



The
FORECLOSURE PREVENTION
SERVICES PROGRAM

2008-09 PROGRAM TO DATE REPORT
and Quarterly Report for
JULY 1ST – SEPTEMBER 30TH, 2009

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DECEMBER 2009

The FORECLOSURE PREVENTION SERVICES PROGRAM

The 2008-09 NYS budget included \$25 million to help homeowners in NYS, who entered into a subprime or unconventional mortgage, by providing counseling and legal services. The budget directed that the NYS Housing Trust Fund Corporation (HTFC), in consultation with the NYS Division of Housing and Community Renewal (DHCR), the NYS Banking Department and the Office of Court Administration,

“administer a subprime foreclosure prevention services program which shall provide assistance related to foreclosure prevention to homeowners who entered into subprime or unconventional mortgages, including grants and aid to non-profit organizations to provide counseling, mediation, legal representation, and negotiation on behalf of borrowers facing default or foreclosure.”

A Request for Proposals seeking organizations to provide outreach and education, counseling, mediation, legal representation and court-based services on behalf of New York homeowners who hold a subprime or unconventional mortgage was released on June 18th, 2008.

GRANTS TO NOT FOR PROFITS

Through an open window request for proposal process, from August 2, 2008 to February 3, 2009, HTFC approved sixty-four (64) grants totaling \$23,201,600 (balance of funds are committed for training). With the commitment of all available funding, each county in the state has at least one foreclosure prevention provider, and most have more than one provider.

With the emphasis on collaboration among non-profit organizations in the RFP, the funding awards made to date actually are providing funding resources to more than one hundred-twenty (120) non-profit organizations through partnership arrangements among the organizations. In addition to the direct funding partnerships, there are countless more collaborations where non-profits are sharing resources, information, and services to leverage their ability to assist homeowners within their geographic service areas.

Many proposals receiving funding have developed very entrepreneurial approaches to providing the full spectrum of services to homeowners including education/outreach, counseling, and legal services through partnerships and collaborations among non-profits who possess different expertise and provide different types of services. Many of the awardees or their partners have received funding for foreclosure prevention services from other sources including the NYS Banking Department, the Center for New York City Neighborhoods, the National Mitigation Foreclosure Counseling Program, or HUD.

Full descriptions of the grant awards and proposals can be accessed through the DHCR web site at www.nysdhcr.gov.

ORGANIZATIONS REPORTING DURING THE 3RD QUARTER

Under the grant agreement, awardees are required to submit quarterly reports on the foreclosure prevention services provided during that period. For this report, only awardees with contracts executed before April 1, 2009 were required to submit. HTFC approved awards from August 5, 2008 through February 2, 2009. Sixty-four (64) organizations which submitted reports for the 3rd quarter include:

ACORN HOUSING, INC.	NASSAU SUFFOLK LAW SERVICES COMMITTEE, INC.
ALBANY COUNTY RURAL HOUSING ALLIANCE, INC. (Capital District)	NASSAU SUFFOLK PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY
ALBANY COUNTY RURAL HOUSING ALLIANCE, INC. (Schoharie County)	NEIGHBORHOOD ECONOMIC DEVELOPMENT ADVOCACY (NEDAP)
ASIAN AMERICANS FOR EQUALITY	NEIGHBORHOOD HOUSING SERVICES OF JAMAICA
BRIDGE STREET DEVELOPMENT CORPORATION (Coalition for the Improvement of Bedford Stuyvesant)	NEIGHBORHOOD HOUSING SERVICES OF NYC
BROOKLYN COOPERATIVE FEDERAL CREDIT UNION	NEIGHBORHOOD HOUSING SERVICES OF STATEN ISLAND
BROOKLYN HOUSING & FAMILY SERVICES, INC.	NEIGHBORS OF WATERTOWN, INC.
CAMBA, INC.	NEW YORK LEGAL ASSISTANCE GROUP
CATSKILL MOUNTAIN HOUSING DEVELOPMENT CORPORATION	NEW YORK MORTGAGE COALITION
CENTER FOR NEW YORK CITY NEIGHBORHOODS	NIAGARA FALLS NEIGHBORHOOD HOUSING SERVICES
CHANGER	NOS QUEDAMOS/WE STAY
CITY BAR JUSTICE CENTER	OPPORTUNITIES FOR CHENANGO, INC.
COMMUNITY ACTION OF WYOMING COUNTY	ORANGE COUNTY RURAL DEVELOPMENT ADVISORY CORPORATION
COMMUNITY DEVELOPMENT CORPORATION OF LONG ISLAND	THE PARODNECK FOUNDATION
COMMUNITY HOUSING INNOVATIONS, INC.	PATHSTONE CORPORATION
EMPIRE JUSTICE CENTER - Rochester	PUTNAM COUNTY HOUSING CORPORATION
ECONOMIC OPPORTUNITY COUNCIL OF SUFFOLK, INC.	QUEENS LEGAL SERVICES
ERASMUS NEIGHBORHOOD FEDERATION	QUEENS VOLUNTEER LAWYERS PROJECT
GREATER SHEEPSHEAD BAY DEVELOPMENT CORPORATION	RIDGEWOOD BUSHWICK SENIOR CITIZENS COUNCIL, INC.
HOME HEADQUARTERS, INC.	ROCKAWAY DEVELOPMENT & REVITALIZATION CORPORATION
HUDSON RIVER HOUSING, INC.	ROCKLAND HOUSING ACTION COALITION
HUMAN DEVELOPMENT SERVICES OF WESTCHESTER	SOUTH BROOKLYN LEGAL SERVICES
LA FUERZA UNIDA, INC.	STATEN ISLAND LEGAL SERVICES
THE LEGAL AID SOCIETY	UNITED TENANTS OF ALBANY
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (Capital Region)	URBAN JUSTICE CENTER
LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK (Rural North)	UTICA NEIGHBORHOOD HOUSING SERVICES NEIGHBORWORKS HOMEOWNERSHIP CENTER
LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.	VOLUNTEER LEGAL SERVICES OF MONROE COUNTY, INC.
LIFE, INC.	WESTERN NEW YORK AMERICORPS
LONG ISLAND HOUSING PARTNERSHIP, INC.	WEST BRONX HOUSING & NEIGHBORHOOD RESOURCE CENTER
MARKETVIEW HEIGHTS ASSOCIATION, INC.	WESTCHESTER RESIDENTIAL OPPORTUNITIES, INC.
METRO INTERFAITH MANAGEMENT CORP.	WESTERN NEW YORK LAW CENTER, INC.
	WEST SIDE NEIGHBORHOOD HOUSING SERVICES, INC.
	ZETA ZETA LAMBADA COMPANY, INC.

REPORTING REQUIREMENTS

To reduce the burden on grant awardees, HTFC and the NYS Banking Department developed a joint reporting form to be used by awardees under both grant programs. The data points included were derived from the National Foreclosure Mitigation Counseling Program report and the requirements outlined in the FY 2008-09 NYS budget that created the Program.

The following information is collected on each homeowner served under the program:

- | | | |
|---------------------------|---|--|
| ◆ Applicant ID Number | ◆ Residence Type | ◆ Type of Services Provided this
Quarter Only |
| ◆ Date of Initial Contact | ◆ Product Causing Default/
Foreclosure | ◆ Result of Assistance |
| ◆ Zip Code | ◆ Reasons for Default | ◆ If assistance could not be provided,
why not? |
| ◆ Census Tract | ◆ Status of Loan at Initial Contact | |
| ◆ Race/Ethnicity | ◆ Name of Originating Lender | |
| ◆ Income Level | ◆ Name of Current Loan Servicer | |
| ◆ Special Populations | | |

THIRD QUARTER REPORT FINDINGS

The reports submitted by 63 of the groups represent foreclosure prevention service programs serving all 62 counties. A total number of 6593 individuals were provided some type of foreclosure prevention service during the reporting period. Center for New York City Neighborhoods reporting results are listed separately following the chart.

Highlighted information collected include:

- ◆ More than 1/3 of the clients assisted earned less than 50% of area median income, and 1/3 of the clients earned between 50% and 79% of AMI.
- ◆ 1733 clients served were designated as special population; 905 being single-parent households.
- ◆ Single family residences accounted for 73% of those assisted.
- ◆ The single most reported reason for default was reduction or loss of income.
- ◆ Counseling/loss mitigation was the service provided for the majority of the clients served in the reporting period.
- ◆ Service providers reported that 5116 clients served would receive assistance beyond this reporting period.
- ◆ Of those that could not be assisted this quarter, the primary reason involved the economics of refinance not being viable.

3rd Quarter Reporting Results

RACE

Black/African American	2095
White	2499
Hispanic	1282
Asian	254
Multiple Race	110
Other	98
Chose not to respond	255

SPECIAL POPULATION/HOUSEHOLD TYPE

Single-Parent household or	905
Persons who are elderly (age 65 or older)	260
Persons with disabilities	207
Persons who are Veterans	23
Other/More than one (special population)	338

LOAN TYPE

Fixed rate mortgage	3427
Subprime/Unconventional/Hybrid	1323
Option Adjustable Rate mortgage	1359
Unknown at Intake	159
Interest-Only loan	277
N/A Renter	18
Other	30

SERVICE TYPE

Counseling/Loss Mitigation	3660
Negotiation with lender or servicer	1160
Defense of Foreclosure Action	228
Legal Advice/Legal Representation	637
Court based services	83
Bankruptcy	3
Affirmative Litigation	9
Other	813

IF ASSISTANCE COULD NOT BE PROVIDED, WHY NOT?

Client did not meet program requirements	114
Economics of refinance not viable	131
Other	225
Rescue funds not available	3

INCOME

Less than 50% of AMI	2320
Between 50% and 79% of AMI	2025
Between 80% and 100% of AMI	1141
Greater than 100% of AMI	937
Unknown	170

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3rd Quarter Reporting Results

RESIDENCE TYPE

Single Family	4827
Duplex	1292
3-Family	222
4-Family plus	52
Condo	105
Co-Op	35
Other/Not reported	60

DEFAULT REASON

Reduction/Loss of Income	4016
Medical Issues/Death of Family Member	647
Increase in Loan Payment	305
Increase in Expenses	410
Subprime/Unconventional Loan Product	290
Poor Budget Management Skills	242
Divorce or Separation	280
Failed Business Venture	110
Other	293

ASSISTANCE RESULT

Ongoing	5116
Filed Bankruptcy, Chapter 7 or 13	37
Withdrew from counseling	303
Obtained loan modification	360
Sold house/Deed in lieu/Short sale	17
Brought mortgage current	39
Foreclosed	55
Forbearance	38
Refinanced Mortgage	12
Other	616

CENTER FOR NEW YORK CITY NEIGHBORHOODS

One of the Program's awardees which coordinates foreclosure resources in the five boroughs in New York City is the Center for New York City Neighborhoods (CNYCN). This agency was created in 2008 to coordinate and expand multilingual services to New York City residents at risk of losing their home to foreclosure. Through comprehensive city-wide programming that includes legal services, housing counseling, community outreach and education they have become a recognized foreclosure resource in New York City.

With funding provided by the Program, CNYCN has created a call center that provides the first line of contact for NYC homeowners (all five boroughs) in mortgage distress. After assessing the needs of the caller, CNYCN refers the client to an approved housing counselor or legal service provider. From July through September of this year, CNYCN has received 856 incoming calls, 556 callers have been referred to NYS Subprime Foreclosure Prevention Services Program awardees, and the remainder of the calls have been referred to providers funded under CNYCN, the NYS Banking Department or other sources.

The top three counties the calls were generated from include Queens, Kings and the Bronx. Of the incoming calls, approximately 25% were directed to legal service providers.

TRAINING FOR FORECLOSURE PREVENTION SERVICE PROVIDERS

In addition to the direct services grants to non-profits, the 2008-2009 NYS budget directed that training and support be provided to foreclosure prevention service providers. In response to the budget directive, the HTFC has developed a two-year training plan to increase the capacity and collective skill set of housing counselors and attorneys engaged in foreclosure prevention activities on behalf of New York homeowners. HTFC entered into a two year contract with NeighborWorks America and Empire Justice Center in order to fulfill this need.

FORECLOSURE PREVENTION SERVICES PROGRAM ACTIVITY TO DATE

The following chart represents the foreclosure prevention activities of sixty-three (63) not for profit providers from October 1, 2008 through September 30, 2009. All providers began providing services during the 12 month period. Center for New York City Neighborhoods reporting results are listed separately following the chart. All providers are under contract for a period of 2 years.

End of Year Reporting Results

RACE

Black/African American	4841
White	5316
Hispanic	2826
Asian	637
Multiple Race	214
American Indian	26
Other	250
Chose not to respond	589

SPECIAL POPULATION/HOUSEHOLD TYPE

Single-Parent household or	2110
Persons who are elderly (age 65 or older)	520
Persons with disabilities	502
Persons who are Veterans	68
Other/More than one (special population)	657

LOAN TYPE

Fixed rate mortgage	7243
Subprime/Unconventional/Hybrid	2919
Option Adjustable Rate mortgage	3171
Unknown at Intake	660
Interest-Only loan	618
N/A Renter	58
Other	30

RESIDENCE TYPE

Single Family	10328
Duplex	2694
3-Family	436
4-Family plus	106
Condo	207
Co-Op	89
Other/Not reported	839

DEFAULT REASON

Reduction/Loss of Income	8699
Medical Issues/Death of Family Member	1392
Increase in Loan Payment	692
Increase in Expenses	994
Subprime/Unconventional Loan Product	697
Poor Budget Management Skills	608
Divorce or Separation	643
Failed Business Venture	268
Other	832

SERVICE TYPE*

Counseling/Loss Mitigation	8345
Negotiation with lender or servicer	2785
Defense of Foreclosure Action	518
Legal Advice/Legal Representation	1536
Court based services	285
Bankruptcy	45
Affirmative Litigation	37
Other	1090

*More than one answer cited

IF ASSISTANCE COULD NOT BE PROVIDED, WHY NOT?

Client did not meet program requirements	267
Economics of refinance not viable	238
Other	398
Rescue funds not available	15

INCOME

Less than 50% of AMI	5201
Between 50% and 79% of AMI	4661
Between 80% and 100% of AMI	2473
Greater than 100% of AMI	1931
Unknown	433

ASSISTANCE RESULT

Ongoing	11256
Filed Bankruptcy, Chapter 7 or 13	82
Withdrew from counseling	788
Obtained loan modification	707
Sold house/Deed in lieu/Short sale	52
Brought mortgage current	130
Foreclosed	109
Forbearance	77
Refinanced Mortgage	36
Other	1462

CENTER FOR NEW YORK CITY NEIGHBORHOODS

From February through September of this year, CNYCN has received 3033 incoming calls, 1916 callers have been referred to NYS Subprime Foreclosure Prevention Services Program awardees, and the remainder of the calls have been referred to providers funded under CNYCN, the NYS Banking Department or other sources.

The top three counties the calls were generated from include Queens, Kings and the Bronx. Of the incoming calls, approximately 22% were directed to legal service providers.

2009-10 NYS BUDGET FUNDING

Due to the ongoing problems associated with foreclosure, the 2009-10 New York State budget appropriated an additional \$25 million to the Housing Trust Fund Corporation (HTFC) to continue the State's foreclosure prevention effort started in the previous budget year. The new funds have been allocated from the Fiscal Stabilization Fund provided to the State under the American Recovery and Reinvestment Act (ARRA).

The NYS Housing Trust Fund released a request for proposals (RFP) seeking not for profit providers to provide foreclosure prevention services on October 28, 2009. The RFP is an open window solicitation in which not for profits can apply at any time until August 1, 2010. All funds under the Program must be expended by January 2012 to meet the requirements of ARRA.

An overriding goal of the new RFP is to build upon the statewide foreclosure prevention services network created in 2008. This RFP seeks to expand services of existing programs where warranted, fund new programs where an unmet need can be documented, and fund services to complement new or existing programs in a manner that increases the effectiveness of the overall foreclosure prevention effort in the State.

In addition to providing additional resources to allow organizations to expand existing services, HTFC also seeks innovative and/or new approaches to foreclosure prevention services that will lead to a decrease in the rates of default and foreclosure among New York homeowners.

HTFC is especially interested in funding activities that increase the likelihood of homeowners who are at risk of default or foreclosure accessing foreclosure prevention services through education, marketing/public awareness, and targeted, direct outreach to impacted homeowners.

Further, HTFC is seeking innovative strategies to increase levels of participation in the State's Mandatory Settlement conferences. Examples of such activities may include but are not limited marketing/education of the availability of the conferences, targeted outreach to homeowners who have received notice of a conference, presence in the courts or coordination with the courts to improve the level of preparedness of homeowners participating in Mandatory Settlement conferences.

In addition to the direct services grants to non-profits, the 2009-2010 NYS budget directed that training and support be provided to foreclosure prevention service providers. In response to the budget directive, the HTFC has developed a training plan to increase the capacity and collective skill set of housing counselors and attorneys engaged in foreclosure prevention activities on behalf of New York homeowners. HTFC will extend the current contracts with NeighborWorks America and Empire Justice Center in order to fulfill this need.

HTFC expects to begin reviewing new applications under this round during the first quarter of 2010.