



# GIVING HOPE TO DIVERSE HOMEOWNERS

COMMUNITY REPORT 2016



# OUR MISSION

The Homeownership Preservation Foundation (HPF) is an independent, national, nonprofit organization dedicated to guiding consumers onto the path of sustainable homeownership and improving their overall financial health.

# OUR NATIONAL NETWORK

Each year since 2007, more and more of our mortgage-borrower clients in all 50 states, the District of Columbia and in Puerto Rico continue to rely on our national Homeowner's HOPE® Hotline as an unbiased, trusted resource for foreclosure-prevention counseling by phone.

To ensure a consistent, high-quality client experience, HPF builds and maintains a national network of hundreds of HUD-certified counselors able to meet the ebb-and-flow of annual demand for client counseling or coaching round-the-clock. HPF network counselors also engage clients in more than 200 languages.

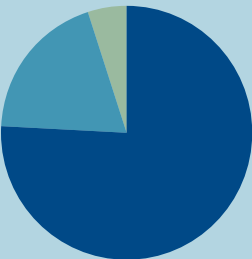
Through HPF's proprietary Gold Standard Quality Counseling and training program, our national network of counselors develop fluency, depth and skill with current mortgage products. These counselors from multiple nonprofit, regional housing counseling agencies develop personalized client action plans to help clients reach their financial and homeownership goals.

Our hotline call agents and network counselors are trained on empathetic listening techniques to identify the unique needs of our clients. The result has been consistently-high, annual client satisfaction ratings.

In 2016, HPF invested in a new, proprietary client management system (CMS) to support and enhance our network-counselors' value to our clients. The new CMS also will provide enhanced reporting to partners designed to ensure better client outcomes.

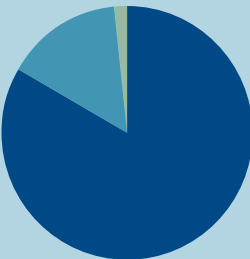
A new client portal in 2016, HPFconnect.org, also began to expand clients' ability to stay financially healthy with a proven, digital money management app, Blueprint by HPF, designed and powered by leading fintech provider, MX. It is completely free of charge to any consumer, and available online or by downloading an app to a mobile device.

## 2016 REVENUE \$26 MILLION



MORTGAGE SERVICER AND GOVERNMENT SPONSORED ENTERPRISE	76%
FEDERAL GRANTS	19%
CORPORATE AND PHILANTHROPIC SUPPORT	5%

## HOPE / HOME HOTLINE SERVICES



FORECLOSURE PREVENTION COUNSELING	84%
POST MORTGAGE-MODIFICATION COACHING	15%
PRE-PURCHASE COACHING	1%

## MESSAGE FROM OUR CEO

# THE PATH TO SUSTAINABLE HOMEOWNERSHIP

How many of you remember *The Game of Life* from your childhood, or still play the board game with your children or grandchildren?

You'll recall that the game mimics a person's journey through life, requiring stops and choices along the way for pursuing education or a trade, embarking on a career, getting married, starting a family, and purchasing a home. Players manage their finances—for good or bad—by taking out loans, purchasing stocks, buying insurance, or playing the lottery. They also encounter real-life hardships, which affect their financial capability and homeownership prospects. You reach the end of the game—and hopefully win—by prudently managing your finances through life's hurdles, while continuing to enjoy the benefits of home.

The centerpiece of this community report is a pull-out brochure, HPF's Path to Sustainable Homeownership. The brochure is modeled after *The Game of Life's* board play and travels through life, whether you're a millennial, a boomerang borrower, a low-to-moderate-income worker or a senior. It shows how HPF helps at-risk homeowners of any age or situation manage real life.

While none of us could have ever envisioned the full impact of the Great Recession on homeownership as a component of our real world, let alone a stop on a board game, we reflect this year on our shared mission to ensure consumer financial health along that path to sustainable homeownership.

Over the past decade, HPF has been a resource to more than nine million diverse homeowners who have been served by the national HOPE Hotline, which has been integral to the success of the U.S. Treasury's Making Home Affordable program. As the housing finance and real estate market recovers, we look forward to adapting to the needs of a new generation of homeowners as we continue to work with our partners to realize our mission.

This includes expanding access to mortgage loans among diverse consumers with financial coaching from our national HOME Hotline. New guidelines from the CFPB will assure lenders that their financial support of pre-purchase coaching should not be considered an inappropriate payment for referrals under RESPA Section 8(a).

According to the U.S. Census Bureau, only 42 percent of Black households and 47 percent of Latino households own a home compared with 72 percent of White households—reflecting the full impact of the financial crisis and significant work we face to restore the value proposition for the American Dream of homeownership. With access to HPF's foreclosure prevention, post-modification and pre-purchase programs, more diverse homeowners enjoy access to mortgage credit.

We've learned a great deal about the evolving needs of mortgage borrowers through 10 years of HOPE Hotline engagement and the launch of the HOME Hotline two years ago. You'll get a sense in this report of what we've seen from the tens-of-thousands of mortgage borrowers we've counseled or coached in 2016. Their collective experience gives hope to diverse homeowners in a continued housing recovery.

To all of our stakeholders, thank you for your trust in HPF as a partner. We look forward to meeting your evolving needs on our journey together with our clients on the path to sustainable homeownership.

Sincerely,



**DAVID BERENBAUM**  
Chief Executive Officer  
April 2017

# OUR CLIENTS

Since the 2015 launch of our national Homeowner's HOME® Hotline, HPF has expanded its financial coaching model to better engage our clients with services throughout the entire life of a mortgage loan. The services we provide via the HOME Hotline, our HPF Connect consumer portal and the HOPE Hotline are matched to clients moving along this timeline.

For years, we've viewed this journey as a path to sustainable homeownership. This path is illustrated in a pull-out brochure. It highlights the many life challenges of homeownership that we've heard raised by more than nine million callers to the national HOPE Hotline since 2007.

Financial coaching of clients in a housing recovery—whether trying to stay current with a trial mortgage modification or considering a mortgage—is now an expanding emphasis at HPF, up to 16% of our HOPE / HOME Hotline services in 2016. With time and a coach offering guidance, clients will improve their monthly cash flow to manage a post-mod mortgage or better plan how to manage a new mortgage and a home purchase.

The need for foreclosure-prevention counseling in a housing recovery also is growing. Financial hardships cited by clients as a reason for default—from unemployment to illness to excessive debt—expanded in 2016 compared with four years ago.

This collective experience of our national clients in 2016 highlighted in the charts below offers a view of how to maintain continued U.S. housing recovery through 2017 and beyond: Continue to give hope to diverse homeowners. By helping more diverse consumers become financially stable, from rural areas to small towns to suburbs to major cities, the housing finance and real estate market will continue to recover.

## How HPF Will Help Sustain a Housing Recovery in 2017

Since year-end 2016, HPF has seen a 12% rise in clients calling the HOPE Hotline who are 90+ days delinquent on a mortgage payment. This corresponded with a seven percent rise in clients with annual household income of less than \$35,000. We plan to target these mortgage borrowers largely in rural markets throughout 2017.

Consumers considering a mortgage have been engaging the HOME Hotline early, more than 90 days ahead of closing on their new homes. In 2017, our My Own Home™ program will target first-time homeowners of low-to-moderate income who have limited or challenged credit profiles to help them move confidently toward buying their own home. Understanding what it takes to qualify for a mortgage doesn't have to be complicated.

Women continue to represent more than half of our counseled clients every year since 2014. It's their perspective on successful homeownership in largely minority families of low-to-moderate income that mortgage lenders and servicers will want to further leverage in an expanding housing recovery.

## FINANCIAL COACHING HELPS SUSTAIN A MORTGAGE MODIFICATION

HPF specializes in financial coaching both for homeowners who hope to make their trial modification permanent and for those struggling to maintain their existing permanent mod. Borrowers who enroll in post-mod coaching during their trial period have a 20-25% greater probability of having sustained their mods 12 months later.\*

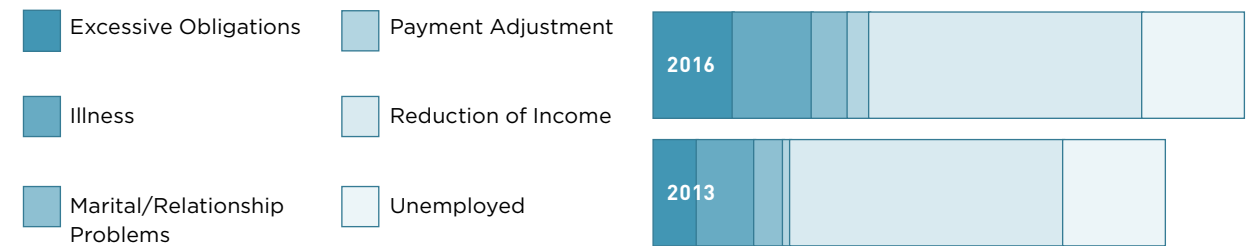
**65%** IMPROVED THEIR MONTHLY BUDGET  
**\$289** AVERAGE IMPROVEMENT IN AVAILABLE CASH

**72%** IMPROVED CREDIT SCORE  
**25** AVERAGE SCORE IMPROVEMENT

\* Fannie Mae/U.S. Department of the Treasury data

## NEED FOR FORECLOSURE-PREVENTION COUNSELING IS GROWING

In spite of an improving economy during the last four years, these real-life hardships are increasingly cited by clients 30+ days delinquent as a reason for default on a mortgage.



## HPF MORTGAGE SUPPORT FOR LIFE-OF-LOAN

### PURCHASE A HOME



995HOME.org

### MANAGE YOUR MONEY



HPFconnect.org

### AVOID FORECLOSURE



995HOPE.org

## TARGET HOME HOTLINE 2017 CLIENT PROFILE

- Diverse, low-to-moderate income consumers not yet mortgage-ready
- Consumers with limited or challenged credit profiles
- First-time homeowners

## TARGET HOPE HOTLINE 2017 CLIENT PROFILE

- Women in households as family caregivers
- Borrowers with less than \$35K in annual income
- Borrowers 90+ days delinquent on a mortgage payment
- In rural areas nationally



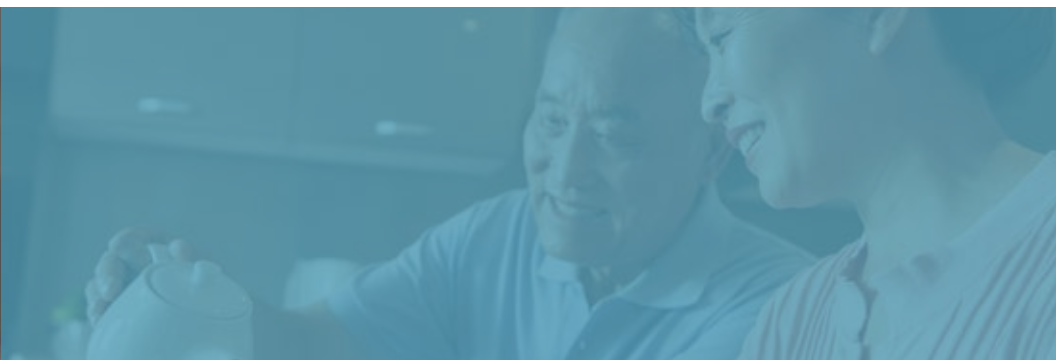
# GIVING HOPE

## TO DIVERSE HOMEOWNERS



HPF is dedicated to guiding consumers onto the path of sustainable homeownership and improving their overall financial health. We believe that everyone should have a place to call home and the ability to achieve their financial dreams.

**[HPFhome.org](https://www.hpfhome.org)**



# THE PATH TO SUSTAINABLE HOMEOWNERSHIP



Life happens. Roll the die to get past trouble paying your mortgage. Or call an HPF financial coach now!

READY TO BUY INSTEAD OF RENT?

YOU'RE EMPLOYED

LOOK AT ONLINE REAL ESTATE LISTINGS

REVIEW MORTGAGE APPLICATION PROCESS

BUDGET TO HELP SAVE DOWN PAYMENT

DOWNLOAD FREE BLUEPRINT BY HPF APP OR GO TO HPFCONNECT.ORG

TAKE A HOME BUYER EDUCATION COURSE AT 995HOME.ORG

YOU'VE RECEIVED DOWN PAYMENT ASSISTANCE!

YOUR CREDIT SCORE IS LOW

YOU DON'T HAVE ENOUGH OF A DOWN PAYMENT

CALL TO DEVELOP A PLAN WITH A COACH

844-995-HOME  
hpf homeowner's HOME hotline

CONGRATULATIONS! YOU'RE IN YOUR NEW HOME!

PURCHASE A HOME

GET MORTGAGE PRE-APPROVAL

ENGAGE REAL ESTATE PROFESSIONAL

CONSIDER MORTGAGE INSURANCE

TRACK HOUSEHOLD BUDGET WITH BLUEPRINT BY HPF

YOUR CREDIT CARD BALANCES ARE GROWING

STAY CURRENT ON MORTGAGE PAYMENT

YOU'RE NOW PAYING STUDENT LOAN DEBT

YOU'RE STAYING HEALTHY!

YOU'RE IN A HEALTH OR FINANCIAL CRISIS

YOU'VE LOST YOUR JOB

YOUR MORTGAGE IS UNDERWATER!

A MORTGAGE SCAMMER CALLS TO "HELP" YOU

YOU'VE MISSED A MORTGAGE PAYMENT

BUILD A RAINY-DAY SAVINGS BUDGET

ADJUST HOUSEHOLD BUDGET TO STAY CURRENT ON MORTGAGE PAYMENT

CONSIDER REFINANCE OR REVERSE MORTGAGE

STAY HEALTHY! SAVE FOR RETIREMENT

CONTINUE TO ENJOY THE BENEFITS OF HOME

PAY OFF MORTGAGE

HOMEOWNERSHIP PRESERVATION FOUNDATION

AVOID FORECLOSURE

SECURE AND MAINTAIN A MORTGAGE MODIFICATION

CONSIDER REFINANCE

WORK WITH YOUR MORTGAGE SERVICER

CATCH UP ON MORTGAGE PAYMENT

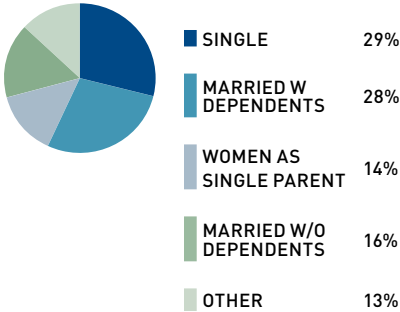
TURN IN MORTGAGE SCAMMER TO AUTHORITIES

CALL TO DEVELOP A PLAN WITH A COACH

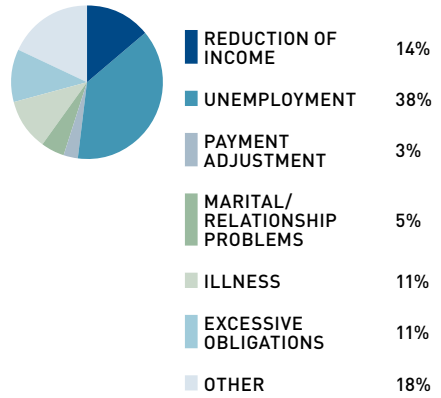
888-995-HOPE  
hpf homeowner's HOPE hotline

# MORTGAGE BORROWERS COUNSELED / COACHED, 2016

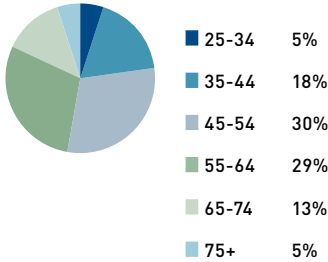
## HOUSEHOLD



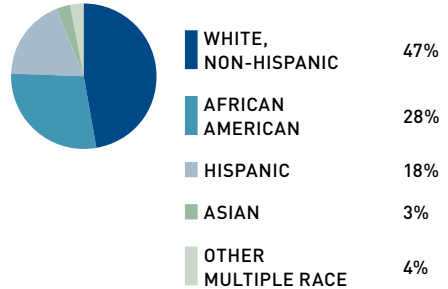
## REASON FOR DEFAULT



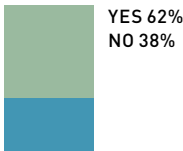
## AGE



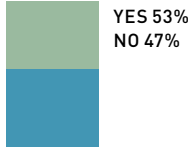
## RACE



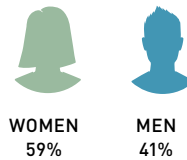
## LOW-MODERATE INCOME



## MINORITY INDICATOR



## GENDER



## AVERAGE CREDIT SCORE

604

1,200

AVERAGE SERVED PER BUSINESS DAY IN 2016

300,000

TOTAL HOTLINE CALLERS SERVED IN 2016



# OUR PARTNERS

## MORTGAGE SERVICER AND GOVERNMENT SPONSORED ENTERPRISE

BANK OF AMERICA  
CARRINGTON MORTGAGE  
CENLAR  
CITI MORTGAGE  
FANNIE MAE  
FREDDIE MAC  
HSBC  
JPMORGAN CHASE  
NATIONSTAR

OCWEN MORTGAGE  
PENNY MAC  
PNC MORTGAGE  
SELECT PORTFOLIO SERVICING  
SPECIALIZED LOAN SERVICING  
SUNTRUST MORTGAGE  
URBAN LENDING  
WELLS FARGO HOME MORTGAGE

## GOVERNMENT

THE FEDERAL TRADE COMMISSION  
U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

U.S. DEPARTMENT OF THE TREASURY

## CORPORATE AND PHILANTHROPIC SUPPORT

BANK OF AMERICA  
CITIBANK  
JPMORGAN CHASE FOUNDATION  
MERSCORP HOLDINGS  
OCWEN

PNC BANK  
RADIAN FOUNDATION  
SANTANDER BANK  
WELLS FARGO HOUSING FOUNDATION

## NONPROFIT HOUSING COUNSELING AGENCY

CLARIFI  
CREDIT.ORG / SPRINGBOARD  
GREENPATH FINANCIAL WELLNESS

MONEY MANAGEMENT INTERNATIONAL  
NAVICORE SOLUTIONS



# OUR TEAM

**DAVID BERENBAUM**  
Chief Executive Officer

**KEN DUNCAN**  
Chief Financial Officer

**JULIE STEINHAGEN**  
Chief Operating Officer

**KENT SCHOEN**  
General Counsel and  
Corporate Secretary

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**SHARON SAYLES BELTON, VICE CHAIR**

**STEVE BARTLETT**

**JAMES CARR**

**JOSEPH DONOVAN**

**BRUCE GOTTSCHALL**

**CHRISTOPHER HERBERT**

**JILL KANIN-LOVERS**

**PRUE LAROCCA**

**BRUCE PARADIS**

**JEFFREY ROHR**





[HPFhome.org](http://HPFhome.org)

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