	Old First Ward Community Center & Western New York Law Center
ACORN	5 boroughs, Nassau & Suffolk Counties	\$365,000	NY Acorn Housing Corp. & Acorn Housing Corp.
BRIDGE STREET DEVELOPMENT (Coalition for the Improve- ment of Bedford Stuyvesant)	Brooklyn	\$480,000	Pratt Area Community Council, Bedford-Stuyvesant Restoration Corp., NHS Bedford Stuyvesant, Bedford Stuyvesant Legal Services
BROOKLYN COOPERATIVE FEDERAL CREDIT UNION	Brooklyn and Queens	\$75,000	South Brooklyn Legal Services
BROOKLYN HOUSING & FAMILY SERVICES	Brooklyn (Flatbush, E. Flatbush, E. New York, Bushwick, Brownsville, Williamsburg, Cypress Hills & Canarsie)	\$720,000	Brooklyn Legal Services Corp A
CATSKILL MOUNTAIN HOUSING DEVELOPMENT CORPORATION	Greene County	\$100,000	Legal Aid Society of Northeastern New York
CAMBA, Inc.	Brooklyn, Staten Island & Queens	\$500,000	MFY Legal Services
CENTER FOR NEW YORK CITY NEIGHBORHOODS	5 boroughs	\$645,000	
CDC OF LONG ISLAND	Nassau & Suffolk Counties	\$516,000	Central Islip Civic Council & Nassau Suffolk Law Services Committee, Inc.
CHANGER	Brooklyn (East New York & Canarsie) & Queens (Springfield Gardens, St. Albans, Rosedale, and South Ozone)	\$300,000	Common Law

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CITY BAR JUSTICE CENTER	5 boroughs	\$380,000	New York County Lawyers Association, Brooklyn Bar, Association Volunteer Lawyers Project, Queens County Bar Association, MFY Legal Services, and the Center for New York City Neighborhoods
COMMUNITY ACTION OF WYOMING COUNTY	Genesee and Wyoming Counties	\$85,000	Oak Orchard Legal Services
COMMUNITY HOUSING INNOVATION (CHI)	Westchester County	\$240,000	
ECONOMIC OPPORTUNITY COUNCIL OF SUFFOLK, INC.	Suffolk & Nassau Counties	\$475,000	Economic Opportunity Council of Nassau
EMPIRE JUSTICE CENTER - ROCHESTER	Monroe, Livingston, Ontario, Orleans & Wayne Counties	\$700,000	The Housing Council & The Legal Aid Society
ERASMUS NEIGHBORHOOD FEDERATION	Brooklyn (Northeast Flatbush, Flatbush, Rugby, East New York, Highland Park, New Lots, Starrett City, Crown Heights, Prospect Heights, Wingate, Canarsie and Flatlands)	\$475,000	NHS of East Flatbush
GREATER SHEEPSHEAD BAY DEVELOPMENT CORP.	Brooklyn (Gerritsen Beach, Gravesend, Homecrest & Sheepshead Bay)	\$446,000	Midwood Development Corporation & Legal Services of NYC
HOME HEADQUARTERS, INC.	Onondaga, Oswego, Cortland, Cayuga Counties	\$350,000	NorthEast Hawley Development Association, Syracuse Cooperative FCU, Legal Services of Central New York, Hiscock Legal Aid Society, Syracuse United Neighbors
HUDSON RIVER HOUSING, INC.	Dutchess, Orange, Sullivan & Ulster Counties	\$660,000	Rural Ulster Preservation Company, Rural Sullivan Housing Corp. & Legal Services of the Hudson Valley
HUMAN DEVELOPMENT SERVICES OF WESTCHESTER	Westchester County	\$175,000	Westchester County Bar Association
LA FUERZA UNIDA, INC.	Nassau & Suffolk Counties	\$370,000	Hispanic Brotherhood of Rockville Centre
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (Capital District)	Albany, Columbia, Fulton, Montgomery, Rennselaer, Schenectady Counties	\$310,000	The Legal Project of the Capital District Women's Bar Association & Empire Justice
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (North Country)	Clinton, Essex, Franklin, Hamilton, Saratoga, St. Lawrence, Warren and Washington Counties	\$140,000	Housing Assistance Program of Essex County, St. Lawrence Housing Council, Friends of the North Country, Albany County Rural Housing Alliance

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LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.	Allegany, Cattaraugus, Chautauqua, Chemung, Livingston, Ontario, Schuyler, Seneca, Steuben, Tioga, Tompkins, Wayne & Yates Counties	\$370,000	ACCORD Corporation, Catholic Charities of Chemung/Schuyler, Cattaraugus Community Action, Chautauqua Home Rehabilitation and Improvement, Keuka Housing, Rural Opportunities, Rural Revitalization Corp., Seneca Housing, Inc., Tri County Housing Council
LIFE, Inc.	portions of Queens and Nassau Counties	\$700,000	First Baptist Church Education Outreach Center
LONG ISLAND HOUSING PARTNERSHIP	Nassau & Suffolk Counties	\$575,000	Nassau Suffolk Law Services Committee, Inc.
MARKETVIEW HEIGHTS ASSOCIATION	Part of Monroe including Rochester, Irondequoit, Greece, Gates, Henrietta, Brighton	\$170,000	Empire Justice Center
METRO INTERFAITH HOUSING MANAGEMENT CORP.	Broome & Tioga Counties	\$65,000	Legal Assistance of Western New York, Inc., Tioga Opportunities, Inc.
NASSAU SUFFOLK LAW SERVICES COMMITTEE, INC.	Nassau & Suffolk Counties	\$705,000	Long Island Housing Partnership, CDC of Long Island, Nassau County Office of Housing and Homeless Services, & Long Island Housing Services
NASSAU SUFFOLK PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY	Nassau County	\$425,000	Nassau County Home Ownership Center
NEIGHBORS OF WATERTOWN	Jefferson & Lewis Counties	\$67,000	Snow Belt Housing & Legal Aid of Mid-New York
NEIGHBORHOOD ECONOMIC DEVELOPMENT ADVOCACY	Brooklyn and Queens	\$580,000	Asociacion Tepeyac, BWICA Educational Fund, Chhaya CDC, Jamaica Service Program for Older Adults, Margert Community Corporation, Neighbors Helping Neighbors
NEW YORK LEGAL ASSISTANCE GROUP	5 Boroughs	\$475,000	West Bronx Housing & Resource Center, NHS Jamaica, Council of Jewish Community Orgs.
NEW YORK MORTGAGE COALITION	New York Mortgage Coalition Nassau, Suffolk, Kings, Queens, Richmond, New York, Bronx, Orange, Rockland, Dutchess, Putnam & Westchester Counties	\$575,000	Association for Neighborhood & Housing Development, New York Legal Assistance Group, AFE Community Development Fund, Cypress Hills Local Development Corporation, Housing Action Council, Long

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2008 SUBPRIME FORECLOSURE PREVENTION SERVICES PROGRAM AWARDS

NAME OF AWARDEES	SERVICE AREAS	AWARD	PARTNERS/ COLLABORATORS
NEW YORK MORTGAGE COALITION <i>Continued</i>			Island Housing Partnership, Margert Community Corporation, Neighbors Helping Neighbors, NHS of Jamaica, Pratt Area Community Council, 1199 SEIU Benefit and Pension Fund
NHS OF JAMAICA, INC.	Queens	\$510,000	NHS of Northern Queens, Queens Community House, Queens Legal Services, New York Legal Assistance Group
NHS of NYC	Bronx	\$525,000	NHS North Bronx & South Bronx, Mount Hope Housing Co., Neighborhood Initiative Dev. Corp., Insight for New Housing Inc.
NHS OF STATEN ISLAND	Richmond County	\$430,000	Faith Initiatives Development Corp., Richmond County Bar Association & Civic Court of Richmond County
NIAGARA FALLS NHS	Niagara County	\$205,000	Niagara County Legal Aid, The Legal Aid Bureau of Buffalo, Legal Services for the Elderly, Disabled or Disadvantaged of WNY
NOS QUEDAMOS	Bronx	\$210,000	
OPPORTUNITIES FOR CHENANGO, INC.	Chenango, Ostego, Delaware, Broome & Madison Counties	\$180,000	The Legal Aid Society of Mid-New York
PATH STONE	Genesee, Orleans & Wyoming Counties	\$63,000	Empire Justice Center, Western New York Law Center & Legal Assistance of Western New York
PUTNAM COUNTY HOUSING CORP.	Putnam County	\$195,000	Legal Services of Hudson Valley
QUEENS VOLUNTEER LAWYERS PROJECT	Queens	\$80,000	CLARO-Queens, Queens Foreclosure Conference Project
QUEENS LEGAL SERVICES	Queens	\$417,000	NHS Jamaica
RIDGEWOOD BUSHWICK SENIOR CITIZENS COUNCIL INC.	portions of Brooklyn and Queens	\$540,000	Queens Multi-Service Center, North- ern Bushwick Residents Association & Southside Williamsburg Task Force
ROCKAWAY DEVELOPMENT AND REVITALIZATION	Queens & Nassau Counties	\$435,000	Roosevelt Assistance Corp.

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ROCKLAND HOUSING ACTION COALITION, INC.	Rockland & Orange Counties	\$350,000	Legal Services of Rockland County
RURAL DEVELOPMENT ADVISORY CORPORATION	Orange County	\$293,600	Regional Economic Community Action Program & Mid-Hudson Legal Services
SOUTH BROOKLYN LEGAL SERVICES	Brooklyn	\$475,000	Brooklyn Bar Association Volunteer Lawyers
STATEN ISLAND LEGAL SERVICES	Staten Island	\$440,000	New York ACORN Housing Corp.
THE LEGAL AID SOCIETY	Bronx, Brooklyn, Staten Island, and Queens	\$750,000	NEDAP, NHS of NYC, NHS Jamaica, NHS Bronx & North Bronx, Queens Legal Services for the Elderly
THE PARONDECK FOUNDATION	5 Boroughs	\$150,000	Queens Legal Aid Society, Legal Services of New York, South Brooklyn Legal Services, St. Johns Elder Law Clinic
UNITED TENANTS OF ALBANY	Albany, Columbia, Fulton, Montgomery, Rensselaer, Schenectady Counties	\$68,000	Affordable Housing Partnership, Better Neighborhoods, Inc., Troy Rehabilitation & Improvement Program, Albany County Rural Alliance
URBAN JUSTICE CENTER	Queens	\$210,000	Chaya CDC, Common Law, Changer, NHS of NYC
UTICA NHS	Oneida, Herkimer & Madison Counties	\$170,000	Legal Aid of Mid-New York
WEST BRONX HOUSING AND NEIGHBORHOOD RESOURCE CENTER	Bronx	\$175,000	University Neighborhood Housing Program
WEST SIDE NEIGHBORHOOD HOUSING SERVICES	Buffalo	\$216,000	Western New York Law Center, Legal Aid Bureau of Buffalo, Legal Services for the Elderly, Disabled or Disadvantaged of Western New York
WESTCHESTER RESIDENTIAL OPPORTUNITIES, INC.	Westchester County	\$545,000	Legal Services of the Hudson Valley
WESTERN NEW YORK LAW CENTER, INC.	Erie County	\$700,000	Homefront Inc., The Legal Aid Bureau of Buffalo, Legal Services for the Elderly, Disabled & Disadvantaged of Buffalo
VOLUNTEER LEGAL SERVICES OF MONROE COUNTY, INC.	Monroe County	\$44,000	Empire Justice Center, Legal Aid Society of Rochester & The Housing Council
ZETA ZETA LAMBDA, INC.	Queens	\$302,000	Alpha Phi Alpha Senior Citizen Center, Inc., First Reform Church of Jamaica, NHS North Bronx

ORGANIZATIONS REPORTING DURING THE 4TH 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 December 1, 2008 were required to submit. HTFC approved awards from August 5, 2008 through February 2, 2009, contract execution has averaged 60 - 90 days following award. Thirteen (13) organizations which submitted reports for the 4th quarter include:

ALBANY COUNTY RURAL HOUSING ALLIANCE
BROOKLYN HOUSING & FAMILY SERVICES, INC.
ECONOMIC OPPORTUNITY COUNCIL OF SUFFOLK, INC.
GREATER SHEEPSHEAD BAY DEVELOPMENT CORP.
HOME HEADQUARTERS, INC.
LAFUERZA UNIDA, INC.
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
MARKETVIEW HEIGHTS, INC.
NEW YORK LEGAL ASSISTANCE GROUP
NEIGHBORHOOD HOUSING SERVICES OF JAMAICA
NEIGHBORHOOD HOUSING SERVICES OF NYC
UTICA NHS
WESTERN NEW YORK LAW CENTER

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 | | |

FIRST REPORT FINDINGS

The reports submitted by the 13 groups represent foreclosure prevention service programs serving 22 counties. A total number of 574 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 80% or greater of area median income.
- ◆ 103 clients served were single parent households.
- ◆ Single family residences accounted for 61% of those assisted.
- ◆ Fixed rate mortgages were the number one loan product although Subprime/Unconventional/Hybrid came in a close second.
- ◆ The single most reported reason for default was reduction or loss of income.

Continued

- ◆ Counseling/loss mitigation was the service provided for the majority of the clients served in the reporting period.
- ◆ Service providers reported that 386 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 follow up with the housing counselor or withdrawing from the counseling.

4th Quarter Reporting Results

RACE

Black/African American	281
White	170
Hispanic	79
Asian	23
Multiple Race	5
American Indian	4
Other	5
Chose not to respond	7

SPECIAL POPULATION/HOUSEHOLD TYPE

Single-Parent household or	103
Other/More than one (special population)	44
Persons who are elderly (age 65 or older)	25
Persons with disabilities	24
Persons who are Veterans	1

LOAN TYPE

Fixed rate mortgage	169
Subprime/Unconventional/Hybrid	149
Option Adjustable Rate mortgage	142
Unknown at Intake	58
Interest-Only loan	47
Other	12

*Total responses are greater than 574 because loan type may fit more than one category

SERVICE TYPE

Counseling/Loss Mitigation	409
Negotiation with lender or servicer	71
Referral to other Foreclosure Prevention Provider	39
Legal Advice/Legal Representation	37
Other	7
Outreach/Education	7
Preparation for Settlement Conference	4

IF ASSISTANCE COULD NOT BE PROVIDED, WHY NOT?

Client Withdrew or did not follow-up	20
Client did not meet program requirements	18
Economics of refinance not viable	13
Other	12
Rescue funds not available	1

INCOME

Less than 50% of AMI	214
Between 50% and 79% of AMI	156
Between 80% and 100% of AMI	113
Greater than 100% of AMI	91

RESIDENCE TYPE

Single Family	353
Duplex	190
3-Family	20
4-Family	6
Condo	3
Co-Op	2

DEFAULT REASON

Reduction/Loss of Income	286
Medical Issues/Death of Family Member	55
Increase in Loan Payment	52
Other	47
Not yet in Default	34
Increase in Expenses	32
Subprime/Unconventional Loan Product	26
Poor Budget Management Skills	19
Divorce or Separation	15
Failed Business Venture	8

ASSISTANCE RESULT

Ongoing	386
Filed Bankruptcy, Chapter 7 or 13	98
Withdrew from counselin	60
Obtained loan modification	45
Unable to modify and/or deed in lieu of foreclosure	21
Sold house	11
Brought mortgage current	9
Other	33

*Total responses are more than 574 due to more than one outcome reported

TRAINING FOR FORECLOSURE PREVENTION SERVICE PROVIDERS

In addition to the direct services grants to non-profits, the 2008-09 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.

HOUSING COUNSELING TRAINING

For housing counseling agencies, HTFC has entered into a two-year contract with NeighborWorks®America. The two-year contract, executed in July of 2008, has been crafted as a comprehensive foreclosure/default counseling training program that will provide housing counselors and their sponsor agencies with the expertise to design, develop and implement effective foreclosure mitigation programs and services in response to local community needs. During the fourth quarter of 2008, the first two training events (“Homeownership Lending Basics”) were offered during the first two weeks of November. Both events, one in Syracuse and one in New York, were sold out events.

Planning is underway for future courses that will meet the needs of housing counselors. In addition to the live courses, DHCR is able to offer the NeighborWorks’ “Foreclosure Basics” E-Learning course to any housing counselor in the state. To see a full description of the content of the courses to be offered, please go to www.nw.org/foreclosureresolutions/counseling/counseling.asp

DHCR will maintain a complete listing of all training opportunities for counselors on its web site at www.nysdhcr.gov.

LEGAL SERVICES TRAINING

To meet the training needs of legal service providers, HTFC entered into a contract for legal services training with Empire Justice Center. Partners to the Empire Justice Center proposal include Legal Services NYC, Neighborhood Economic Development Advocacy Project and the Western New York Law Center.

The first training events for attorneys (“How to Set up a Foreclosure Prevention Unit” and “How to Set up a Pro Bono Foreclosure Prevention Panel”) occurred in December, and interest from both legal service and pro bono attorneys has been extremely strong. For a listing of upcoming trainings for attorneys, please see www.nysdhcr.gov.

NEXT REPORT

The next quarterly report from grant awardees is due on April 15th for services provided from January to March, 2009. HTFC will issue the next report in May, 2009.