

# Hope, home and homeownership in changing times.

**Community Report 2017**



*A GreenPath™ company.*

## Our mission and vision

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.

WE BELIEVE THAT EVERYONE SHOULD HAVE A PLACE TO CALL HOME AND THE ABILITY TO ACHIEVE THEIR FINANCIAL DREAMS.



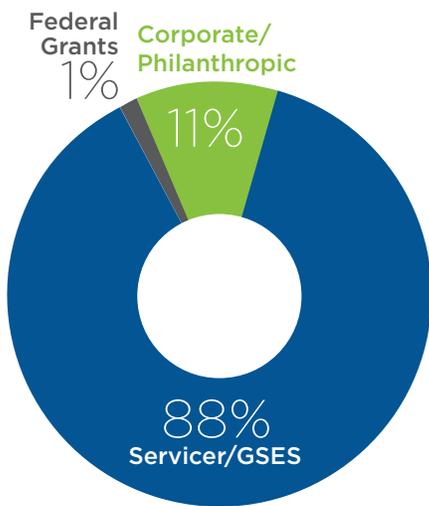
# How we serve

HPF builds and maintains a national network of hundreds of HUD-certified counselors who are available for client counseling or coaching. We connect callers to the national Homeowner's HOPE® Hotline with specially-trained counselors from a handful of nonprofit housing counseling agencies.

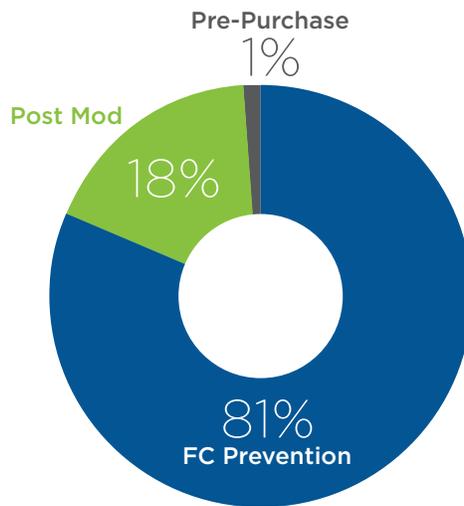
HPF's network of counselors can provide unbiased foreclosure prevention counseling in 200 languages. Counselors are thoroughly trained on current mortgage products. They learn empathetic listening techniques to counsel and coach clients without judgment. Counselors create personalized action plans so each client can reach their financial and homeownership goals.

We also use a network of counselors to provide homeownership education and coaching for those who call the HOME® Hotline. Here, clients learn to prepare themselves for a mortgage, for a home purchase, or for the long-term financial responsibilities of homeownership.

*"My counselor was very helpful and professional yet extremely nice. She made sure I understood every step. Thank you so much."*



**Revenue By Stakeholder (by %)**



**HOPE/HOME Services**

# 2017 a transitional year

Are we really out of the housing crisis? When the Making Home Affordable® (MHA) program launched in 2009, the U.S. housing market was vastly different than it is now.

Back in 2009, home foreclosures were spiraling upward at rates never seen. US housing prices fell 30 percent according to the Federal Reserve. The Obama administration enacted the MHA program to enable distressed homeowners to modify or refinance a mortgage, or obtain temporary forbearance, and reduce foreclosures throughout the nation. Fair lending laws and other consumer protections were also put in place.

Fast forward to 2018 and we in the housing industry have found that secure, financial homeownership remains a challenge, or even out of reach, for a large portion of American consumers. The US Census national homeownership rate hovered around 64 percent in 2017, still below the pre-recession rate of 69 percent. Why?

- The housing market has been bolstered by lower unemployment and a stronger job market. Home prices have gone up as a result, leaving homeownership out of reach for many.
- The shortage of affordable housing supply is compounded by down payment challenges.
- We are still in a tight credit box for mortgages. Tight credit standards make it difficult for many to access a mortgage loan, particularly those with moderate to lower credit scores.
- One in three people have yet to fully recover from the Great Recession, according to a 2017 study by Country Financial. Many are just getting by and cannot save for a down payment.
- The processes for getting a mortgage and buying a home are difficult, and consumers can be hurt financially if misunderstood or done incorrectly.

These challenges point to the need for continued, and new, consumer support in the homeownership space.

Since the MHA program ended at the end of 2016, we have been vigorously working with housing industry stakeholders and government agencies to advocate for clear processes to aid consumers who can't pay their mortgage. One solution was the creation of the [Homeowners Guide to Success](#), a free, downloadable consumer guide available through HUD and other agencies.

We also are focusing our efforts in the pre-purchase counseling space. We are working with lenders and other partners to develop programs that inform consumers in all stages of the mortgage and homebuying process. These programs empower people to buy homes and manage the responsibilities of homeownership so they can enjoy their homes for many years.

And to help us achieve these goals, in September we entered into a strategic affiliation with [GreenPath Financial Wellness](#). This affiliation extends our reach and adds complementary resources, so we can develop new, creative solutions for people in all phases of homeownership.

HPF also is transitioning our leadership. In June 2018, David Berenbaum, our CEO for nearly four years, leaves the organization and Gene Spencer, head of our policy and stakeholder engagement areas, becomes CEO.

Read more about HPF's key highlights and achievements on the next page. 2017 was certainly a year of transition, not only for the Homeownership Preservation Foundation but for the housing industry as a whole.

Yes, we are over the housing crisis as it was in 2009. But new challenges have arisen for American consumers who wish to own a home. We're doing all we can to guide them through all points in the lifecycle of homeownership. And we're doing all we can to ensure we continue.

The Homeownership Preservation Foundation is a trusted resource that continues to fill a vital need for consumers, mortgage servicers and stakeholders in the housing counseling industry. And we believe that everyone should have a place to call home and the ability to achieve their financial dreams.

Sincerely,

**David Berenbaum**, CEO

**Gene Spencer**, SVP and incoming CEO

# 2017 highlights along the path of change

## Nine Million Calls

We have been proud to serve as the conduit of the Making Home Affordable program for the last eight years, providing 24-hour hotline assistance to callers who are facing foreclosure. In 2017, the Homeowners HOPE® Hotline fielded its nine millionth call. By the end of 2017, we have handled 9,188,644 calls to the hotline since its inception.

## Assistance for Mortgage-Related Disaster Relief

2017 was a big year for natural disasters. The HOPE Hotline became a principal resource for those who were in hard hit areas in Texas, Florida, Puerto Rico and Louisiana and were looking for assistance on handling mortgage obligations. HOPE Hotline and our network of counseling agencies were able to connect homeowners with government-sponsored forbearance programs, and with other private options. We are expecting another burst of calls from consumers who will still need mortgage assistance once the forbearance terms expire.

## Homeowners Guide to Success

One of the key achievements in 2017 was the development of a new guide to inform homeowners of their options when facing challenges making their mortgage payment. When the MHA program ended, several government agencies and housing industry stakeholders realized that consumers still needed guidance on what to expect after missing loan payments. We participated in a public-private

task force, along with representatives from the Federal Housing Administration, Veterans Affairs, Fannie Mae, Freddie Mac, HUD and other stakeholders, to research and develop this free, downloadable guide.

## Advocacy, Strategy and Policy Development

We continued our work with stakeholders in the housing counseling industry, to advocate for funding and policies that protect consumers and provide needed financial counseling and coaching programs.

- We met with members of Congress to advocate for continued funding for the NeighborWorks program, which helps people with affordable housing and community development.
- We hosted the fifth national convening on housing counseling, a spirited day of idea generation, discussion and strategy among the housing counseling community.
- Gene Spencer, SVP of Policy and incoming CEO of HPF, completed his term on the consumer advisory board of the Consumer Financial Protection Bureau.
- We continue to protect consumers as a data contributor to the FTC Consumer Sentinel Network, a database of consumer scam information that law enforcement agencies use across the nation.





## Real Estate Settlement Procedures Act (RESPA) Memo

Working with the CFPB and the housing counseling community, we analyzed RESPA and published a memo offering solutions to ensure that public and private-sector stakeholders view our pre-purchase services as fully compliant with Federal law and related regulatory oversight.

## Connections to Down-Payment Resource

Applying for down payment assistance can be confusing. There are so many programs, and eligibility criteria differs among them. So, HPF, Freddie Mac and Down Payment Resource teamed up to help over 300 consumers evaluate and apply for down-payment assistance. Through the [www.downpaymentresource.com](http://www.downpaymentresource.com) website, consumers could find information about locally available down-payment assistance programs, typically sponsored through the local Housing Finance Agency. HPF counselors helped consumers choose and apply for the most appropriate program for their personal needs.

## Affiliation with GreenPath Financial Wellness

In September, we became an affiliate of GreenPath Financial Wellness, a national nonprofit credit counseling organization focused on empowering people to lead financially healthy lives. GreenPath gives HPF added reach and capacity to guide people to sustainable homeownership and develop long-term financial strength through all phases of life. Through the affiliation, we maintain our status as a HUD-approved National Housing Counseling Intermediary and continue to work with our industry partners, while leveraging significant savings and enterprise efficiencies.

GreenPath is rooted in empathetic listening for counseling and uses human-centered design to develop tools and services that resonate with clients. We are combining our organizations' strengths and experience to create new solutions for people in all stages of homeownership.

- Pre-purchase counseling, so people can prepare for homeownership, ease their mortgage approval and make informed decisions before they buy a home.
- Mortgage/credit education, so people can manage budgets, make on-time payments and stay financially healthy.
- Housing counseling, aiding people who have trouble paying their mortgage, preventing foreclosure, and assisting those who have been victimized by scams.

# Who we serve

For 20 years, **Gary** spent each weekday working at a job he loved. He had a great life. Gary and his wife raised three kids in the home of their dreams, and they were making plans to travel now that the kids were grown. But that changed when Gary lost his job. Travel plans were put on hold. Bills became harder to pay. Soon, Gary was six months past due on his mortgage payment and facing foreclosure. Through the 995-HOPE line, he was able to obtain a mortgage modification to better afford the payments.

**Barbara** was on her way to the grocery store when another car hit hers, sidelining her with broken bones, surgeries, and rehabilitation. Between the gigantic medical bills and lost wages while she was healing, Barbara was falling behind on her mortgage payments. Through the 995-HOPE line, she was able to refinance her mortgage, so payments were more affordable.

**Michael** and **Karen** were tired of renting an apartment. After four years of paying down their student loans, they were ready to start a family and buy their first house. But with more student debt to go, and still early in their earning years, they needed help understanding how much house they could afford and how to get that mortgage approval. Through the 995-HOME line, they were able to prepare for the home buying process and find a mortgage that fit their budget.

**Through the HOME and HOPE initiatives, the Homeownership Preservation Foundation serves people from all walks of life. People of every ethnic group, in every state, with a variety of income levels reach out to HPF for assistance.**

## Post-Modification Financial Coaching Impact

HPF connects clients to financial coaches to help make their trial mortgage modifications permanent or to help those struggling to maintain their existing modification. Clients who received financial coaching for mortgage modifications have a 20% greater probability of adhering to their modifications after 12 months. Coached clients also saw improvements in several other measures:

64% IMPROVED THEIR MONTHLY BUDGET

71% IMPROVED THEIR CREDIT SCORE

24 AVG. CREDIT SCORE IMPROVEMENT

\$281 AVG. IMPROVEMENT IN AVAILABLE CASH

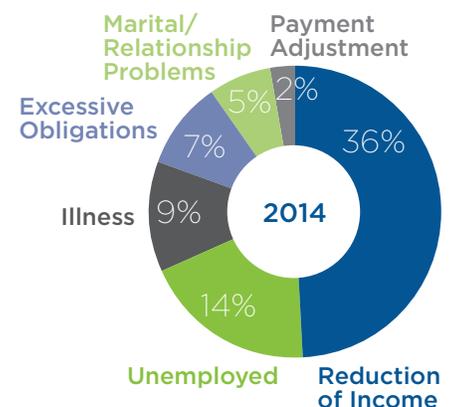
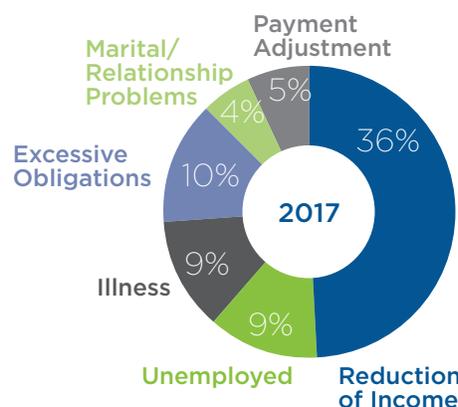
9,188,644 CALLS TO 995-HOPE SINCE INCEPTION (2007)

32,621 CALLS TO 995-HOME SINCE INCEPTION (2015)

## Reason For Default

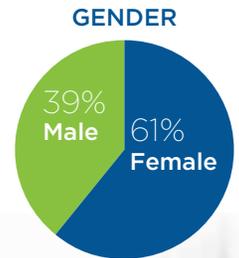
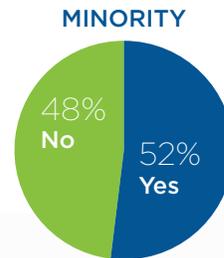
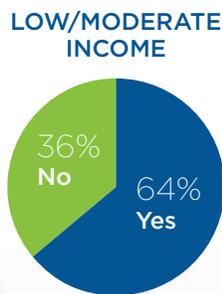
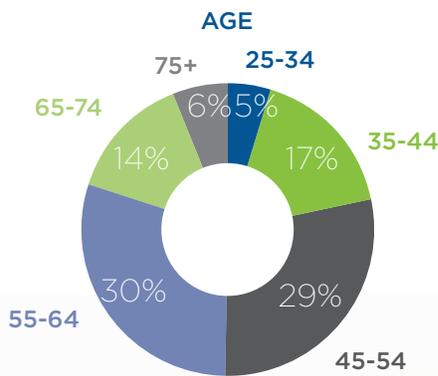
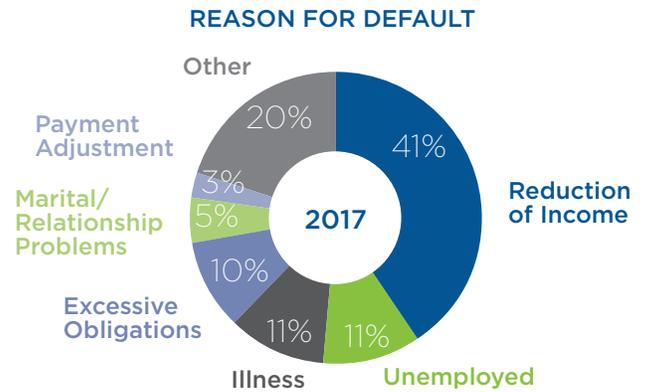
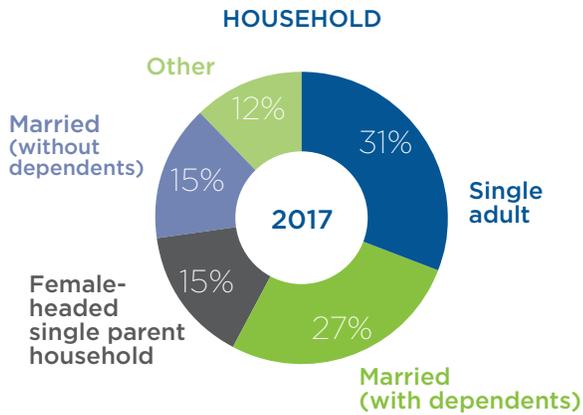
### Reasons for Foreclosure Counseling are Changing

The reasons that people have defaulted on their mortgage have changed only slightly in the last few years. A smaller percentage of defaults is due to unemployment.



# Who we serve

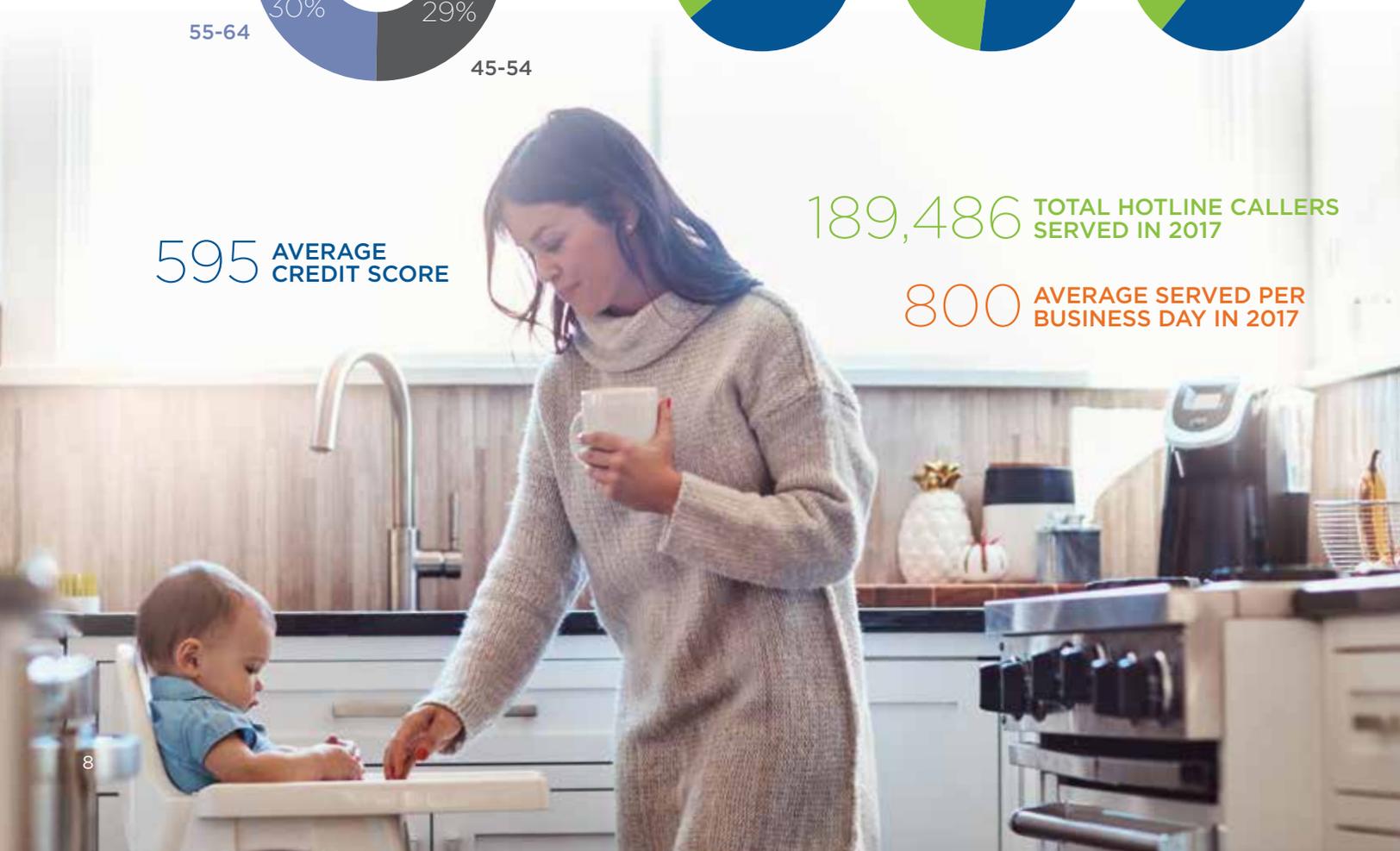
## Mortgage Borrowers Counseled/Coached



**595** AVERAGE CREDIT SCORE

**189,486** TOTAL HOTLINE CALLERS SERVED IN 2017

**800** AVERAGE SERVED PER BUSINESS DAY IN 2017



# Our partners

## Mortgage Servicer and Government-Sponsored Enterprise

Bank of America  
Bayview  
Carrington Mortgage  
Cenlar  
CitiMortgage  
Fannie Mae  
Freddie Mac  
HSBC  
JP Morgan Chase  
Nationstar  
Ocwen Financial  
PennyMac  
PNC Mortgage  
Select Portfolio Servicing  
Specialized Loan Servicing  
SunTrust Mortgage  
Wells Fargo Home Mortgage

## Government

HUD  
Federal Trade Commission  
U.S. Department of the Treasury

## Corporate and Philanthropic Support

Bank of America  
Deutsche Bank  
Nationstar  
Ocwen Financial  
PNC Bank  
Radian Foundation  
Wells Fargo Housing Foundation

## Nonprofit Housing Counseling Agencies

Clarifi  
Credit.Org/Springboard  
GreenPath Financial Wellness  
Money Management International  
Navicore Solutions



# Our 2017 team

**David Berenbaum**  
Chief Executive Officer

**Julie Steinhagen**  
SVP, Stakeholder Engagement

**Kent Schoen**  
General Counsel and  
Corporate Secretary

**Rod McGinniss**  
SVP, Business Development

**Gene Spencer**  
SVP, Stakeholder Engagement,  
Policy and Research

**Kristen Holt**  
President and CEO,  
GreenPath Financial Wellness

## Board of Directors

**Chair - Jane Sydlowski**  
AMI Strategies

**Vice-Chair - John Frith**  
Urban Science

**Treasurer - Michael Poulos**  
Michigan First Credit Union

**Secretary - William J. Richards**  
46th District Court

**Mark Duhaime**  
Galileo Insights

**Bruce A. Gottschall**  
NHS Chicago

**Sanjeev Handa**  
Retired, formerly at TIAA-CREF

**Chris Herbert**  
Harvard University,  
Joint Center for Housing Studies

**Carey Pachla**  
Fast Switch

*"Talking with a  
counselor gave me  
confidence to make  
a decision about  
what I need to do  
with my mortgage.  
It was encouraging,  
friendly to connect  
to a person on these  
financial matters.  
Thank you."*

**Bruce Paradis**  
Retired, formerly at GMAC

**Deirdre L. Weir**  
Southeastern MI Administrative  
Services Group

**Anthony Zambelli**  
Seneca Partners







*A GreenPath™ company.*

**HPFhome.org**

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