

RAISE Texas Summit

Home Mortgage Foreclosure Prevention Workgroup

Notes

April 29

Participants were asked to identify what assets they brought to the workgroup. Answers included: passion, compassion, money, experience, curricula, an open mind, a desire to learn.

April 30

The group heard presentations by Joe Gonzales, Management consultant with NeighborWorks; Bonnie Wolferd, Director of Emerging Markets-Western Region, AIG United Guaranty; JoAnn DePenning, Statewide Coordinator, Texas Foreclosure Prevention Task Force.

The working session was divided into three thematic areas:

1. Identifying **problems** associated with the current situation
2. Ideas for **solutions** to those problems
3. **Action** items for individuals in the work group

1. Identifying problems associated with the current situation

- The economy and the rising cost of living
- Lack of visibility of awareness of (existing) resources and information
- Disconnects between lender/servicer and borrowers; no consistency in types of information communicated
- Lack of borrower's responsibility (Lack of trust? They are in survival mode? Desensitized by all their problems?)
- It's not over yet
- (lack of) Capacity in nonprofits and loan servicers
- Unregulated market actors (no enforcement of existing regulations)
- Lack of affordable product (loans and properties)
- (Lack of) User-friendly education: the credit system, no standards (for training), monitoring

The work group agreed that although it is critical to any problem solving effort, money/funding would not be considered with the understanding that a. there is never enough money and b. good ideas get funded.

2. Ideas for solutions to those problems

Problems above were reduced into three main areas: awareness, education and market actors.

Awareness

- Market "exact facts" – make data collection and dissemination a priority
- Engage other actors i.e. employers, churches, etc.
- Place messages in non-traditional places i.e. grocery stores (like H*E*B)

- Communicate credit opportunities
- Increase saturation of messages
- Get information into the hands of homeowners before the problem

Market Actors

- Pass legislation with suitability clauses; engage public policy makers
- Require consumer sensitivity training and ethics training (for lenders/servicers)
- Engage market actors in clarifying what they want
- Identify quality control measures
- Enforce existing regulations
- Adjust foreclosure procedures to be beneficial to all parties

Education

- Mandatory first-time home buyer education
- Mandatory financial education in K-12
- Regulations for consumer protections that cover the basics
- Maintain and monitor standards (for home buyer education, pre & post foreclosure counseling)
- Build social networks with trainees – “each one teach one”; use testimonials
- Build in demographic and cultural sensitivity
- Offer financial education in the workplace

NOTE: The *National Homeownership Industry Standards* and *National Industry Code of Ethics and Conduct for Homeownership Professionals* can be downloaded from the NeighborWorks website
<http://www.homeownershipstandards.com/NationalIndustryForeclosureCounselingStandards.pdf>

3. Action items for individuals in the work group

Individual participants offered commitments to actions they would take after the conference.

- Maximize the influence of my nonprofit; share information with colleagues
- Print the HOPE hotline on utility bills
- Bring information back to my bank and look into how we can help
- Commit my organization to housing counseling standards
- Co-brand a letter to borrowers to discuss mortgage status (so that the ‘message’ doesn’t just come from the Bank but also from a trusted source.)
- More sensitivity training for (bank) employees
- Incorporate the Ad Council ads into our lobby television (in IRS VITA centers)
- Join the Texas Taskforce
- Print out the HOPE hotline number on deposit and withdrawal receipts
- Share this issue with other funders