

888-995-HOPE
Homeowner's HOPE™ Hotline

Creating a Safer Homeownership Model for the Next Generation



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First Contact Center

- Staffed by 300+ customer service representatives
- Receives 5,000+ calls per day
- 30% of callers have simple question; 70% request counseling
- Homeowners offered a choice between in person and telephone counseling

Counseling Network

- Staffed by 600 trained credit and housing counselors at 9 HUD approved nonprofit credit and housing counseling agencies
- Counsel 2,000 homeowners each day
- 70% of those counseled are still in their homes untouched by foreclosure one year later

1. Set expectations for the benefits of counseling
2. Listen empathically to the story of why homeowners is distressed or delinquent
3. Review income and expenses and determine monthly surplus or deficit
4. Explore options for resolving the problem
5. Send each homeowner a Client Action Plan, a road map for improving their situations
6. Transmit 60 data fields to appropriate servicer



- **HR 1728:**
 - duty of care for originators,
 - ability to pay for homeowners,
 - office of housing counseling at HUD,
 - eliminating yield spread premiums
- **Troubled Asset Relief Program (TARP), Making Home Affordable (MHA), Home Affordable Refinance Program (HARP), Home Affordable Modification Program (HAMP)**
- **Hope for Homeowners revisions**



- To truly make homeownership safer for the next generation of homebuyers, all five responsible parties need to contribute:
 - Homeowners: be better informed about risks
 - Counselors: ramp up in pre-purchase counseling
 - Lenders: offer suitable products with full disclosures
 - Investors: rate risks more accurately
 - Regulators: perfect risk assessment of new, emerging and unconventional markets; encourage unconventional yet safe lending

- **27% cite unemployment as either primary or secondary reason for default**
 - Newly unemployed exhibiting three tendencies
 1. delay in adjusting to current realities
 2. delay in applying for unemployment benefits
 3. holding out for a job commensurate with the old job
- **70% cite reduced income as primary or secondary reason for default**
- **10% cite health issues including lack of insurance or under insurance and primary or secondary reason for default**



1. Help people know whom to trust

- Prevalence of scams
- Distinguish .com from .org from .gov
- 3 red flags
 - Are they calling you or are you calling them?
 - Are they charging for something nonprofits do for free?
 - Do they want you to hurry up and sign something you don't understand?

2. Make pre-purchase counseling happen

- Commit to finding ways to pay
- Endorse a variety of delivery mechanisms
- Make competence the goal, not process

3. Maintenance Reserve Program

- Subscribe at closing
- Cost as low as \$15 per month
- Insures against basic system failure

4. Ensure the success of Making Home Affordable

- Encourage people to learn about it, call the Homeowner's HOPE Hotline for eligibility
- Seek counseling at the Hotline, hud.gov, NeighborWorks America website
- Respond to lenders outreach efforts: answer the mail
- Encourage them to **FILL OUT THE HAMP APPLICATION**

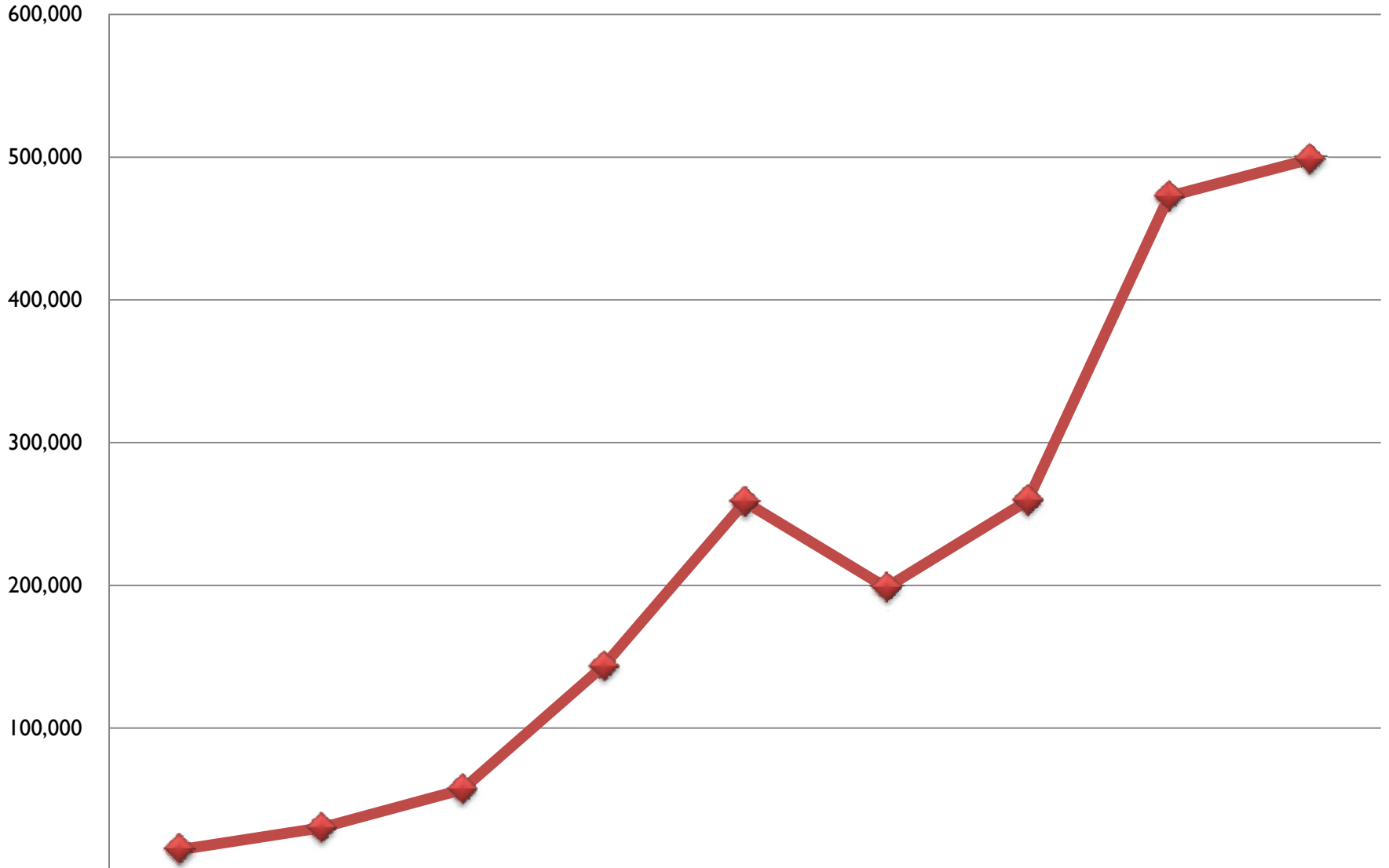


- **First Quarter, 2009**

- **Calls and counseling session volume**
 - 23% increase in counseling sessions over Q4 2008
 - 5% increase in calls from Q4 2008 to record of 498,000 calls
 - Average daily weekday calls over 10,000 in March
 - Average daily weekday counseling sessions nearly 1,900
- **Method of outreach**
 - 54% of counseled homeowners heard about the Hotline from their mortgage companies or via a HOPE NOW letter or outreach program
- **Homeowner information**
 - Callers with fixed rate loans climbed to 55% (up from 46% in Q4 2008)
 - 71% reported a reduction of income as primary or secondary reason for default and 27% reported unemployment (68%, 21% respectively last quarter)
 - More homeowners are calling before they are one month delinquent on their mortgage payment (35%)
 - Annual income reporting has remained virtually unchanged over time
- **Call disposition at triage**
 - The percentage of English speaking homeowners calling for information only has nearly doubled to 9.6% (from 4.9% Q4 2008)
 - First time callers transferred to a counselor comprised 68% of triage calls this quarter (78% Q4 2008) – more questions are being answered at triage
 - Homeowners calling for a specific counselor or calling the Hotline for the second time rose to 7.8% (4.7% Q4 2009) – more counseled homeowners are repeat callers or have had recommendations for a specific counselor
- **Counseling outcomes**
 - Lender workout suggested or pending declined to 24% (28% Q4 2008, 32% Q3 2008)



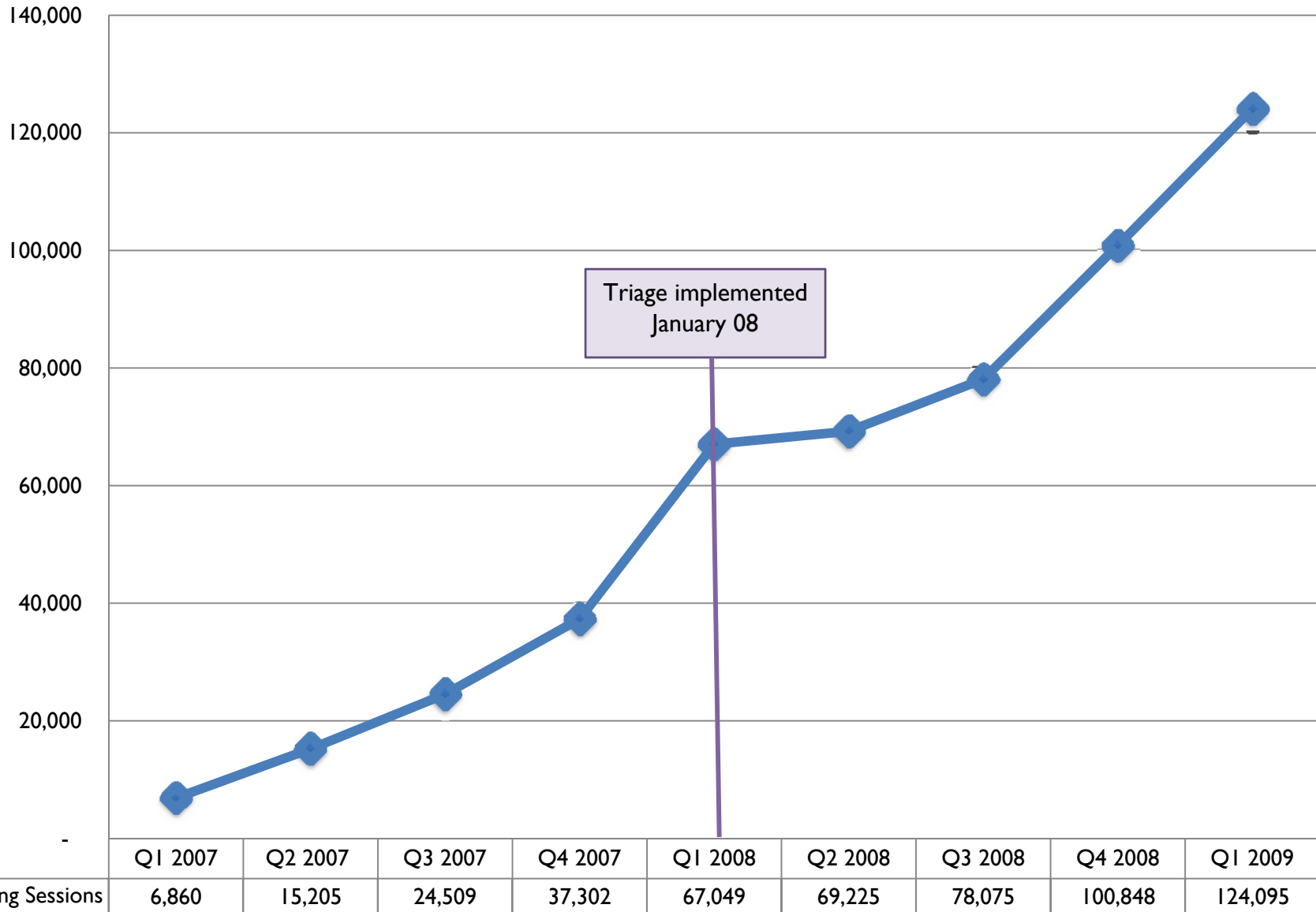
Call volume to the Homeowner's HOPE™ Hotline



	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Calls	14,772	30,078	56,896	143,564	258,448	198,450	259,312	472,505	498,569

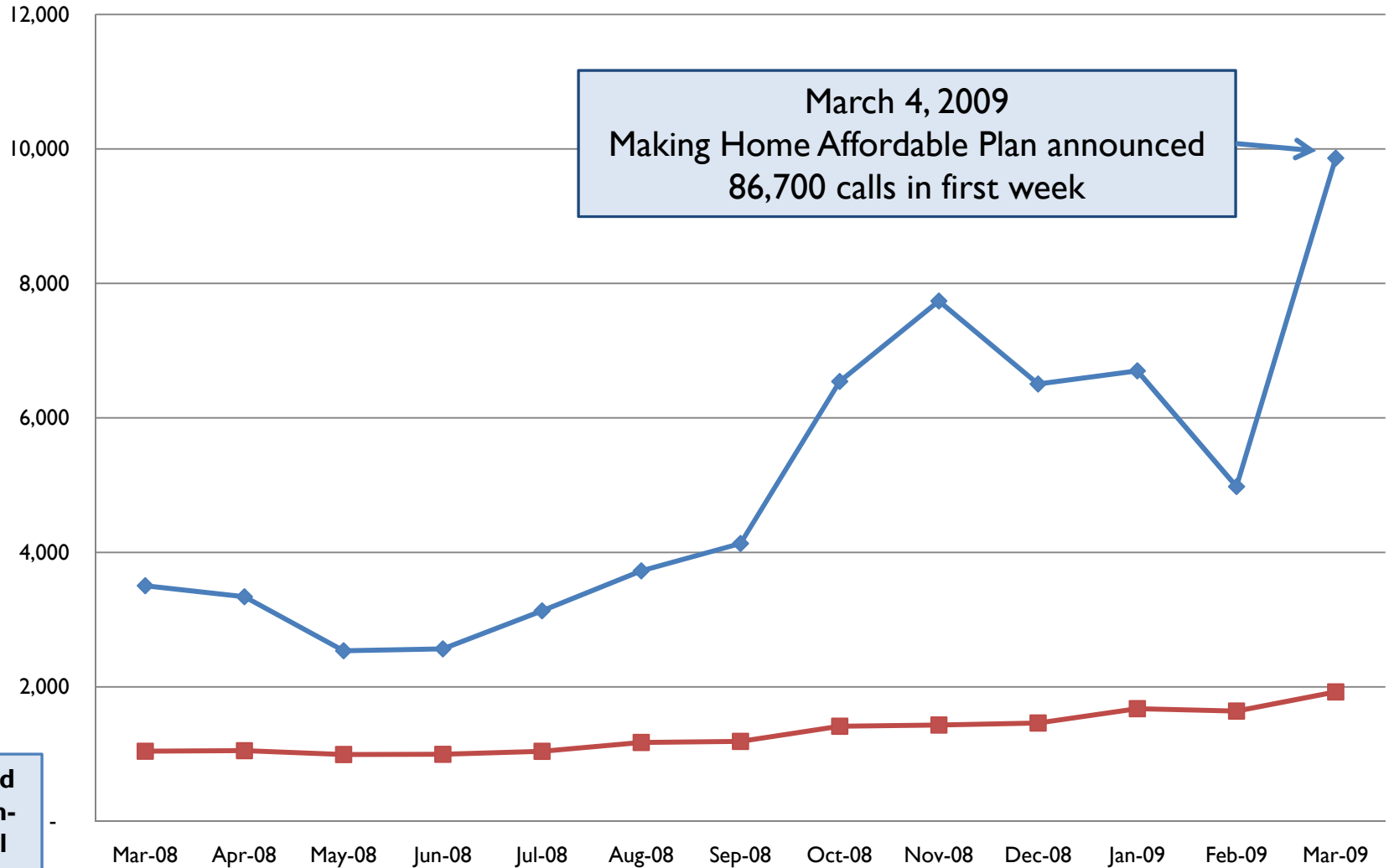


888-995-HOPE™ Counseling Sessions





Average Daily Calls and Counseling Sessions

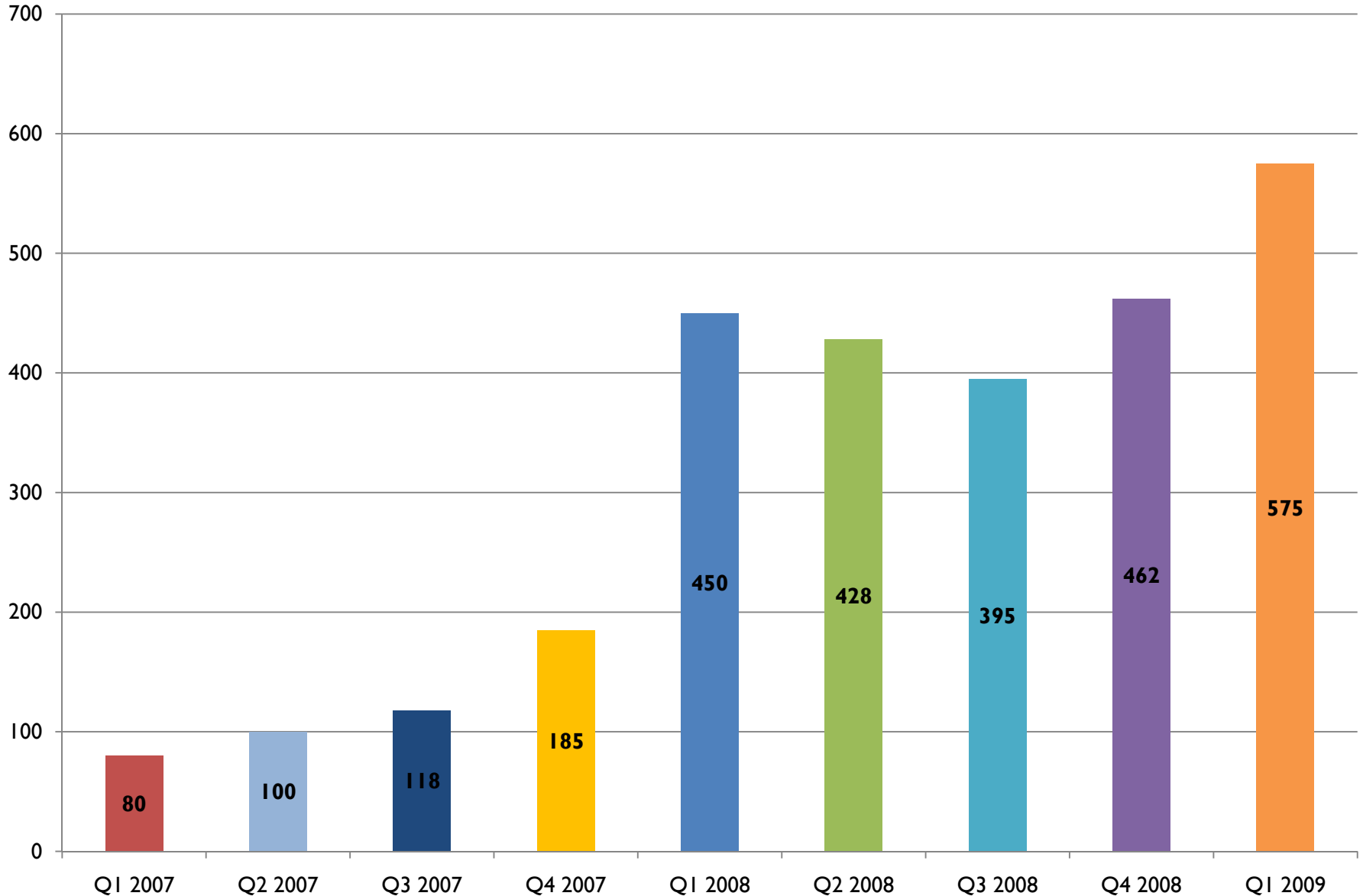


Calculated using Mon-Fri actual calls

	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
—◆— Avg Daily Calls	3,504	3,339	2,536	2,564	3,130	3,725	4,131	6,542	7,738	6,504	6,699	4,978	9,864
—■— Avg Daily counseled	1,042	1,050	993	996	1,041	1,173	1,188	1,414	1,431	1,461	1,674	1,639	1,924

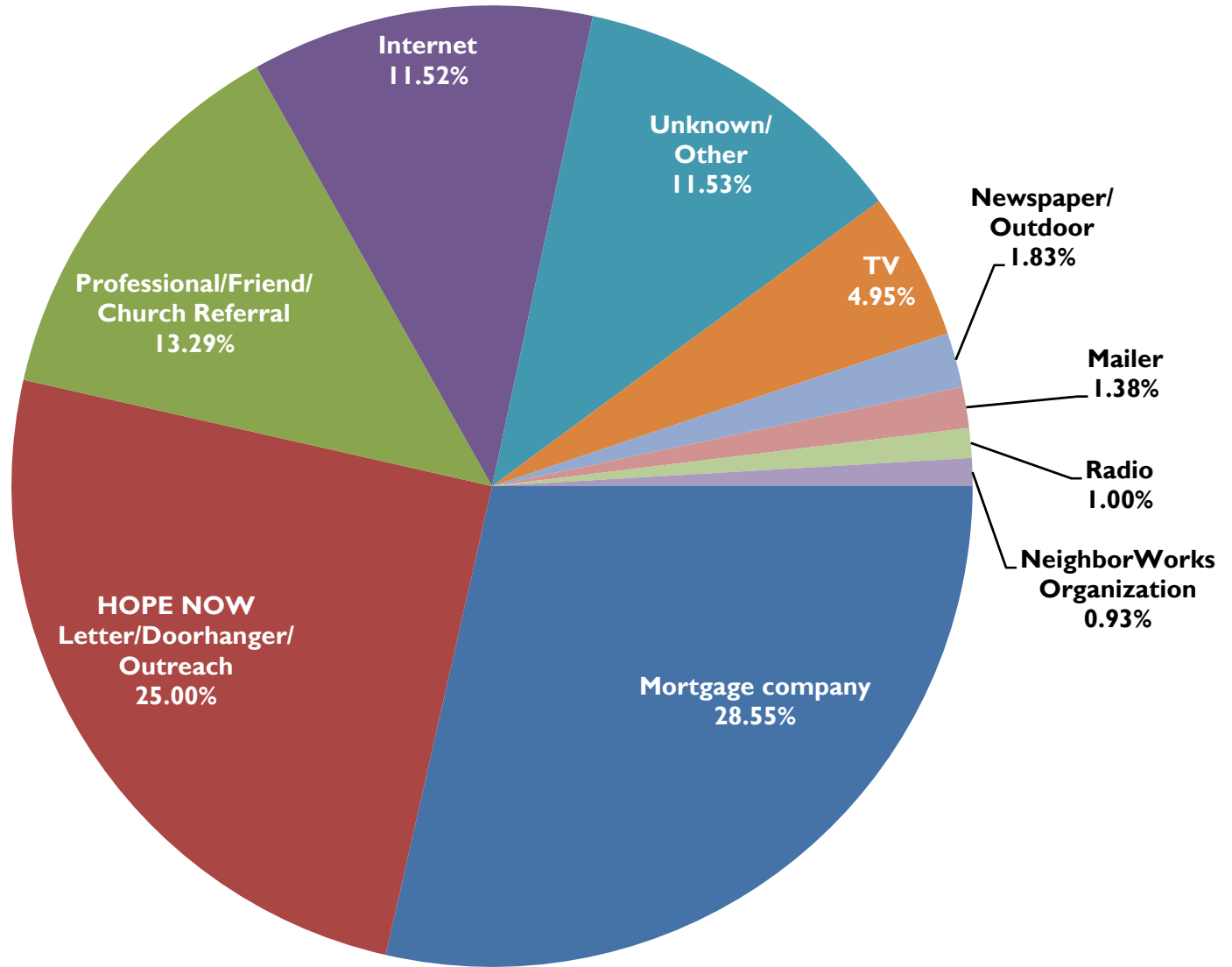


Counselors Dedicated to 888-995-HOPE™ Hotline



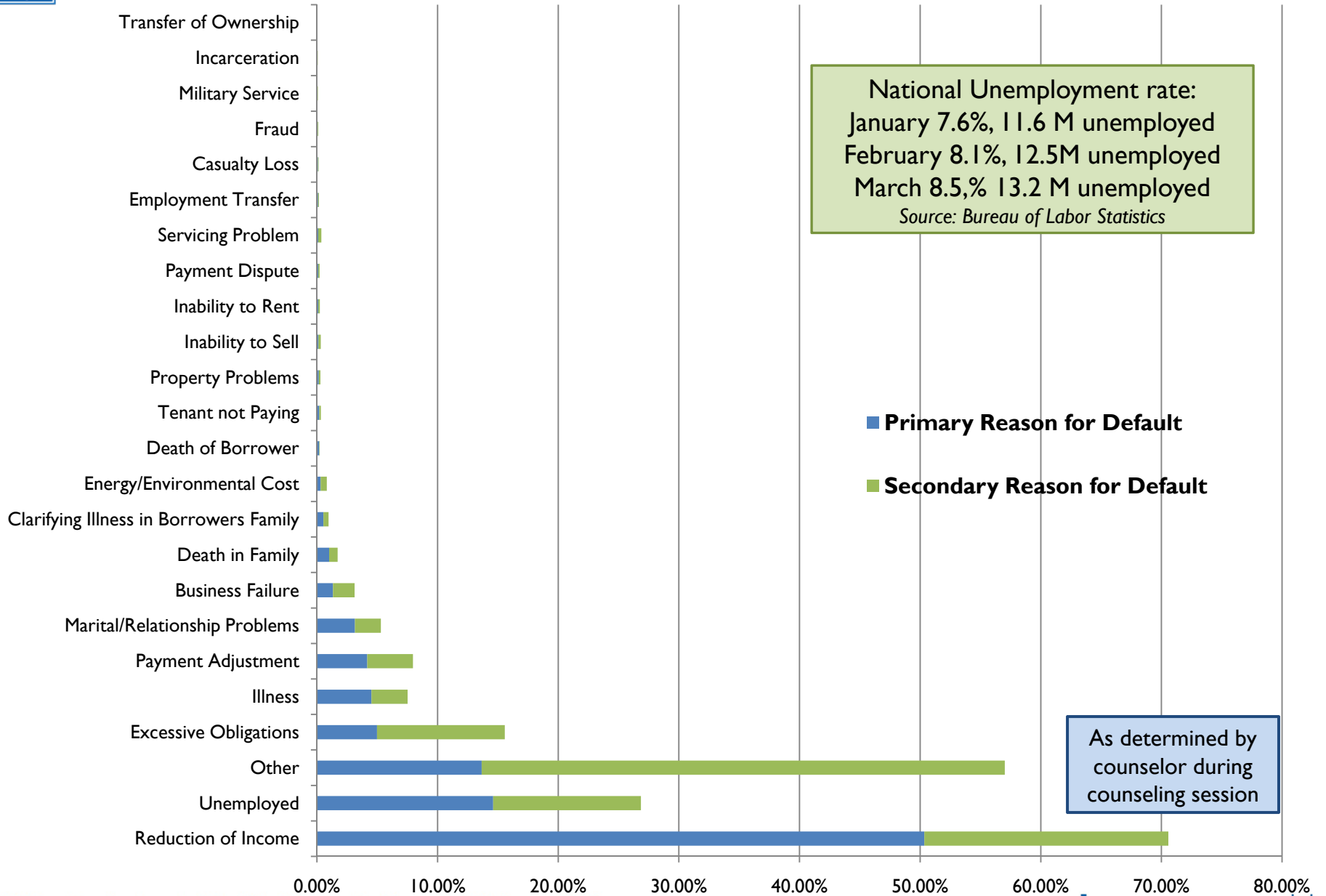


How did the caller hear about the Homeowner's HOPE™ Hotline?





Counseled Homeowners: Primary & Secondary Reason for Default

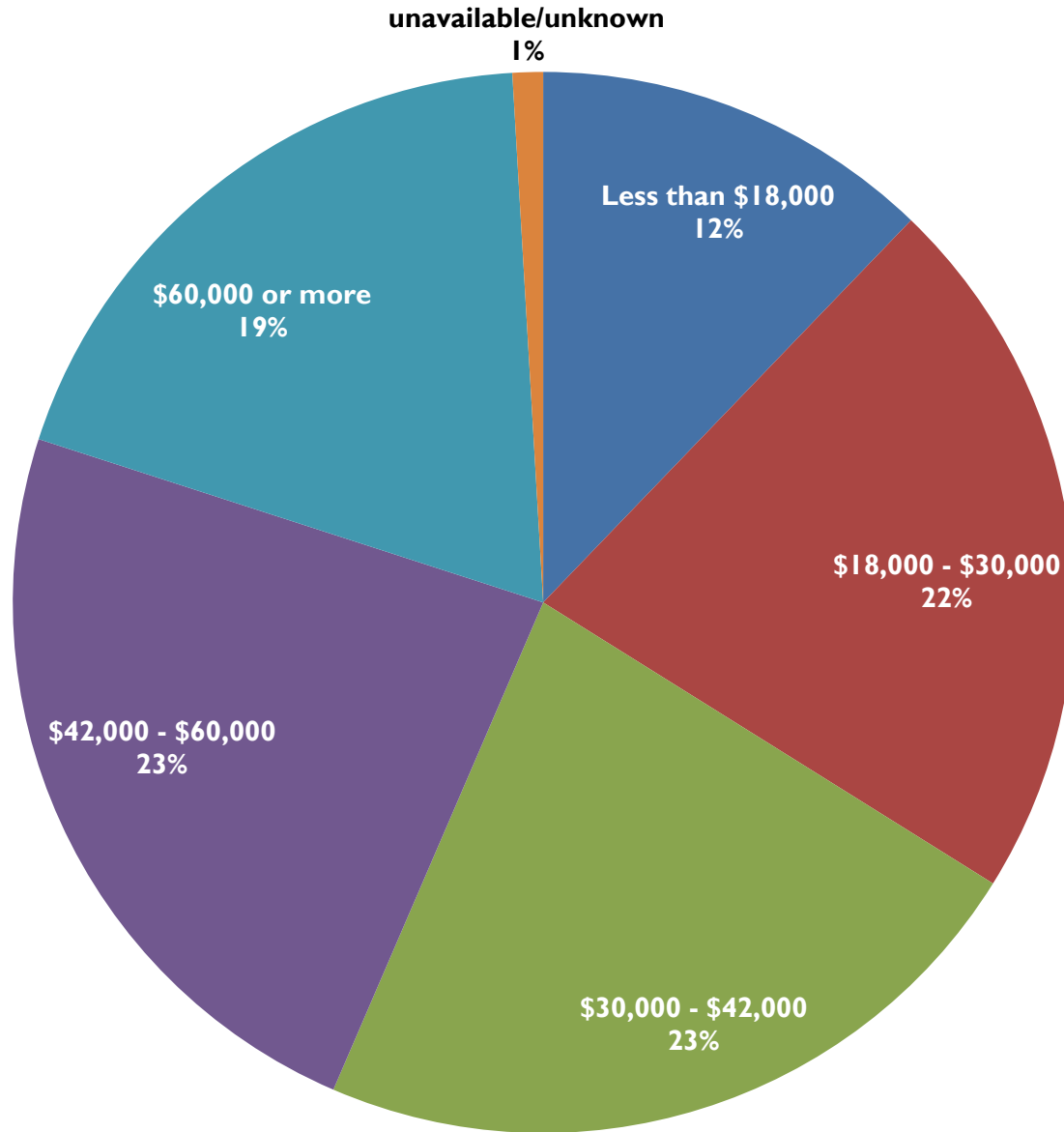


National Unemployment rate:
 January 7.6%, 11.6 M unemployed
 February 8.1%, 12.5M unemployed
 March 8.5,% 13.2 M unemployed
Source: Bureau of Labor Statistics

As determined by
 counselor during
 counseling session



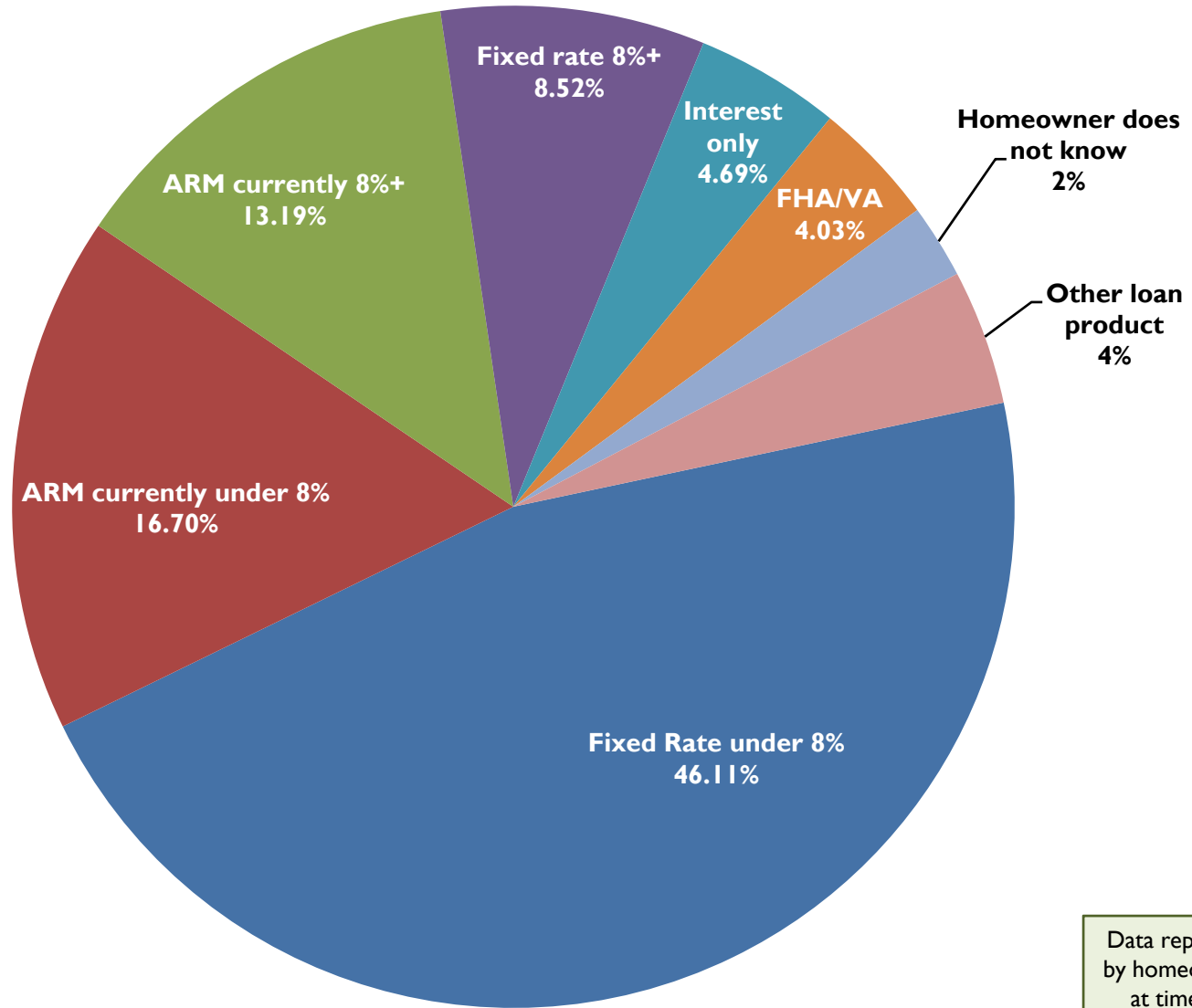
Counseled Homeowners: Reported Annual Income



Data reported by homeowner at time of counseling



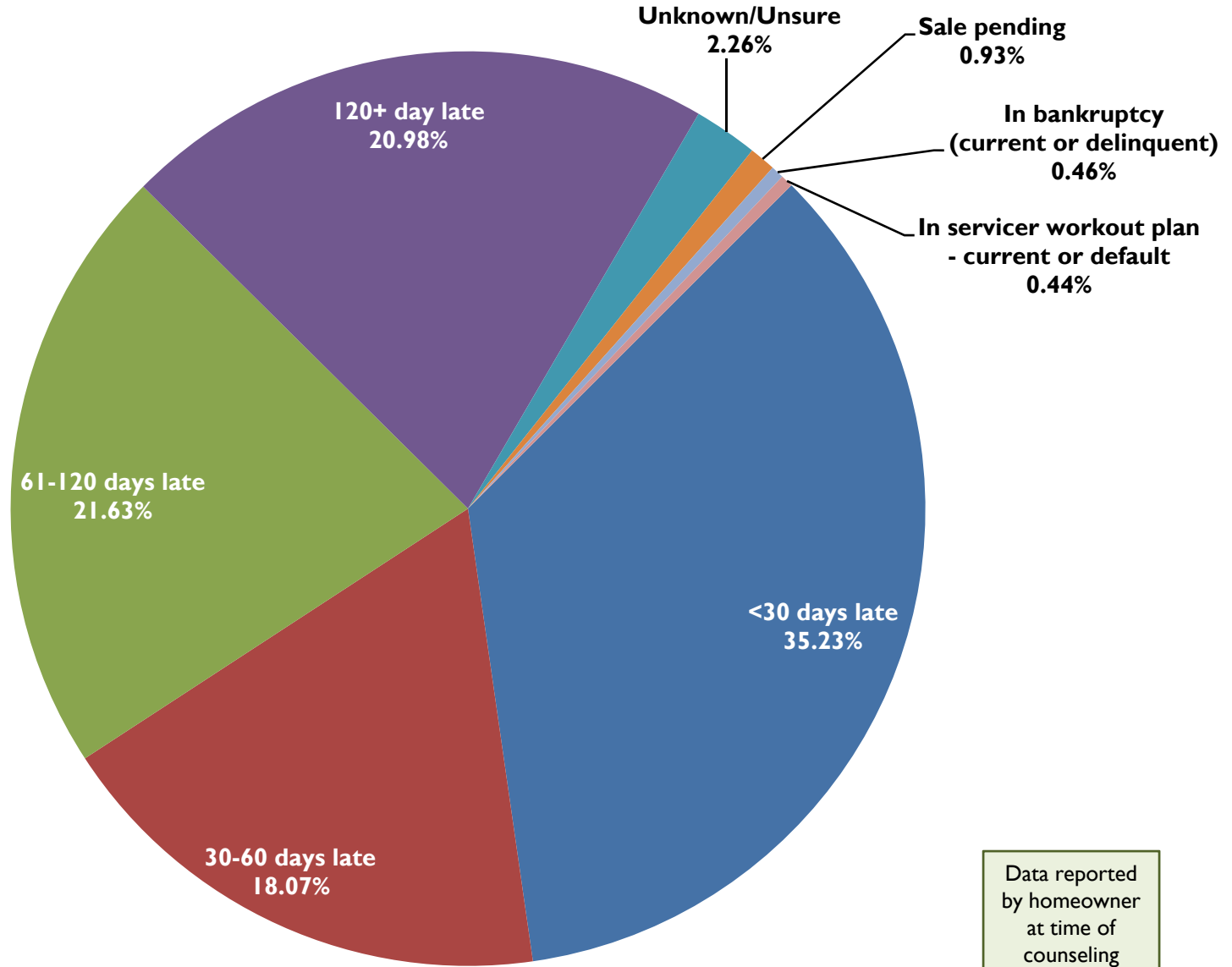
Counseled Homeowners: Loan Type



Data reported by homeowner at time of counseling



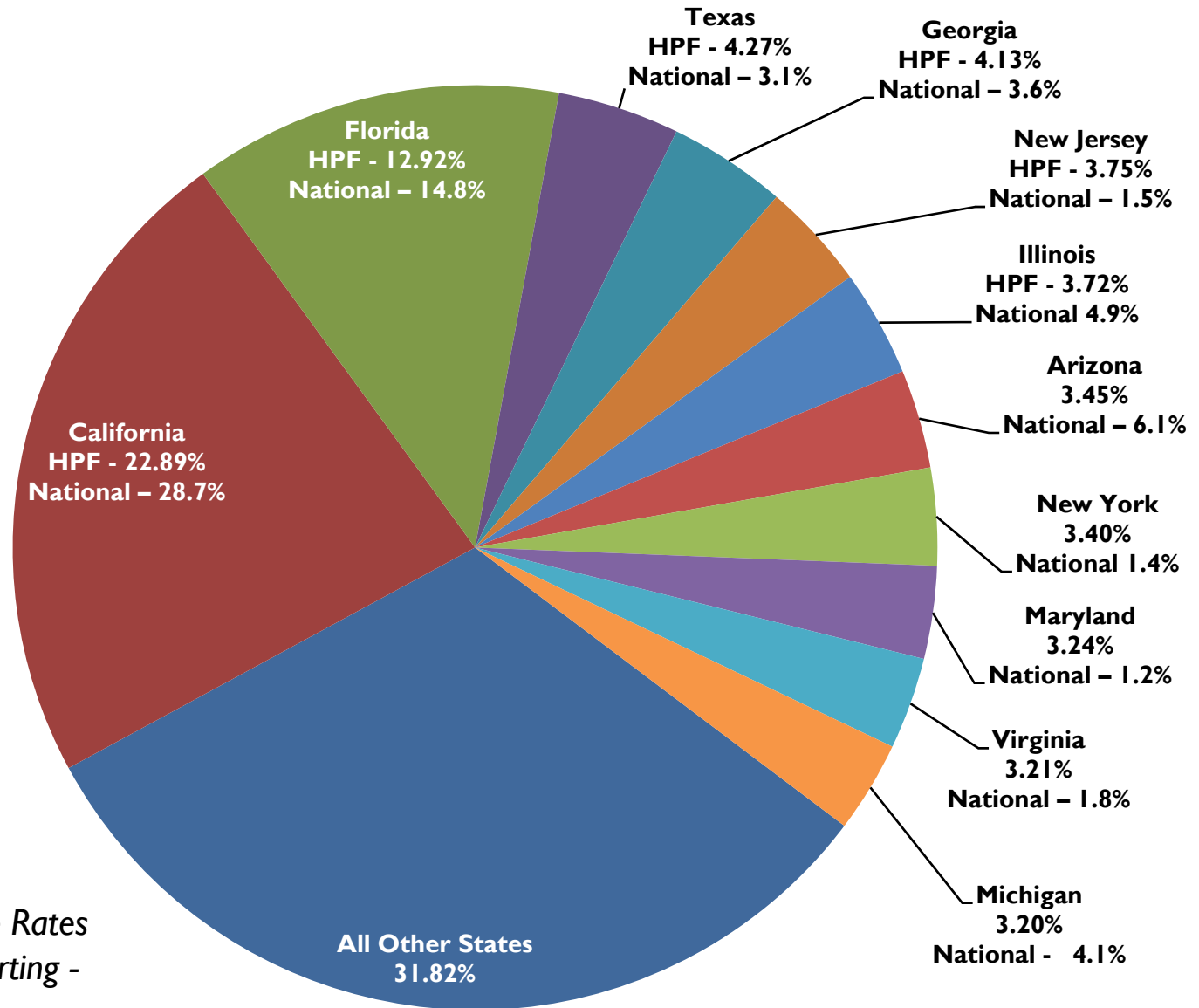
Counseled Homeowners: Loan Status



Data reported by homeowner at time of counseling



Counseled Homeowners: Top States



National Foreclosure Rates
from Q1 2009 reporting -
RealtyTrac



1. Riverside, CA
2. New York, NY
3. Los Angeles, CA
4. Miami, FL
5. Washington, DC
6. Chicago, IL
7. Atlanta, GA
8. Phoenix, AZ
9. San Francisco, CA
10. San Diego, CA
11. Orlando, FL
12. Tampa, FL
13. Detroit, MI
14. Boston, MA
15. Dallas, TX
16. Sacramento, CA
17. Las Vegas, NV
18. Philadelphia, PA
19. Houston, TX
20. Minneapolis/St. Paul, MN