

Greater Minnesota Foreclosure Summit

June 15, 2007

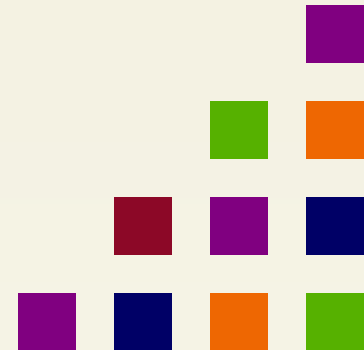
Minnesota Home Ownership Center

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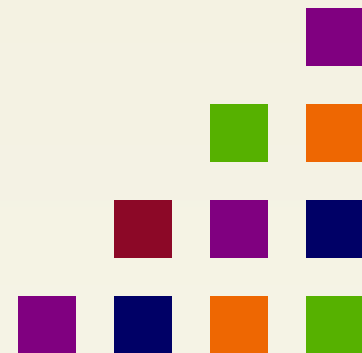
www.hocmn.org



Minnesota Home Ownership Center

What Does the Center Do?

- Supports a statewide network of community-based organizations that deliver home buyer and home owner education and counseling.
- Consumer Referrals.
- Don't Borrow Trouble™ Minnesota.



Homeowner Education Counseling And Training (HECAT)

Funding Partners

2006-07 Funding

Family Housing
Fund

\$1,900,000 statewide, all
programs
(\$948,500 Greater MN)

Greater Minnesota
Housing Fund

\$1,069,500 statewide,
foreclosure

Minnesota Home
Ownership Center

(\$516,500 Greater MN)

Minnesota Housing



What is Foreclosure Prevention Assistance Program (FPAP)?

- Statewide network of 17 organizations (9 Greater MN)
- Information about the foreclosure process
- Identify options for preventing foreclosure

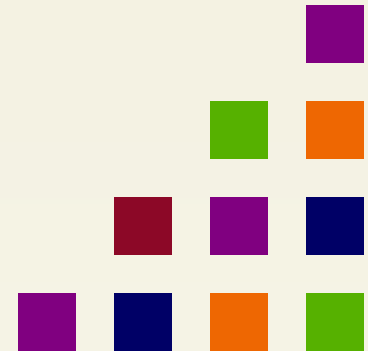
The objective of foreclosure prevention is to work with households to reach long-term solutions that are stable and affordable.



Program Services

Analysis of the household's situation

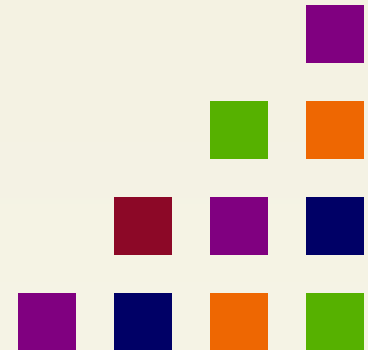
- How did they fall behind?
- What is the status today?



Program Services

Developing a plan

- Personal counseling
- Referrals to other community organizations



Program Services

Developing a plan

Financial counseling

- Develop a budget
- Analyze credit
- Discuss personal spending/savings habits
- Discuss alternative ways to manage debt
- Identify short and long-term financial goals

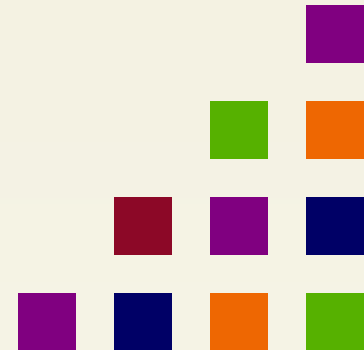


Program Services

Developing a plan

Housing counseling

- The foreclosure process
- Analysis of mortgage product
- Advocacy with mortgage company
- Warning about predatory lending and other scams



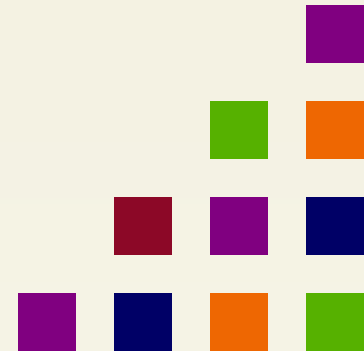
Foreclosure Prevention Options

- Personal resources
- Loss mitigation
- Community resources
- Financial assistance



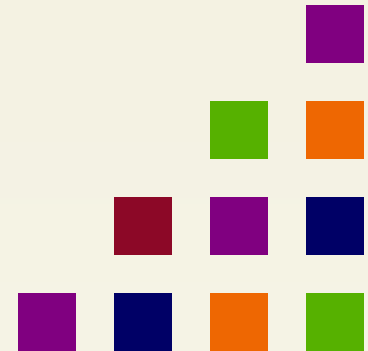
**Client
Keeps
House**

Discuss pros and cons of each option



Financial Assistance

- Limited basis
- Last resort
- Household situation is stable long-term
- \$5,500 maximum
- 0% interest deferred loan, due upon sale or transfer of title



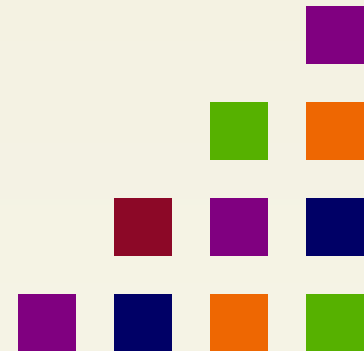
Foreclosure Prevention Options

- Personal resources
- Loss mitigation
- Community resources
- Financial assistance
- Refinancing
- Bankruptcy
- Buy back / Lease to own



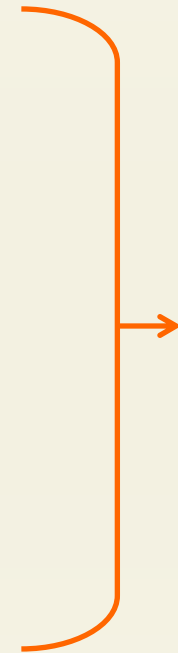
**Client
Keeps
House**

Discuss pros and cons of each option



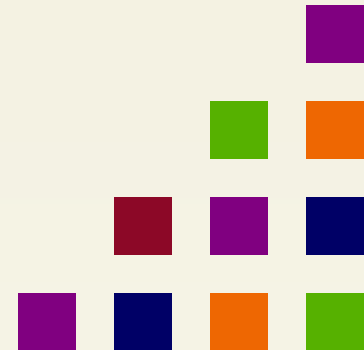
Foreclosure Prevention Options

- Selling
- Short Sale
- Deed-in-lieu
- Cash for Keys
- Foreclosure



**Client
Loses
House**

Discuss pros and cons of each option

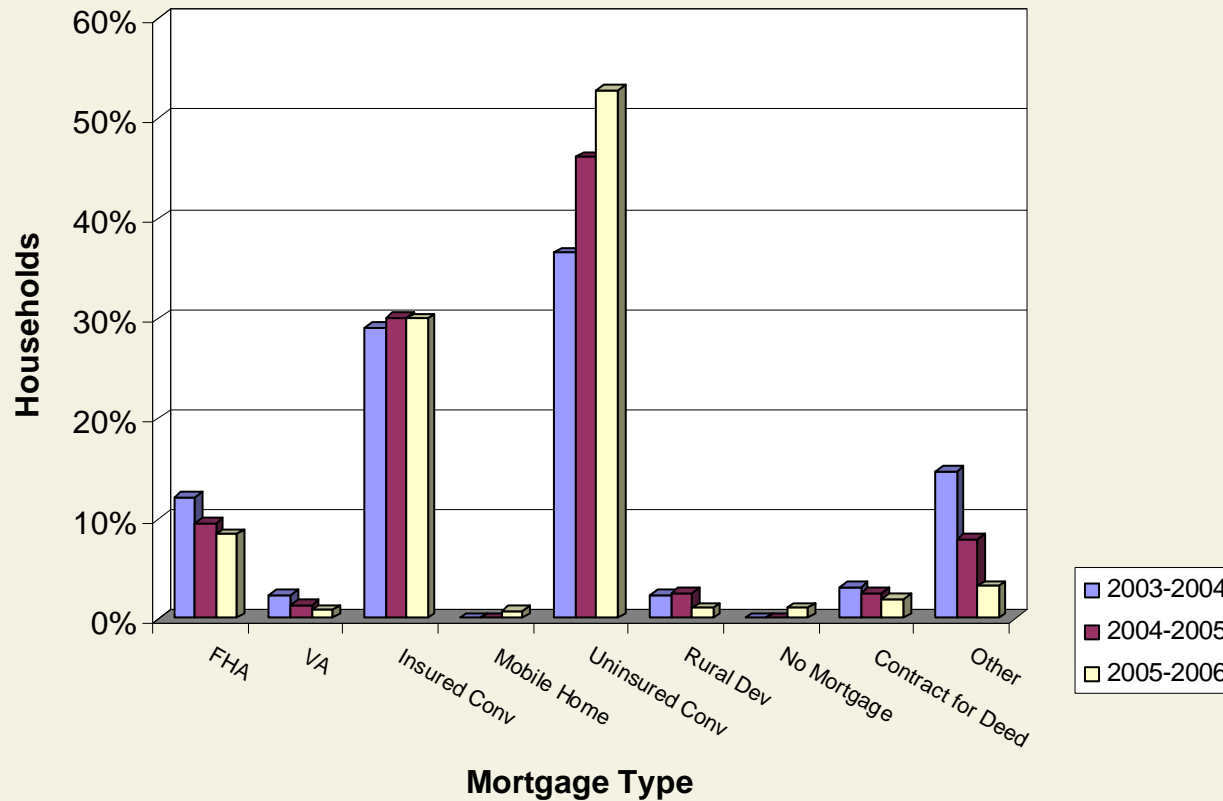


2005-06 Greater Minnesota

- 4,749 households served
- 6% households of color
- On average 4 months and \$2,915 past due
- Provided 77 loans averaging \$4,009 (\$308,000)
- Leveraged \$320,000 from homeowners, lenders, non-profits and other organizations to prevent foreclosure.
- Top reasons for delinquency: loss of income, unemployment, health issues & financial issues.

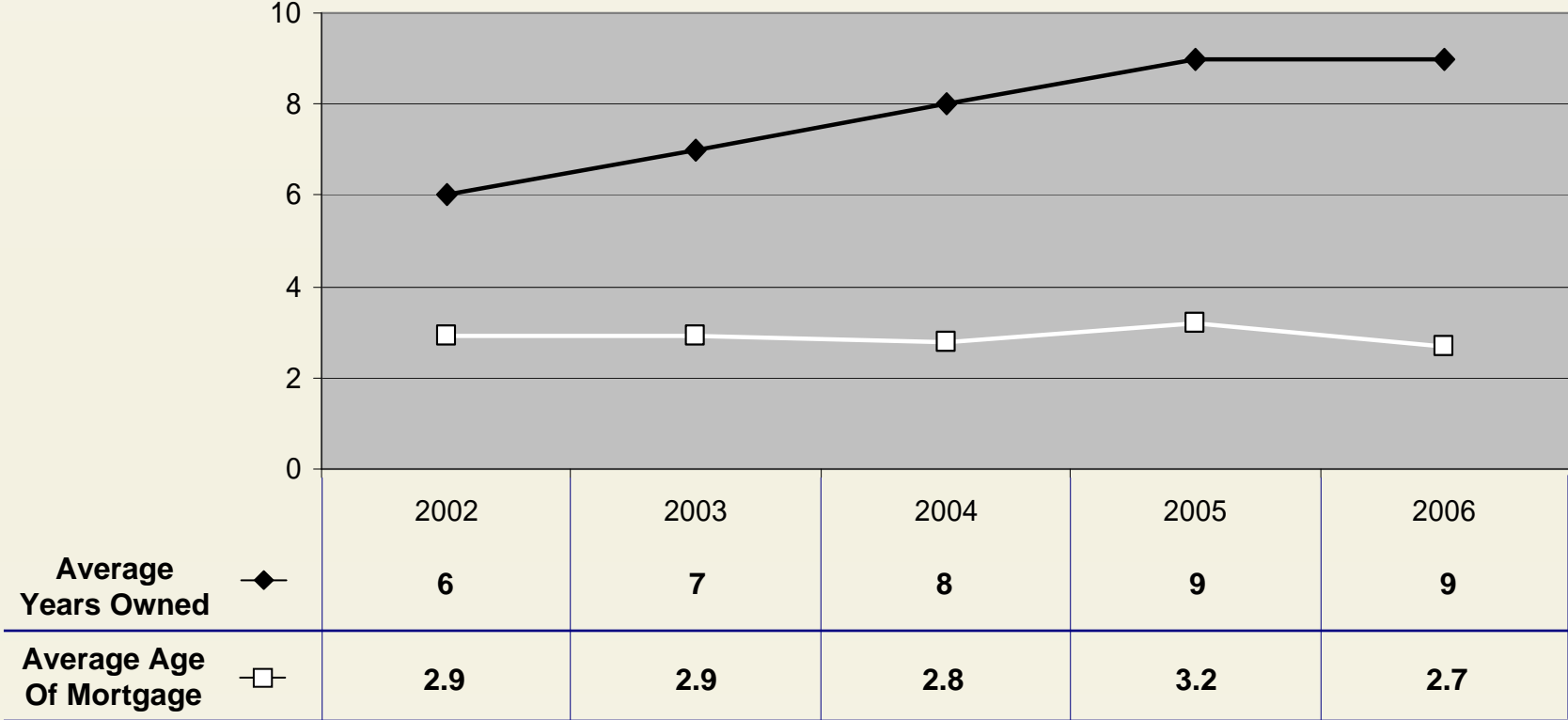


Type of First Mortgage

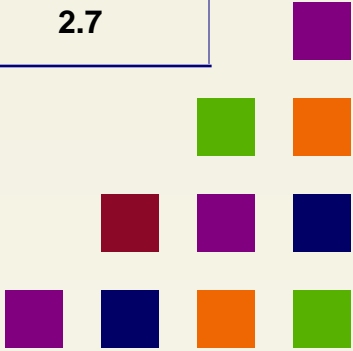


This graph is based on 2005-2006 data from the Foreclosure Prevention Assistance Program serving homeowners throughout Minnesota.

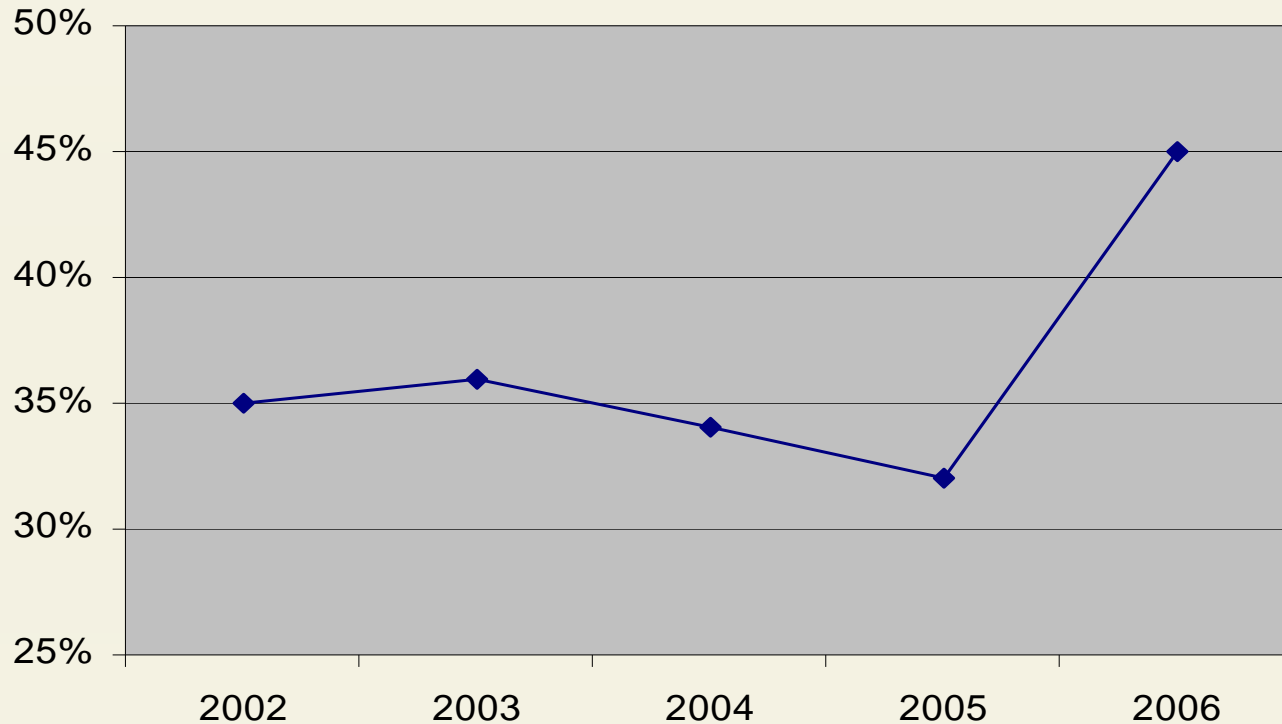
Refinance Evidence



This graph is based on 2006 data from the Mortgage Foreclosure Prevention Program serving homeowners in Minneapolis and Saint Paul only.



% Households With Two Mortgages

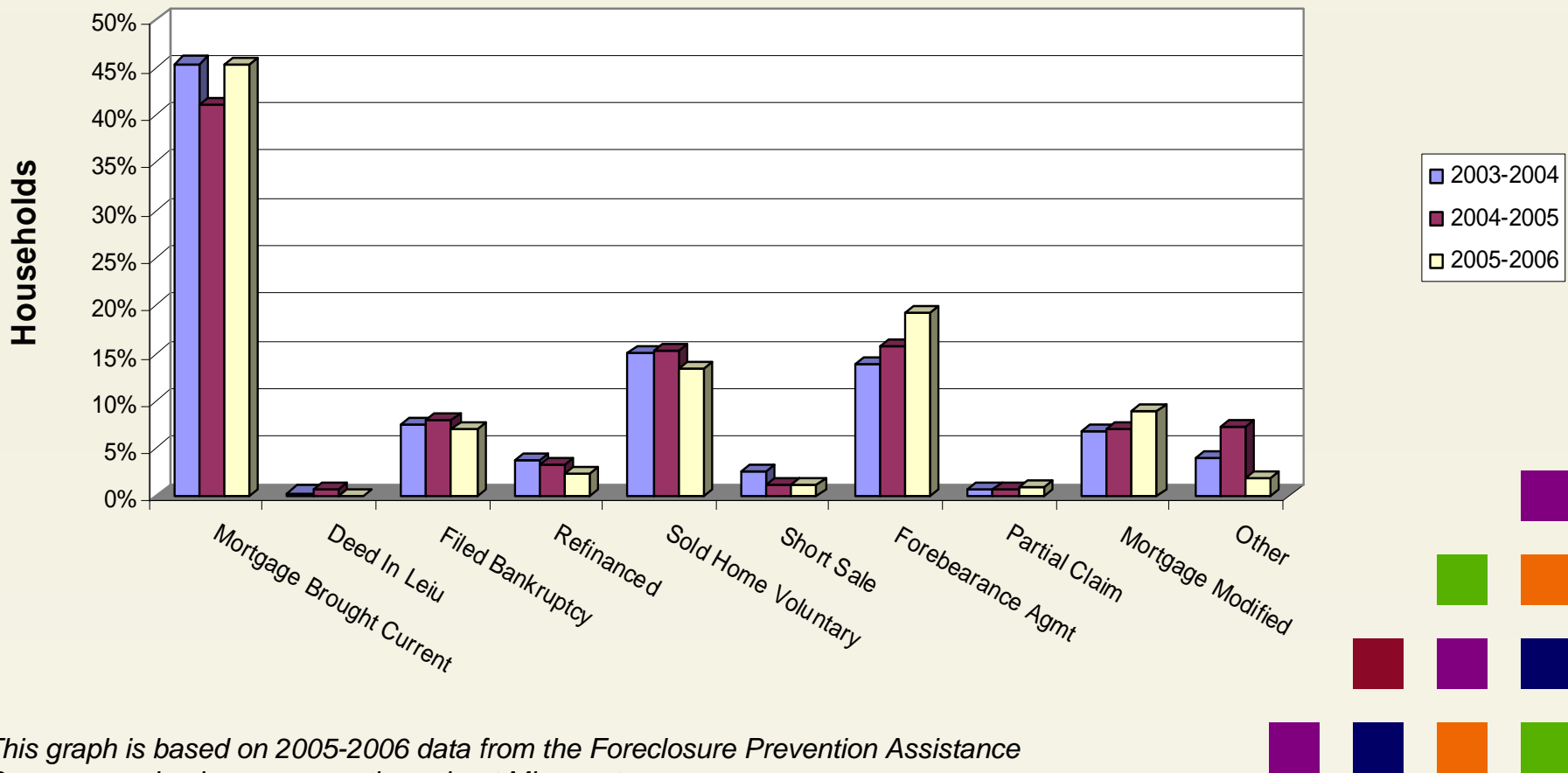


This graph is based on 2006 data from the Mortgage Foreclosure Prevention Program serving homeowners in Minneapolis and Saint Paul only.



Foreclosures Prevented

Statewide 60% of homeowners left the program with their foreclosure prevented.



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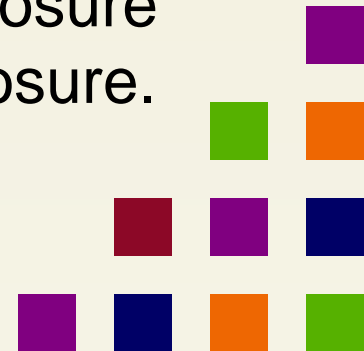
Referring Homeowners

To find Foreclosure Prevention Assistance Program Providers

- See the FPAP Map
- Visit www.hocmn.org
- Call 866-462-6466

Please make referrals by stating the counselor will help homeowners understand their rights, the foreclosure process and their options for preventing foreclosure.

Please downplay the loan component.



Greater MN FPAP Providers

- Arrowhead Economic Opportunity Agency
- Inter-county Community Council
- Lutheran Social Service of Minnesota
- Northwest Community Action Program
- Ottertail-Wadena Community Action Program
- Rochester/Olmsted Community Housing Partnership
- Tri-Valley Opportunity Council
- West Central Community Action Program
- Wright County community Action Program

