

Written Testimony of
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(now doing business as NeighborWorks® America)

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Housing and Community Opportunity

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Chairwoman Waters, Ranking Member Capito and members of the Subcommittee, my name is Ken Wade, and I serve as the Chief Executive Officer of NeighborWorks America. I appreciate the opportunity to appear before you today to talk about NeighborWorks America's efforts to help address the mortgage crisis. I will focus my testimony on the National Foreclosure Mitigation Counseling (NFMC) program, which is administered by NeighborWorks America, but will also touch on some of the corporation's other efforts to prevent foreclosure. I have endeavored in this written testimony to respond to all of the questions raised

Background Information Regarding NeighborWorks America

By way of background, NeighborWorks America was established by Congress in 1978 as the Neighborhood Reinvestment Corporation. As you know, the corporation receives an annual federal appropriation from Congress through the Transportation, Housing and Urban Development, and Related Agencies Appropriations Subcommittees. By statute, NeighborWorks America's Board of Directors is comprised of the heads of the five financial regulatory agencies (the Federal Reserve Board, The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration) and a designee of the Secretary of the U.S. Department of Housing and Urban Development

NeighborWorks America's primary mission is to expand affordable housing opportunities (rental and homeownership) and to strengthen distressed urban, suburban and rural communities across America, working primarily through a national network of local community-based nonprofit organizations, known collectively as the NeighborWorks network.

The NeighborWorks network is comprised of more than 235 community-based organizations serving more than 4,500 urban, suburban and rural communities in all 50 states, Puerto Rico and the District of Columbia.

But with the growing foreclosure crisis, NeighborWorks expanded its efforts on behalf of the Nation's neighborhoods, and is now a nationally recognized leader in the fight against foreclosures.

NeighborWorks Center for Foreclosure Solutions

Five years ago, NeighborWorks America anticipated that the proliferation of sub-prime lending and non-traditional mortgage products would lead to an increase in foreclosures—particularly in the low-income and minority communities served by the NeighborWorks network – and created the NeighborWorks Center for Foreclosure Solutions.

The NeighborWorks Center for Foreclosure Solutions provides training and certification to foreclosure counselors, conducts public outreach campaigns, researches local and national trends to develop innovative solutions, and supports local and regional foreclosure intervention efforts.

In cities and states with high rates of foreclosure, the Center works with local leaders to create local coalitions and sustainable foreclosure intervention. For example, starting in 2005, NeighborWorks America has provided support to members of a statewide nonprofit coalition that is working to leverage their strategic partnerships and reduce foreclosures among low- and moderate-income families across Ohio.

NeighborWorks also provides a five-day training and certification course for foreclosure counselors as part of a new Foreclosure Prevention Counseling Certification series. In FY 2008, NeighborWorks awarded over 6,100 training certificates in foreclosure prevention-related coursework to individuals from more than 2,400 organizations at NeighborWorks' four National Training Institutes and 150 Place-Based Trainings in more than 60 cities. So far this year, more than 4,000 additional foreclosure counseling certificates have been awarded. In addition, as of May 11, 2009, more than 2,500 participants had completed a new e-learning Foreclosure Basics course. This has significantly increased the capacity of counselors and other foreclosure mitigation staff throughout the country.

National Public Outreach Campaign

To reach the hundreds of thousands of homeowners in danger of losing their homes, NeighborWorks America partnered with the Ad Council on a national public outreach campaign.

This campaign seeks to prevent home foreclosure by urging homeowners in financial trouble to call the "Homeowner's HOPE Hotline" (888-995-HOPE), the Homeownership Preservation Foundation's national foreclosure counseling hotline.

The hotline provides free foreclosure intervention counseling 24 hours a day, 7 days a week in both English and Spanish and links callers as appropriate with their lender or servicer, a local NeighborWorks organization or other HUD-approved nonprofit organization with certified foreclosure intervention housing counselors, for more extensive face-to-face counseling. The Ad Council campaign is being financed, almost entirely, by private sector funds from NeighborWorks partners.

The NeighborWorks campaign was in the top five of the most frequently aired Ad Council campaigns for 2008. In January 2009 (the latest month for which data is available) the Ad Council ads aired almost 24,000 times on TV, radio and cable around the country.

In the fourth quarter of 2008 alone, the broadcast television ads in English reached more than 60 million households, while the Spanish broadcast television ads reached 14 million households. The value of donated media as of December 31, 2008 totaled more than \$94 million.

Further, the website associated with the Ad Council campaign, (foreclosurehelpandhope.org) received almost 470,000 hits in 2008.

NeighborWorks is also working to improve the technology tools available to housing counselors as they provide and track foreclosure assistance to homeowners. This has included updating the foreclosure modules in the homeownership client management systems, Counselor Max and Nstep and working with Just Priced Solutions on Best Fit – a tool to improve effective modifications and solutions?

Outreach to Minority Communities and Populations

Given the disproportionate impact of foreclosures within minority communities, NeighborWorks is further expanding the reach of its public outreach campaign by promoting the use of community organizing and community building strategies. NeighborWorks is developing an on-line library of best practices on its website, www.nw.org, which provides innovative outreach techniques and tools for hard-to-reach populations. Based on the success of foreclosure telethons produced by the Univision affiliates in Boston and Las Vegas, the corporation is also pursuing a broader partnership with Univision to carry information directly to the Latino community through foreclosure telethons.

Earlier this year, NeighborWorks America hosted a major work-session on outreach to minority communities and continues to work with a broad range of groups on this issue.

NeighborWorks and the HOPE NOW Alliance

In order to expand the reach of the public education campaign, NeighborWorks has served as the key co-sponsor and logistics manager for the majority of the HOPE NOW Alliance's 2008 Homeownership Preservation Workshops outreach events. More than 20,000 families in-need attended the workshops in 29 of the cities hardest hit by foreclosures in 2008.

Community Stabilization

The corporation is also working on a variety of fronts to combat the impact of foreclosure, and particularly abandoned, bank-owned (REO) properties, on neighboring families and communities.

NeighborWorks has joined forces with other housing intermediaries including Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation (LISC), and the National Urban League to create the National Community Stabilization Trust to serve as a facilitator for the transfer of, or holder of, foreclosed and abandoned REO properties from financial institutions to local housing providers, returning the properties to the tax rolls and productive use in communities across the country.

The Trust is designed to promote efficient transactions in a transparent manner that complies with the requirements of the new Neighborhood Stabilization Program.

National Foreclosure Mitigation Counseling Program (NFMC) Highlights

NeighborWorks America also serves as administrator of the Congressionally-funded National Foreclosure Mitigation Counseling Program (NFMC).

The growing number of foreclosures has affected the entire country -- one family, one house, one neighborhood at a time-- and played a large part in creating the national and world-wide economic crisis we are experiencing today.

Because of the foresight of Congress in funding the National Foreclosure Mitigation Counseling program, NeighborWorks has been providing funding and training to approximately 1,600 counseling agencies across the country, who are working hard to help homeowners find solutions to their individual problems. A list of direct NFMC Grantees is included as Attachment A.

These agencies in all 50 states, the District of Columbia and Puerto Rico have served more than 410,000 individuals and families facing foreclosure in the last 15 months. As of April 30, 2009, self-reported outcome data from Grantees show that 20% of NFMC clients were able to retain their homes according to data reported by the counselors, 30% were continuing in counseling, 5% were foreclosed upon. The remaining had other outcomes, such as borrowers were counseled and referred to other agencies for social service or emergency assistance, entered bankruptcy or debt management program, referred for legal assistance, or withdrew from counseling.

According to a report to be released to Congress by NeighborWorks and the Urban Institute in the next two weeks, clients who received a loan modification that lowered the monthly payment were much more likely to bring their mortgage current and to avoid foreclosure than clients who did not receive a loan modification. Using outcome data that matched NFMC clients with information on loan performance from McDash Analytics, the report finds that only 6 percent of clients who received an affordable loan modification experienced foreclosure, compared to 26 percent of clients who did not receive a loan modification. Likewise, 57 percent of clients who received a loan modification became or remained current on their mortgage, compared to only 22 percent of those who did not receive a loan modification. While many clients are seeking counseling before becoming too delinquent, thereby improving the likelihood of retaining their home, nearly 20 percent of clients were already 121 days or more delinquent prior to seeking assistance. The majority of these individuals (60 percent) experienced foreclosure.

The majority of families and individuals served by NFMC agencies are minorities (more than 53%) reflecting in part the disproportionate impact of subprime lending and the foreclosure crisis on minority families and communities. Even more significantly, 37% of NFMC clients live in communities that are more than 50% minority (compared with 25% of the U.S. population) – areas that were often targeted by predatory lenders and subprime brokers.

To date, Congress has provided \$410 million to support the National Foreclosure Mitigation Counseling program, including:

- \$180 million in the Consolidated Appropriations Act of 2008 (PL 110-161)
- \$180 million in the Housing Economic Recovery Act of 2008 (PL 110-289), and
- The Omnibus Appropriations Act of 2009 (PL 111-8) provides an additional \$50 million for mortgage foreclosure mitigation activities, for a continuation of the National Foreclosure Mitigation Counseling (NFMC) program in 2009.

The President's budget, released last week, recommends an additional \$33.8 million to continue the NFMC program into FY 2010.

With these highlights, I would like to review the development and progress of the National Foreclosure Mitigation Counseling program to date.

Development and Design of the National Foreclosure Mitigation Counseling Program

The statutory language in PL 110-161 (the Consolidated Appropriations Act of 2008) had a number of requirements including:

- Eligible applicants were limited to HUD-approved housing counseling intermediaries, state housing finance agencies and NeighborWorks Organizations with expertise and demonstrated experience in foreclosure prevention counseling
- The funding was to provide mortgage foreclosure mitigation assistance primarily to states and areas with high rates of defaults and foreclosures primarily in the sub-prime housing market
- Mortgage foreclosure assistance was to be limited to homeowners of owner-occupied homes with mortgages in default or in danger of default;
- The legislation stated that grantees should provide a 'match' of NFMC funds;
- \$50 million in mortgage foreclosure mitigation grants was to be awarded within 60 days of enactment of the legislation;
- Up to \$5 million may be made available to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries through training
- The NRC (NeighborWorks America) shall report bi-annually to the House and Senate Committees on Appropriations as well as the House Financial Services Committee and the Senate Banking Committee.

NFMC Provisions under the Housing Economic Recovery Act of 2008

The Housing Economic Recovery Act of 2008 (PL-110-289), provided an additional \$180 million for the program and included the following new requirements governing Round 2 of NFMC:

- Not less than 15% of the funds shall be provided to counseling organizations that target counseling services regarding loss mitigation to minority and low-income homeowners or provide such services in neighborhoods with high concentrations of minority and low-income homeowners. **Note: NeighborWorks' fulfillment of this requirement is addressed on page 12 of this testimony.**

- NeighborWorks may consider, when appropriate, whether the applicants had implemented written plans for providing in-person counseling and making contact, including personal contact, with defaulted borrowers
- Grantees should identify and coordinate with nonprofit organizations operating national or statewide toll-free foreclosure hotlines
- \$30 million shall be used to make grants to counseling intermediaries approved by the Department of Housing and Urban Development or the NRC to hire attorneys to assist homeowners who have legal issues directly related to the homeowner's foreclosure, delinquency or short sale.
- Funds provided through the Housing Economic Recovery Act of 2008 were to remain available until December 31, 2008.

The \$50 million in Round 3 NFMC funding approved through the Omnibus Appropriations Act of 2009, follows the statutory provisions of the Round 1 NFMC funds, and does not include the provisions added for Round 2.

In response to the statutory framework of Round 1 of NFMC, the first foreclosure counseling grants provided through NFMC were awarded on February 24th 2008 – within 60 days of enactment of the initial NFMC legislation.

Since NeighborWorks had such a short time frame to meet the statutory deadline of 60 days and to be accountable as responsible stewards of taxpayer funding, we solicited a great deal of input into the design of the program and worked to design a program in which applications could be quickly reviewed and grantees could be held clearly accountable for performance. NeighborWorks also endeavored to be as transparent as possible in the design, review and implementation of the NFMC Program.

NeighborWorks used several strategies to garner input on design including:

- Received advice and guidance from staff of HUD's Housing Counseling Program,
- Created and sought guidance from an NFMC Advisory Group of governmental, philanthropic and policy experts,
- Review, input and guidance from the NeighborWorks America Board of Directors,
- Repeated consultation with the appropriations subcommittee on Transportation, Housing and Urban Development, where the statute originated
- A review of proposed design by the Office of Management and Budget, and
- Input sessions with all potential applicants to review proposed program parameters and get feedback and advice before finalizing any program parameters.

The following timeline indicates dates that key input was received that influenced the NFMC program design:

December 26, 2007	Legislation signed into law
December 27, 2007	Meeting with HUD's office of Single Family Program Development
January 3, 2008	Briefings with NFMC Grantees to receive input on program design

January 7, 2008	Call with staff members of NeighborWorks Board agencies to receive input on program design
January 7, 2008	Advisory Committee Meeting to receive input on program design
January 10, 2008	NFMC Program Design discussed at NeighborWorks Board Meeting

In addition, we have provided two formal reports to Congress to date and will issue a third report to Congress before the end of May. We also have provided many informal reports, briefings, and responses to requests for information to various Members of Congress.

NeighborWorks continues to seek and incorporate input from stakeholders. On April 17, 2009, NeighborWorks convened Intermediary and HFA grantees in Washington, DC with the explicit purpose of gathering input on suggestions for program improvement. A similar session was held on May 7, 2009 in Phoenix, AZ with NeighborWorks organization grantees during the NeighborWorks Training Institute. Input received at an April 17, 2009 convening, and under consideration is outlined in Attachment B.

Approval of Housing Counseling Agencies

The authorizing Legislation allowed NeighborWorks the authority to approve Housing Counseling Intermediaries. NeighborWorks determined that it would not exercise this authority, given:

- HUD has an established process for approving Housing Counseling Agencies, and NeighborWorks did not think it would be prudent to set up a separate and competing process.
- NeighborWorks needed to direct its resources to meet the short 60-day timeline to design the program; notify eligible applicants; seek feedback on the program; develop, test, and train applicants on the on-line grant application system; recruit and train more than 40 grant reviewers; determine funding amounts; and notify Grantees of award decisions.
- Given the 4% limit on program administration, funds could not be diverted to set up an approval process without compromising other aspects of the program.
- HUD agreed to expedite review of new applications for Housing Counseling Intermediaries in order to make determination of their approval prior to the closing of the NFMC applications. Two additional intermediaries were approved before the Round 1 application closed, and another two were approved before the Round 2 application closed.

The invitation to testify asked that NeighborWorks address the requirements to become a HUD and/or NeighborWorks-approved housing counseling intermediary and the average cost and time to become approved. For reasons discussed above, NeighborWorks is not independently certifying intermediaries. The eligibility of each applicant of NFMC is based on their approval by HUD.

The requirements and process for HUD approval and the application form HUD-9900 are posted on HUD's website at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm> and are outlined in the Housing Counseling Program Handbook 7610.1.

The HUD website states that it takes at most 60 days for consideration (though they have expedited the process during the NFMC application periods).

The actual processing time depends on the quality and completeness of the application), and considers, among other things, the organization's:

- Nonprofit Status
- Community Base
- Experience
- Financial Audit
- Recordkeeping and Reporting
- Counseling Resources (Funding, Staff, Language skills)
- Knowledge of HUD Programs and Local Housing Market
- Relationships with Community Resources
- Adherence to State and Local Requirements
- Facilities

Use of Funds under the NFMC Program

The first NFMC statute directs NeighborWorks to award at least \$167.8 million through a competitive grant process, while retaining up to \$5 million to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries and their partners (except that private financial institutions that participate in such training shall pay market rates for the training). Up to 4% of the total funding may be used by NeighborWorks America for associated administrative expenses to carry-out activities.

The program design provides a performance-based fee-for-service plan where funding provided to counseling agencies is based on the number of at-risk homeowners actually served. A number of factors went into determining the level of fees eventually established for the NFMC program, including, among other things:

- Extensive consultation with HUD representatives and review of a survey by HUD on the costs of housing counseling
- Information from a number of nonprofits and loan servicers on what fees servicers provided to nonprofit counselors for foreclosure intervention counseling;
- Discussions with, and information/statistics obtained from, HUD-approved counseling intermediaries and affiliated NeighborWorks organizations regarding their costs of housing counseling and foreclosure counseling.
- Statutory language required a 20% “match” -- which indicated the full cost of counseling was not intended to be covered by the NFMC program.

The NFMC payment structure consists of three components:

1. Operational Oversight funds of up to 5 – 7% of the counseling award for HUD Counseling Intermediaries and Housing Finance Agencies to cover their management and oversight costs as intermediaries and HFAs ;
2. NFMC Applicants can also apply for an amount up to 20% of their Counseling Award for Program-Related Support, utilized primarily to support direct costs associated with increasing the effectiveness and efficiency of Sub-grantees’ or Branches’ ability to provide quality foreclosure counseling; and

3. Counseling Fees for the actual counseling activity with the client.

Eligible uses of Program-Related Support could include a range of activities, including (but not limited to):

- Outreach to delinquent clients, especially in areas of greatest need;
- Group orientation and education sessions to help use counseling time more effectively;
- Establishing a triage system that makes more effective and efficient use of counseling time; and
- Technology and systems enhancement and purchases.

Recognizing that the actual counseling activity can include a range of activities depending on the specific client's financial situation, the grantee's business model and capacity and the severity of the mortgage delinquency, NeighborWorks America developed a three-tiered counseling fee structure. Initially, those fees were:

- Level One counseling fee, set at \$150 – essentially, to:
 - Conduct an intake, including client name and address, basic demographic information, lender and loan information, and reason for delinquency.
 - Obtain a signed authorization form from the client.
 - Develop a budget for the client based on client's representation of their expenses, debts, and available sources of income; and
 - Develop a written Action Plan for follow up activities to be taken by the client, and review this Action Plan with the client.
- Level Two counseling fee, set at \$200 (initially) – essentially to:
 - Engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (credit report), monthly expenses (monthly bills and banks statements) and spending patterns, and realistic opportunities for income (tax returns and pay stubs).
 - If not already on file, organization shall collect a signed authorization form from the client, submit client-level information to the data collection system for this grant, open files to be reviewed for program monitoring and compliance purposes, pull credit record, and provide client with its privacy policy statement.
 - Steps to obtain a solution outlined in the written Action Plan are taken and documented, including draft and submit to the servicer a hardship letter that describes the situation of the client, reason for delinquency, factors that should be considered when developing a work-out plan, and an estimate of the housing cost the client can afford to pay; documented attempt to contact the servicer or lender and, if a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program; Complete and submit application for local resource options including refinance programs or rescue funds; Assist in situations where client elects to pursue sale options; complete close-out documentation.
- Level Three counseling fee, set at \$350, combines the services offered under Levels One and Two, provided in succession by the same organization. Initially, the maximum fee that could be credited per individual counseling client was \$350.

These initial counseling fees have been modified two times:

- In response to the increased work-load and challenges facing counseling agencies in dealing with servicers, in September 2008, NeighborWorks approved an increase in Level 2 counseling to \$300 – which also raised the Level 3 funding to \$450 per client – for Round Two NFMC funding.
- More recently, in response to the added counseling demand and guidelines generated by the “Making Home Affordable” program recently announced by the Obama Administration, a new Level 4 counseling has been added, which provides a \$450 counseling fee for each client counseled under the Making Home Affordable post modification counseling requirements. This Level 4 counseling assists troubled homeowners with their back-end debt-to-income ratios (helping to address non-housing debt obligations) and does not have to be provided in conjunction with other NFMC counseling. Level 4 counseling may be combined with Levels 1, 2 or 3 for a maximum counseling fee per client of \$900.

In setting up the NFMC payment structure, NeighborWorks America tried to reach a balance that would allow the limited funds to reach as many troubled homeowners as possible, while providing a reasonable level of payment to counseling agencies to assist them in providing foreclosure intervention counseling services. As mentioned, we consulted with HUD approved counseling intermediaries, NeighborWorks organizations, HUD and industry representatives, the NFMC Advisory Committee and TTHUD Subcommittees in the House and Senate in designing the program and payment structure, and conducted briefings and feedback sessions with HUD approved counseling intermediaries, state housing finance agency representatives, and NeighborWorks organizations and used their feedback to further improve the program.

NeighborWorks has also worked with a number of HUD-approved counseling intermediaries, the Department of Treasury, the HOPE NOW Alliance, and others, to encourage more servicers to provide cost reimbursement for counseling services to more nonprofit counseling agencies. While a limited number of HUD-approved counseling agencies or local nonprofit counseling agencies (including some NeighborWorks organizations) receive cost reimbursement, fees or philanthropic grants for their foreclosure counseling, the servicers and investors are not adequately contributing to the cost of counseling. Unfortunately, due to current economic conditions, philanthropic grants and corporate contributions to support counseling have been cut back just as the demand for foreclosure intervention counseling has risen to all time highs.

NeighborWorks has been working closely with some HUD approved intermediaries and the HOPE NOW Alliance to utilize the NFMC data points that we have collected to enable NFMC grantees to collect additional counseling fees or cost reimbursement from the servicers – most likely \$150 per customer (this is the amount stipulated in the guidelines issued by the American Securitization Forum in October of 2007). NeighborWorks is planning to invest in additional technology solutions to make this a reality. However, each servicer will have to sign a contract with each counseling agency. We are hopeful that the servicers will actively engage and commit to executing these contracts.

The role of the servicers is critical. The NFMC quarterly reports ask each grantee what the most significant challenges are, and the most common challenge cited in the last three quarterly reports has been the servicer responsiveness. Counselors routinely report spending hours and hours on back-and-forth communication with the servicers (typically over a period of many weeks and months). The fact that counselors often spend more time trying to get a response from the servicers than counseling the customer is problematic. In addition, counselors often have to spend a great deal of time pushing back on unrealistic solutions offered by the servicers – loan modifications that have no chance of success or temporary solutions that are not sustainable for the life of the loan. With 14 servicers agreeing to participate in President Obama’s making Home Affordable Program (as of May 12, 2009) we are hopeful that at least those servicers will no longer offer unrealistic or unreasonable solutions.

While the servicer communication, lack of responsiveness and offering of unrealistic solutions has been a major problem, many counseling agencies have also learned how to revise their business models and personnel structure to be more efficient and effective in their delivery of foreclosure counseling services. As NeighborWorks has learned more about these structures, it is sharing information on them and incorporating some examples into its training courses and curriculum. One of the key changes that many counseling agencies have made over the last 12 months to address the much greater demand for their foreclosure services is to better utilize triage, intake and group education to collect data, documents, etc. and to provide the basic understanding of the foreclosure and counseling process -- and to reserve expert counseling time for the activities best delivered one-on-one. Several agencies have also started segregating the counseling and servicer negotiating functions, and have reported much greater success with that model. They hire dedicated negotiators to work with the servicers to achieve the best solution for the customer. Finally, several organizations are utilizing improved technology to create efficiencies and to better and more consistently communicate with the servicers. NeighborWorks is also providing some support to explore and utilize additional technology solutions.

Finally, in the next month, NeighborWorks will hire a third-party to survey all NFMC grantees, to provide feedback on their actual costs of counseling, and to give some estimates of how those costs are broken out over a range of functions – triage, intake, counseling, negotiating, following up with servicers, etc. We hope that the NFMC grantees will fully participate so that we can better understand their actual costs. We will also seek to work closely with HUD’s Counseling Program Staff in analyzing and interpreting this response.

To address the need to have cash to hire and pay counselors and meet up front costs, the NFMC program is designed such that the typical Grantee receives 40.5% of its award upfront. Once 25% of the homeowners the grantee projected to serve within the program parameters are counseled, the grantee receives an additional draw at which point it will have received 68% of its award. Once 60% of the borrowers the grantee projected to serve within the program parameters are counseled, the grantee receives an additional draw at which point it will have received 96% of its award. The remaining amount is disbursed half when the final programmatic report is complete and half when the grantee has completed their participation in the statutorily-directed

NFMC evaluation. A list of allowable exceptions to this draw procedure is included as Attachment C.

Service to “Areas of Greatest Need”

By statute, NFMC counseling must be directed primarily to areas of Greatest Need. NeighborWorks defined Areas of Greatest need as Metropolitan Statistical Areas (MSAs) and rural areas of states that had the highest number or percentage of delinquent loans, the highest percentage of foreclosures, or the highest percentage of subprime loans. Each Applicant projected the number of counseling units they would provide by MSA in their grant applications. These numbers were proportionately reduced, based on each Grantee's award amount, and Grantees were given the opportunity to revise them before starting the Grant. Before award decisions were made, NeighborWorks analyzed whether, overall, the counseling proposed would be primarily targeted to Areas of Greatest Need and also whether counseling would be provided in the majority of the MSAs and rural areas deemed Areas of Greatest Need. At each draw trigger, NeighborWorks analyzes whether Grantees have remained within an allowable variance in serving the MSAs and rural areas it was contracted to serve. Because some Grantees have found it difficult to serve some of the areas they projected serving due to changing market conditions, outreach strategies not proving to be as effective as projected, clients from adjacent MSAs seeking the organization's services, etc. NeighborWorks has allowed some flexibility to Grantees in meeting this requirement; Attachment C outlines when exceptions are made that allow Grantees to waive some or all of their contracted obligations by geographic area.

Reporting Requirements

NFMC Grantees are required to report in two ways. First, they are required to report individual data on clients served through a secure, encrypted web-based data collection system. Second, Grantees must submit quarterly reports that, among other items, comment on successes and challenges of the administering the program to date. The individual data points and quarterly report questions are included as Attachment D.

Service to Low-Income and Minority Homeowners and Neighborhoods

With regard to the Round 2 requirement that at least 15% of NFMC funds be awarded to grantees serving low-income and minority homeowners or neighborhoods, NeighborWorks ensured this requirement was met when it awarded the second round of funding. A total of \$73,778,070 (or 41% of the appropriation) was awarded to 42 organizations for which all of the following is true:

- Applicant must have said “yes” to application questions that asked if they intentionally target their services to low-income and minority homeowners OR to low-income and minority neighborhoods. This was true for 114 of the 135 applicants.
- Applicants were scored based on their experience serving low-income and minority homeowners and neighborhoods, the strength of their marketing plans to these homeowners and neighborhoods, and the percentage of total service to minority and low-income homeowners and neighborhoods. Applicants must have received a perfect score of 6 out of 6 to be counted in this category. This narrowed the number of organizations to 51.

- For applicants who received Round 1 funding, NeighborWorks reviewed their program production to verify that the majority of the applicant's Round 1 clients were minority AND low-income. This narrowed the number of organizations to 42.

An analysis of Grantees' service to minority and low-income borrowers and communities, as well as an account of the number of borrowers served by NeighborWorks organizations and each of the Housing Counseling Intermediaries as of March 31, 2009 is included as Attachment E.

According to Claritas 2007 data, 70 million people (or 25% of the U.S. population) live in zip codes where the majority of residents are minorities. Of these, 13 million are homeowners, and 7.8 million are minority homeowners. NeighborWorks conducted an analysis of NFMC Program penetration into these zip codes as of March 31, 2009. A total of 139,539 NFMC Program clients, or 37% of all clients, reside in one of them, and \$30 million of counseling funds have been delivered to these zip codes. In aggregate, HUD-Approved Housing Counseling Intermediaries have provided 38% of their services to clients in these zip codes, State Housing Finance Agencies have provided 33% of their counseling services to these zip codes, and NeighborWorks organizations have provided 48% of their overall counseling to clients in these zip codes.

SERVICE OF NFMC INTERMEDIARIES TO MINORITY AND LOW-INCOME PEOPLE AND NEIGHBORHOODS

Data as of March

31, 2009-

Combines NFMC

RD1 and RD2

Grantee Name	Total Clients	# of Clients from Majority Minority Zips	% of Clients from Majority Minority Zips	# of Clients from Low-Income (<80% AMI) Zips	% of Clients from Low-Income (<80% AMI) Zips	# of Clients with Self Reported Incomes <80%	% of Clients with Self Reported Incomes <80%	# of Minority Clients	% of Clients Served that are Minorities
ACORN HOUSING CORPORATION	21,758	12,045	55%	7,698	35%	17,450	80%	16,172	74%
CATHOLIC CHARITIES USA	1,369	252	18%	348	25%	864	63%	571	42%
CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	291	111	38%	140	48%	212	73%	119	41%
HOMEFREE - U S A HOMEOWNERSHIP PRESERVATION FOUNDATION	8,309	4,351	52%	2,840	34%	6,233	75%	6,076	73%
HOUSING	92,082	30,191	33%	18,400	20%	54,046	59%	38,132	41%

PARTNERSHIP NETWORK	7,507	2,756	37%	2,835	38%	5,589	74%	4,047	54%
MISSION OF PEACE MONEY MANAGEMENT INTERNATIONAL INC.	12,862	5,569	43%	4,466	35%	9,602	75%	7,240	56%
NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA	12,848	4,819	38%	2,655	21%	6,232	49%	5,534	43%
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS-INVESTMENT DIVISION, INC	37,313	20,484	55%	11,084	30%	37,165	100%	31,138	83%
NATIONAL COMMUNITY REINVESTMENT COALITION	375	253	67%	159	42%	249	66%	321	86%
NATIONAL COUNCIL OF LA RAZA	1,206	739	61%	642	53%	909	75%	894	74%
NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	3,791	2,196	58%	1,440	38%	2,551	67%	3,105	82%
NATIONAL URBAN LEAGUE	64,195	14,368	22%	9,301	14%	34,149	53%	23,315	36%
NEIGHBORWORKS AMERICA	3,698	2,008	54%	1,808	49%	2,679	72%	2,880	78%
STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	25,070	12,152	48%	9,307	37%	17,829	71%	16,436	66%
WEST TENNESSEE LEGAL SERVICES, INCORPORATED	2,534	1,574	62%	973	38%	1,832	72%	2,184	86%
WEST TENNESSEE LEGAL SERVICES, INCORPORATED	2,556	841	33%	705	28%	1,866	73%	1,248	49%
Grand Total of Intermediary Service	272,694	102,557	38%	65,494	24%	181,628	67%	142,976	52%

When looking at nationwide delivery of services to minorities, HUD-Approved Housing Counseling Intermediaries have provided 52% of their services to minority clients, State Housing Finance Agencies have provided 49% of their counseling services to minorities, and NeighborWorks organizations have provided 66% of their NFMC Program counseling services to minority clients.

This equates to \$42.6 million of counseling being provided to minorities as of March 31, 2009.

NFMC Program has also been providing services to low-income homeowners. According to Claritas 2007 data, 56 million people (or 20% of the U.S. population) live in zip codes with less than 80% of the Area Median Income (AMI), and 10 million homeowners live in these zip codes. When looking at NFMC Program penetration into these zip codes, 26% of program clients reside in them, and nearly \$21 million in counseling has been provided to these zip codes. HUD-Approved Housing Counseling Intermediaries have provided 24% of their NFMC Program counseling to clients in these zip codes, State Housing Finance Agencies have provided 28% of their counseling to these clients, and NeighborWorks organizations have provided 37% of their counseling to clients in these zip codes.

Overall in the NFMC Program, 67% of clients report having incomes less than 80% of their AMI, and \$52 million has been utilized to counsel these clients. HUD-Approved Housing Counseling Intermediaries have provided 67% of their services to clients who report making less than 80% AMI, State Housing Finance Agencies have provided 64% of their counseling services to these clients, and NeighborWorks organizations have provided 71% of their NFMC Program counseling services to clients who report making less than 80% AMI.

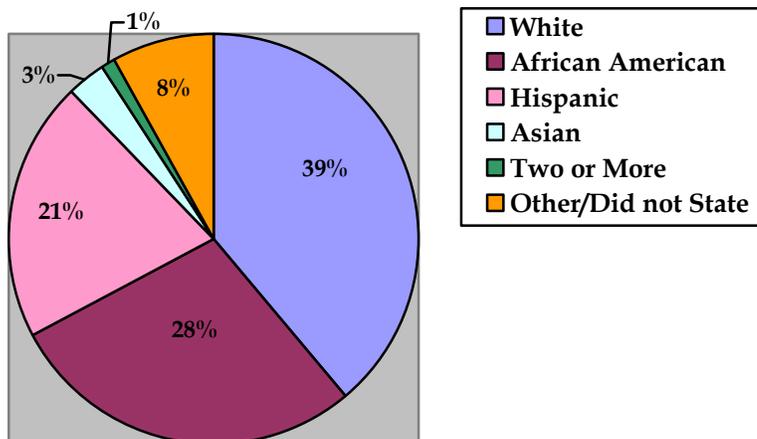
Results of NFMC Program as of March 31, 2009

To date, more than 410,000 homeowners facing foreclosure have received counseling through the NFMC Program. An analysis of the borrowers reported receiving services as of March 31, 2009 follows, and includes data from more than 373,000 borrowers served.

As part of the program design requirements, NeighborWorks America is collecting a significant amount of information on these homeowners, their loans, and the counseling efforts they receive.

The majority of NFMC Program clients, 53%, are minorities – defined as African American, Hispanic, American Indian, Alaskan Native, Asian or Pacific Islander.

Race and Ethnicity of NFMC Program Clients



Source: NFMC Program Reported Data

Overall:

- Whites represent 39% of all NFMC Program clients, while 79% of the nation’s homeowners are white.
- African Americans account for 28%, though only 8% of homeowners in the nation are African-American. However, 19% of subprime loans were originated to African Americans.
- Hispanics represent 21%, again, though only 8% of the nation’s homeowners. However, 18.3% of subprime loans were originated to Hispanics.
- Asians account for 3%, compared to 2% of homeowners nationwide. 2.8% % of subprime loans were originated to Asians.

(Sources: NFMC Data, Claritas 2007, and NeighborWorks analysis of Home Mortgage Disclosure Act 2007)

Race	Total Loans 2006-07 (Refi and Purchase)	% of Total	Total Higher Priced (Subprime)	Subprime as a percentage of all loans to this group	Percent% of All Subprime loans that went to this group
Amer Indian /Alaskan Nat	82,550	0.7%	24,357	29.5%	0.8%
Asian	569,806	4.6%	81,257	14.3%	2.8%
Pacific Island.	70,411	0.6%	20,197	28.7%	0.7%
Hispanic	1,465,401	11.7	537,999	36.7	18.3%
African Amer	1,179,796	9.4%	559,005	47.4%	19.0%
White	9,128,728	73.0%	1,718,214	18.8%	58.4%
Totals	12,496,692	2,941,029	100%	23.5%	100%

42% of all NFMC Program clients had household incomes less than 50% of their Area Median Income (AMI), and overall, 67% of clients had household incomes less than 80% of their AMIs.

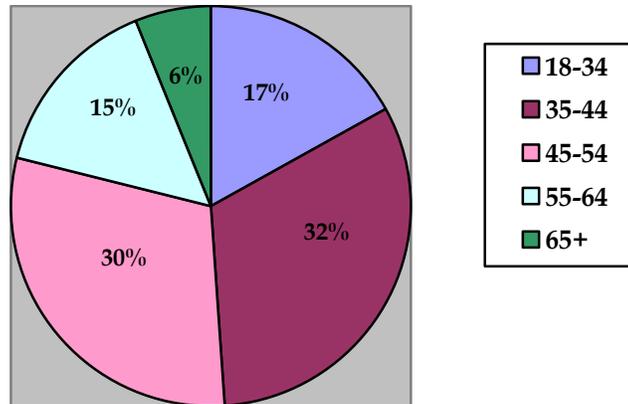
Income of NFMC Program Clients by Area Median Income (AMI)

Percentage of AMI	Number	Percent
Less than 50% AMI	155,289	42%
50-79% AMI	92,634	25%
80-100% AMI	60,971	16%
Greater than 100% AMI	62,317	17%

Source: NFMC Program Reported Data

Clients receiving counseling through the NFMC Program are on average 44 years of age. 62% of clients are between the ages of 35 and 54, and 21% are over the age of 55 (6% are over 65).

Age of NFMC Clients



Source: NFMC Program Reported Data

Note: Entries under 17 years of age excluded

Nearly half – 49% – of clients report they are facing foreclosure due to a reduction in or loss of income. This number has consistently increased with every data analysis we conduct. In September of 2008, 41% of clients reported this as the reason why they are facing foreclosure, and in January of this year, 45% reported this. Only 7% of clients receiving counseling through March 31st report an increase in their loan payment as the reason they are seeking counseling.

Primary Reason for Default

Primary Reason for Default	Percent
Reduction in Income	30%
Loss of Income	19%
Medical Issues	8%
Increase in Loan Payment	7%
Poor Budget Management Skills	7%
Increase in Expense	5%
Divorce/Separation	4%
Death of Family Member	2%
Business Venture Failed	2%
Other	19%

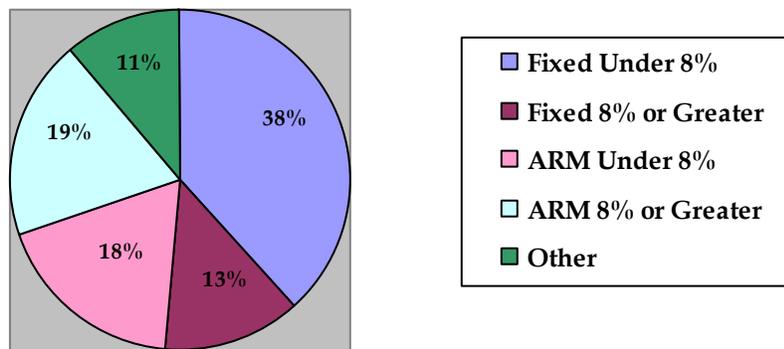
Source: NFMC Program Reported Data

The NFMC Program was created to address the high number of homeowners holding subprime mortgages who were defaulting or in danger of defaulting on those mortgages.

The program uses an interest rate of 8% as a proxy to indicate subprime loans. However, 56% of clients held loans with interest rates below 8%, and 38% of all clients held loans with a fixed interest rate under 8%, the most desirable type of mortgage.

37% of NFMC Program clients reported holding adjustable rate mortgages (ARMs), while more than half, or 52%, reported holding fixed-rate mortgages. While the percentage of clients seeking assistance with fixed rate mortgages is increasing, the fact that nearly two out of five clients hold ARMs continues to reflect concerns with these mortgages, given that only 20% of mortgages nationwide are ARMs. (Source: Mortgage Bankers Association National Delinquency Survey, Fourth Quarter 2008, and NFMC Program Reported Data)

Loan Type



Source: NFMC Program Reported Data

Compared to all loans nationwide, the data show that NFMC Program clients holding subprime fixed-rate loans are seeking counseling at a much higher rate than these loans exist in the market. Only 6% of all U.S. mortgages are subprime fixed-rate loans, but 13% of NFMC Program clients hold these mortgages. This is particularly relevant given that the NFMC legislation specifically targeted defaults and foreclosures primarily in the sub prime housing market.

Another interesting statistic is that more than half (52%) of NFMC Program clients are less than 60 days late on their mortgage when they seek assistance, and 30% are current. However, more than one in five NFMC Program clients (22%) are over 120 days delinquent. The fact that so many clients are either current on their mortgage or just entering delinquency is both positive and negative. It shows that these homeowners are attempting to thwart foreclosure and reestablish financial solvency, yet counselors report that their clients who seek a loan modification often cannot receive one as some servicers are triaging borrowers based on the foreclosure timeline and will not explore a modification until the borrower is officially in foreclosure or seriously delinquent. Counselors can work with these clients to review their income and expenses and determine how the client can continue to pay their mortgage, but unless they are facing a determined foreclosure date they are often not able to fully address their situation.

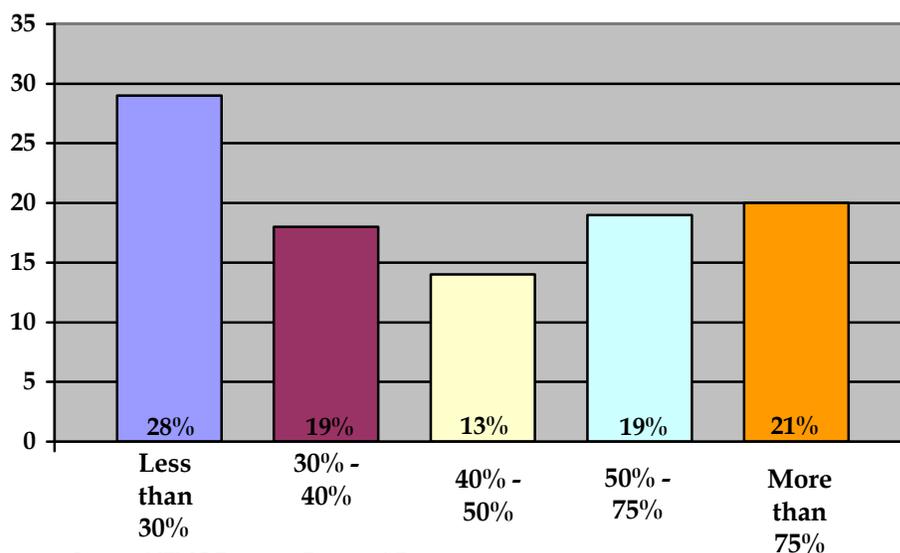
Loan Status at Intake

Loan Status	Percent
Current	30%
30-60 Days Late	22%
61-90 Days Late	17%
91-120 Days Late	9%
121+ Days Late	22%

Source: NFMF Program Reported Data

20% of all NFMF Program clients are paying more than 75% of their income on housing costs. In total, 39% are paying more than 50% of their monthly income toward PITI. President Obama’s Making Home Affordable program underwriting guidelines require this “front-end ratio” to be at most 31%.

Percentage of NFMF Program Clients by Percentage of Income Paid to PITI



Source: NFMF Program Reported Data

Note: Extreme outliers removed from PITI. Total of .05% cases trimmed from highest and lowest values.

We are very interested in how NFMF Program clients have fared in the long-run. NFMF grantees report client status and outcomes, when known, to NeighborWorks as part of the ongoing reporting requirements of the program. Grantees are required to provide a much more in-depth analysis of outcomes at aggregate levels in their quarterly reports.

According to analysis based on information received from Grantees through their February 1, 2009 quarterly reports and supplemented to the extent possible with reported data through March 31, 2009, the most prevalent status/outcome reported is that the client is still in counseling (26%). Grantees continue to report that servicers take between 45 and 60 days to respond to requests for work-outs, thus clients will require long-term assistance and counseling to remediate their financial situation.

25% of NFMC Program clients reported a positive outcome, which is an outcome that allows a client to either remain in their home or possibly retain some of the equity they had in their property, while 14% of clients reported a negative outcome, which is a situation where a client will likely have to leave their home as in the case of a foreclosure, short sale, or deed in lieu of foreclosure.

Reported Outcomes

Outcomes	Percentage
Currently receiving foreclosure prevention/budget counseling	27%
Initiated forbearance agreement/repayment plan	14%
Counseled and referred to another social service or emergency assistance agency	13%
Mortgage modified	6%
Pre-foreclosure sale/short sale	4%
Brought mortgage current	4%
Withdrew from counseling	4%
Counseled and referred for legal assistance	3%
Bankruptcy	3%
Entered debt management plan	2%
Mortgage foreclosed	2%
Sold property/chose alternative housing solution	1%
Mortgage refinanced	1%
Executed deed-in-lieu	0%
*Mortgage refinanced with non-FHA product	0%
*Mortgage modified with PITI less than or equal to 38% w/ at least 5yr fixed rate	0%
*Mortgage modified with PITI greater than 38% or interest rate fixed less than 5yrs & appears sustainable	0%
*Mortgage modified with PITI greater than 38% or interest rate fixed less than 5yrs & appears NOT sustainable	0%
Received second mortgage	0%
Obtained partial claim loan from FHA lender	0%
*Brought mortgage current without rescue funds	0%
*Currently in negotiation with servicer; outcome unknown	0%
*Referred homeowner to servicer w/ action plan & no further counseling activity; outcome unknown	0%
*Foreclosure put on hold or in moratorium; final outcome unknown	0%
*Homeowner(s) sold property-not short sale	0%
*Counseled on debt management or referred to debt management agency	0%
Other	18%
Total	100%

Source: NFMC Program Reported Data

* New outcome option for Round 2 - the numbers here are low because the first Round 2 report was due on May 1, 2009 and Grantees are just beginning to report on activity during Round 2.

One of the key requirements Congress had for the NFMC Program funds was that a substantial portion went to the areas of the nation with high foreclosure rates and thus a more prevalent need for counseling. Overall, 363,420 units of counseling have been provided in areas of greatest need. This is 88% of the overall delivered units through March 31, 2009. The Washington, DC, Los Angeles and Chicago MSAs rank the highest for NFMC Program counseling units delivered by Metropolitan Statistical Area (MSA).

Top 15 MSAs of Greatest Need

Metropolitan Statistical Area	Counseling Units Awarded	Counseling Units Delivered
Washington-Arlington-Alexandria, DC-VA-MD-WV	35,491	20,682
Los Angeles-Long Beach-Santa Ana, CA	48,357	16,309
Chicago-Naperville-Joliet, IL-IN-WI	40,004	16,034
New York-Northern New Jersey-Long Island, NY-NJ-PA	36,902	14,120
Atlanta-Sandy Springs-Marietta, GA	24,443	13,349
Riverside-San Bernardino-Ontario, CA	26,029	12,593
Miami-Fort Lauderdale-Pompano Beach, FL	21,028	11,677
Minneapolis-St. Paul-Bloomington, MN-WI	25,908	11,446
Detroit-Warren-Livonia, MI	46,304	10,387
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	27,961	9,721
Phoenix-Mesa-Scottsdale, AZ	22,221	8,861
San Francisco-Oakland-Fremont, CA	21,982	7,443
Cleveland-Elyria-Mentor, OH	20,595	7,248
San Diego-Carlsbad-San Marcos, CA	16,838	6,823
Baltimore-Towson, MD	13,739	6,390

Source: NFMC Program Reported Data

When we look at the statewide level, more NFMC Program counseling was conducted in California than any other state – 66,404 units of counseling have been delivered in California. In Florida, 33,100 units of counseling have been delivered, and 27,960 units have been delivered in Ohio.

Top 10 States by Units Delivered

State	Counseling Units Delivered
California	66,404
Florida	33,100
Ohio	27,960
Maryland	21,858
Georgia	18,730
Michigan	18,110
Illinois	17,956
Pennsylvania	15,740
Minnesota	15,675
Texas	14,087

Source: NFMC Program Reported Data

With the additional Congressional funding for FY 2009, the NFMC Program will continue to provide the nation's homeowners with much needed assistance in their struggle to survive the economic downturn and remain in their homes. However, the added counseling demand generated by President Obama's "Making Home Affordable" program may cause NFMC grantees to draw these funds down sooner. We will of course keep Congress informed of the program's progress and any significant changes we encounter on the counseling front.

Training / Building Foreclosure and Default Mitigation Counseling Capacity

The NFMC legislation directed NeighborWorks America to use up to \$5 million of the funds from Round 1 and up to \$5 million in funds each from Rounds 2 and Round 3, to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries and their partners. NeighborWorks America is training foreclosure counselors across the country through a combination of multi-course, weeklong trainings at NeighborWorks Training Institutes and other venues, local place-based training events and e-learning courses.

As of April 30, 2009:

- 4,475 scholarships have been provided to counselors and staff to attend trainings
- 10,204 certificates of course completion have been issued. Of these, 2,549 certificates of course completion have been issued for e-learning course Foreclosure Basics
- Hosted 46 local place-based training events in 30 states and regional multi course training in 11 states... which enabled counselors to have training closer to home.

NFMC-funded Counseling in conjunction with the "Making Home Affordable" plan

The "Making Home Affordable" (MHA) plan is part of President Obama's broader Homeowner Affordability and Stability Plan (HASP), designed to get the economy and the housing market back on track. The "Making Home Affordable" plan could help up to 9 million families restructure or refinance their mortgages to avoid foreclosure.

A specific component of the "Making Home Affordable" plan includes foreclosure counseling. The "Making Home Affordable" plan specifies that borrowers with over 55% debt to income must agree to meet with a counselor from a HUD-approved housing counseling agency or a National Foreclosure Mitigation Counseling Program counseling agency.

The NFMC Program has been modified to encourage participating foreclosure counseling agencies to work with troubled borrowers to create an action plan that includes steps and a timeline to eliminate unnecessary debt, minimize expenses, increase income and create savings. The action plan will also establish a follow-up schedule with the foreclosure counselor. A detailed protocol describing the required components of this counseling is posted at HUD's website: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>

Under the terms of the "Making Home Affordable" program, servicers may refer borrowers to specific counseling agencies that provide foreclosure prevention services under the NFMC program or HUD Grant programs.

Servicers may also direct borrowers to the nationwide Hope Hotline, 888-995-HOPE, and to NFMC- or HUD-funding foreclosure counseling agencies located at <http://www.hud.gov/offices/hsg/sfh/hcc/fc/>

To assist borrowers seeking approved counselors, NeighborWorks America has established a new web site (www.findaforeclosurecounselor.org) which lists all housing counseling agencies (both direct grantees and sub-grantees) funded through the National Foreclosure Mitigation Counseling Program, administered by NeighborWorks America, to provide borrowers with the information and assistance they need to avoid foreclosure through the Making Home Affordable program.

NFMC Program Administration

NeighborWorks continues to be a responsible steward of this special appropriation, and has used the four percent allowed through the legislation for program administration to ensure it is successful and transparent. Program administration activities pertaining to the initial funding round include:

- **Quality Control and Compliance:** Mayer Hoffman McCann, a CPA firm based in Kansas City, was awarded a competitively bid contract to conduct the quality control and compliance monitoring of NFMC Program Grantees and applicable Sub-grantees. They provided a report to NeighborWorks in March 2009 that covers Grantee compliance with their Grant Agreement and mandatory certifications; delivery of counseling services; financial transparency (expenditure verification, budget, etc.); compliance with program requirements, including record retention and adequate insurance coverage; appropriate Sub-grantee oversight; and verification of service delivery through clients reported to the program.

Mayer Hoffman McCann conducted remote reviews of 99 Grantees that included document collection and case file review. The remaining 30 Grantees – selected through a risk rating system that took into account size of award, years of experience providing foreclosure counseling, findings from A-133 reviews and litigation disclosures, and other factors – were subject to site visits that included evaluation of all information obtained in remote reviews and additional examination of items including availability of translation services, accessibility of services for people with disabilities, and file maintenance. A Grantee that returned all funds and is no longer participating in the program was not subject to a compliance review.

NeighborWorks also retained consultants to ensure that counseling services provided met the program and statutory requirements of the NFMC Program. The consultants conducted site visits to 48 Grantees to observe counseling sessions, counselors' interaction with clients, and appropriateness of counselors' recommended action plans or work-out solutions. The consultants are also reviewing 91 case files from Grantees and testing whether the Grantees are adhering to the *National Industry Standards for Homeownership Counseling – Foreclosure Intervention Specialty*.

NeighborWorks competitively awarded a contract to the Urban Institute to conduct a two-year evaluation of the NFMC Program design and the impact of foreclosure counseling on the likelihood of foreclosure. The Urban Institute's first periodic progress report was provided to Congress with the first NFMC Program report. Later this month (May 2009) the Urban Institute will provide a second report to NeighborWorks, which will build on the initial evaluation of program execution, present research into the counseling process and the challenges counselors face, provide a more robust data analysis on NFMC Program clients and outcomes, and offer a preliminary look at the impact counseling has on helping homeowners avoid foreclosure. This report will be shared with Congress once available. The Urban Institute will also provide subsequent reports containing information on program design and effectiveness, and foreclosure counseling and its ability to curtail foreclosures.

- **Internal Audit:** NeighborWorks America's Internal Audit team and additional temporary staff, reporting to the NeighborWorks Board of Directors, has initiated their audit of the NFMC Program, which includes individual audits of ten aspects of the program: compliance with legislative and program requirements; quality control of counseling services; outsourced Data Collection System; production and quarterly reporting; grant recapture; program design, scoring and funding recommendations; complaint management; staffing and management of outsourced services; grant disbursement and related accounting; and non-grant expenditures, related and miscellaneous accounting.
- **Board Oversight:** NeighborWorks America has an active Board of Directors which consists of senior leadership of the Federal banking regulatory agencies and HUD. The NFMC Program is a standing agenda item on the regular quarterly Board meetings as well as meetings of the Finance, Budget and Program Committee, and the Audit Committee. Officers of the corporation, NFMC Program staff, and Internal Audit provide written and oral reports to the Board, respond to members' questions and receive input and direction during these meetings.

Staff members of Board agencies have also been given the opportunity to participate in many aspects of the program, from providing input into the program design and contributing as grant application reviewers to observing the application reviewer trainings and applicant debriefings.

- **Budget and Cash Management:** In accordance with prescribed uses of the funds as outlined in P.L. 110-161 and P.L. 110-289 (including grants, training, administrative expenses, legal assistance grants, etc.), NeighborWorks America prepared, and continues to monitor on an on-going basis, a comprehensive program budget for the NFMC Program indicating the breakdown and summary of planned costs by major program and cost category. The budget serves as a key financial control to manage all program expenditures. Additionally, separate bank accounts were instituted for the program to effect clean segregation of funds for management activities and fiscal accountability.

Finally, components of the program design also incorporate internal and program control elements that help to effect a proper balance of risk management between the program objectives and financial oversight. Each of these considerations reflects the overall commitment to preserving the high quality that NeighborWorks maintains with regard to its financial management function.

Round 2 NFMC Program Administration

On July 30, 2008, Congress passed the Housing and Economic Recovery Act of 2008 (P.L. 110-289), which appropriated an additional \$180 million to the NFMC Program, with \$30 million dedicated to funding legal assistance. The funds had to be awarded before December 31, 2008.

NeighborWorks created a second round of counseling awards, and \$39.72 million of funding from the first round was added to this second round. This included money held from Round 1 with the intention of being awarded as the program progressed and performance and need were further assessed, as well as a small amount of deobligated funds. These combined funds were awarded on December 3, 2008. Funding Announcements detailing program design for both rounds of the counseling program and the legal assistance program can be found at www.nw.org/nfmc.

Anti-Scam Efforts

Finally, I would mention that the recently approved Omnibus Appropriations Act of 2009 included \$6 million for NeighborWorks America to conduct a consumer mortgage public education campaign, aimed at helping troubled borrowers avoid the growing scourge of rescue-scams, and mortgage modification scams.

NeighborWorks America has been consulting with a variety of groups regarding this growing problem, including state and federal regulatory agencies, the Federal Trade Commission, the National Association of Attorneys General, individual State Attorneys General, HUD, Treasury and others. We are making encouraging progress toward implementing an anti-scam public education campaign, and anticipate that we will be able to announce the specifics of this approach within the next 30 to 60 days.

I was privileged to be part of the April 6, 2009 announcement by Treasury Secretary Tim Geithner, U.S. Attorney General Eric Holder, HUD Secretary Shaun Donovan, FTC Chairman Jon Leibowitz and others, announcing the much-needed federal crackdown on foreclosure rescue scams.

Rescue scams are proliferating at a rapid pace and more homeowners are falling prey to the slick advertising and sales pitches that falsely 'guarantee' to keep them in their homes. The coordinated effort announced by the Administration aims to stop predatory and fraudulent 'rescue' practices not only through enforcement but also by educating vulnerable homeowners so they can avoid these scams in the first place.

NeighborWorks America is working with the FTC to develop a national public education campaign to make borrowers aware of how to avoid foreclosure prevention scam artists.

Homeowners in danger of foreclosure should never pay up-front for counseling help (though it is common for some to pay a nominal fee for a credit report), and should instead seek assistance from nonprofit housing counseling agencies that are HUD-approved or meet the standards for HUD approval including those found at www.findaforeclosurecounselor.org and www.makinghomeaffordable.gov.

NeighborWorks America has been working with the FTC and the federal and state agencies involved in the recent announcement to develop a comprehensive approach that draws on the resources and enforcement powers of the various regulatory agencies to stem the tide of rescue scams. This public education campaign will include advertising, direct borrower outreach and information, and will be coordinated with efforts by the FTC.

Foreclosure rescue scam artists frequently demand upfront payment for their services and “guarantee” to modify, refinance, or reinstate a borrower’s mortgage. The payment demanded is typically anywhere from \$1,000-\$5,000.

One of our local affiliates, NeighborWorks Waco, located in Waco, Texas, recently worked with a homeowner who was scammed out of \$2,000 by a company that promised to work with the borrower’s lender to reinstate the homeowner’s mortgage. In reality, the company did nothing, leaving the borrower with the same problem and without the borrower’s \$2,000.

Since January, NeighborWorks America has filed several trademark complaints with online search engines to protect consumers from falling prey to foreclosure rescue scams. The trademark complaints filed by NeighborWorks sought to remove online ads paid for by so-called mortgage rescue companies that used the NeighborWorks name and logo and offered foreclosure help for a fee. The companies have no affiliation with NeighborWorks.

Our message to borrowers is simple. If you are facing foreclosure, do not pay any person or company up front for services. Homeowners facing foreclosure need to be aware that foreclosure rescue scam artists are out in full force and see this as a prime opportunity to make money.

Attachments

- A. List of NFMC Grantees and Award Amounts
- B. Input received from HFAs and Intermediaries at April 17, 2009 convening
- C. NMFC Award Draw Requirements
- D. Individual Data Points and Quarterly Report Questions
- E. NFMC Grantees’ Service to Minority and Low-Income Communities, Including Number of Clients Served by Intermediaries and NeighborWorks Organizations.
- F. Maps of NFMC service areas

Attachment A. List of NFMC Grantees and Award Amounts -- Round 1 and Round 2.

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Arizona Department of Housing/Arizona Housing Finance Authority	Housing Finance Agency	1,333,069	533,060	150,000
California Housing Finance Agency	Housing Finance Agency	8,016,487	7,377,050	405,500
Colorado Housing and Finance Authority	Housing Finance Agency	1,508,136	1,719,940	-
Connecticut Housing Finance Authority	Housing Finance Agency		681,230	-
Delaware State Housing Authority	Housing Finance Agency	163,565	203,050	10,000
Florida Housing Finance Corporation	Housing Finance Agency	1,015,389	2,294,700	1,545,000
Georgia Department of Community Affairs	Housing Finance Agency	887,004	940,690	500,000
Hawaii Housing Finance and Development Corporation	Housing Finance Agency		298,470	100,000
Idaho Housing and Finance Association	Housing Finance Agency	182,455	135,510	40,000
Illinois Housing Development Authority	Housing Finance Agency	1,572,554	3,084,940	100,000
Indiana Housing and Community Development Authority	Housing Finance Agency	446,429	638,250	55,000
Iowa Finance Authority	Housing Finance Agency	1,503,757	651,750	-
Kentucky Housing Corporation	Housing Finance Agency		1,279,020	300,000
Louisiana Housing Finance Agency	Housing Finance Agency		201,660	-
MaineHousing	Housing Finance Agency	44,931		
Maryland Department of Housing and Community Development	Housing Finance Agency	901,697	1,391,260	500,000
MassHousing	Housing Finance Agency		407,340	-
Michigan State Housing Development Authority	Housing Finance Agency	661,916	3,060,730	617,646
Minnesota Housing	Housing Finance			

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
	Agency	4,329,847	4,041,560	418,950
Mississippi Home Corporation	Housing Finance Agency	184,742		
Missouri Housing Development Commission	Housing Finance Agency	729,851		
Montana Board of Housing/Housing Division	Housing Finance Agency	277,328	276,000	125,000
Nebraska Investment Finance Authority	Housing Finance Agency	106,691	233,390	-
Nevada Housing Division	Housing Finance Agency	218,314	349,880	-
New Jersey Housing and Mortgage Finance Agency	Housing Finance Agency	984,523	244,210	75,000
New Mexico Mortgage Finance Authority	Housing Finance Agency	262,004	52,500	65,000
North Carolina Housing Finance Agency	Housing Finance Agency	3,033,462	1,897,200	600,000
Ohio Housing Finance Agency	Housing Finance Agency	3,066,394	2,522,440	1,925,000
Oregon Housing and Community Services	Housing Finance Agency	327,004	91,500	141,250
Pennsylvania Housing Finance Agency	Housing Finance Agency	3,485,573	8,786,440	2,079,300
Rhode Island Housing	Housing Finance Agency	243,777	876,380	-
South Dakota Housing Development Authority	Housing Finance Agency	52,979	93,780	-
State of New York Mortgage Agency/New York State Housing Finance Agency	Housing Finance Agency	747,718	1,295,660	186,410
Tennessee Housing Development Agency	Housing Finance Agency	1,329,799	735,190	25,000
Texas Department of Housing and Community Affairs	Housing Finance Agency		491,490	-
Virginia Housing Development Authority	Housing Finance Agency	274,402	206,090	-
Washington State Housing Finance Commission	Housing Finance Agency	334,911	628,880	-
Wisconsin Housing and Economic Development Authority	Housing Finance Agency	437,808	173,630	175,000
ACORN HOUSING CORPORATION	HUD Approved Intermediary	7,850,939	16,000,000	1,200,000

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
CATHOLIC CHARITIES USA	HUD Approved Intermediary	843,497	873,750	-
CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	HUD Approved Intermediary	249,272		
HOMEFREE - U S A	HUD Approved Intermediary	2,746,828	5,687,630	1,200,000
HOMEOWNERSHIP PRESERVATION FOUNDATION	HUD Approved Intermediary	15,000,000	16,000,000	-
HOUSING PARTNERSHIP NETWORK	HUD Approved Intermediary	7,429,993	5,074,500	-
MISSION OF PEACE	HUD Approved Intermediary	5,503,646	5,079,810	-
MISSISSIPPI HOMEBUYER EDUCATION CENTER-INITIATIVE	HUD Approved Intermediary	32,597		
MONEY MANAGEMENT INTERNATIONAL INC.	HUD Approved Intermediary	2,390,422	16,000,000	-
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS-INVESTMENT DIVISION, INC	HUD Approved Intermediary		7,807,810	600,000
NATIONAL COMMUNITY REINVESTMENT COALITION	HUD Approved Intermediary	2,122,615	1,618,840	-
NATIONAL COUNCIL OF LA RAZA	HUD Approved Intermediary	2,092,601	1,315,690	-
NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	HUD Approved Intermediary	15,000,000	16,000,000	1,346,035
NATIONAL URBAN LEAGUE	HUD Approved Intermediary	1,445,703	5,311,500	-
NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA	HUD Approved Intermediary	15,000,000	16,000,000	3,496,500
STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	HUD Approved Intermediary	1,163,745	1,304,250	-
WEST TENNESSEE LEGAL SERVICES,	HUD Approved			

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
INCORPORATED	Intermediary	1,484,533	1,956,380	2,224,375
Affordable Housing Education and Development, Inc.	Neighborworks Organization	44,900	57,600	-
Avenue Community Development Corporation	Neighborworks Organization		10,080	-
BCL of Texas	Neighborworks Organization	83,201	130,860	-
Beyond Housing / Neighborhood Housing Services of St. Louis	Neighborworks Organization	188,902	456,840	-
Brand New Day, Inc.	Neighborworks Organization	51,490	39,780	-
Cabrillo Economic Development Corp.	Neighborworks Organization	167,462	431,640	-
Centro Campesino Farmworker Center, Inc.	Neighborworks Organization	70,222	144,000	-
Chautauqua Home Rehabilitation and Improvement Corporation	Neighborworks Organization		10,260	-
Coachella Valley Housing Coalition	Neighborworks Organization		19,440	-
Coalition for a Better Acre	Neighborworks Organization	25,871	94,140	-
Cobb Housing, Inc.	Neighborworks Organization	101,458	164,700	-
Colorado Rural Housing Development Corporation	Neighborworks Organization	116,404	147,960	-
Community Development Corporation of Long Island, .	Neighborworks Organization	94,475	94,140	-
Community Housing Development Corporation of North Richmond	Neighborworks Organization	220,559	208,800	118,890
Community Housing Services of Wichita/Sedgwick County	Neighborworks Organization	30,442	-	-
Community HousingWorks	Neighborworks Organization	136,904	578,880	-
Community Service Programs of West Alabama, Inc.	Neighborworks Organization	16,076	31,680	27,300
Community Ventures Corporation	Neighborworks Organization	85,442	229,320	201,600
Corporation to Develop Communities of Tampa	Neighborworks Organization	41,062	108,900	-

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Family Services, Inc.	Neighborworks Organization	364,774	1,364,220	1,741,425
Gilman Housing Trust, Inc.	Neighborworks Organization		33,300	-
Home HeadQuarters, Inc.	Neighborworks Organization	46,450	63,170	-
Home Ownership Center of Greater Cincinnati, Inc., The	Neighborworks Organization	247,033	450,000	500,000
Housing Assistance Program of Essex County, Inc.	Neighborworks Organization	10,000		
Housing Partnership, Inc.	Neighborworks Organization		52,200	-
Housing Resources of Western Colorado	Neighborworks Organization	24,204		
Housing Resources, Inc.	Neighborworks Organization		116,100	-
Hudson River Housing, Inc.	Neighborworks Organization	58,122	57,700	-
Kalamazoo Neighborhood Housing Services, Inc.	Neighborworks Organization	64,980	77,400	-
Kennebec Valley Community Action Program Housing Services	Neighborworks Organization	26,155		
LaCasa, Inc.	Neighborworks Organization		92,340	-
Laredo-Webb Neighborhood Housing Services, Inc.	Neighborworks Organization		45,900	-
Lawrence CommunityWorks, Inc.	Neighborworks Organization	69,625	70,560	-
Los Angeles Neighborhood Housing Services, Inc.	Neighborworks Organization	2,550,026	598,680	600,000
Marshall Heights Community Development Organization, c.	Neighborworks Organization	50,899	90,720	-
Miami-Dade Neighborhood Housing Services, Inc.	Neighborworks Organization	155,544	475,200	150,000
Mid Central Community Action	Neighborworks Organization		27,180	11,500
National Council on Agricultural Life and Labor Research Fund, Inc.	Neighborworks Organization	44,951	34,380	-
Neighbor to Neighbor, Inc.	Neighborworks Organization	29,968	48,940	-
Neighborhood Development	Neighborworks			

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Services	Organization	79,786	172,800	40,000
Neighborhood Finance Corporation	Neighborworks Organization	39,154	10,620	-
Neighborhood Housing & Development Corporation	Neighborworks Organization	14,546	11,700	-
Neighborhood Housing Partnership of Greater Springfield, Inc.	Neighborworks Organization	59,965	155,880	-
Neighborhood Housing Services of Beloit, Inc.	Neighborworks Organization		41,040	-
Neighborhood Housing Services of Birmingham, Inc.	Neighborworks Organization	46,140	57,600	-
Neighborhood Housing Services of Chicago, Inc.	Neighborworks Organization	820,529	576,360	-
Neighborhood Housing Services of Duluth, Inc.	Neighborworks Organization		10,080	-
Neighborhood Housing Services of Greater Cleveland,	Neighborworks Organization	595,626	532,800	100,000
Neighborhood Housing Services of Greater Nashua,	Neighborworks Organization	65,954		
Neighborhood Housing Services of Hamilton, Inc.	Neighborworks Organization	21,082	60,040	-
Neighborhood Housing Services of Kansas City, Inc.	Neighborworks Organization	72,546	74,300	-
Neighborhood Housing Services of Lackawanna County	Neighborworks Organization	93,176	40,500	-
Neighborhood Housing Services of New Haven, Inc.	Neighborworks Organization	141,943	176,220	26,316
Neighborhood Housing Services of New York City, Inc.	Neighborworks Organization	738,127	317,520	60,000
Neighborhood Housing Services of Oklahoma City,	Neighborworks Organization	10,216	79,200	6,000
Neighborhood Housing Services of Orange County,	Neighborworks Organization	66,808	342,000	241,500
Neighborhood Housing Services of Phoenix, Inc.	Neighborworks Organization	62,965	260,820	10,000
Neighborhood Housing Services of Reading, Inc	Neighborworks Organization	32,864		
Neighborhood Housing Services of Southern Nevada,	Neighborworks Organization		111,600	-

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Neighborhood Housing Services of the Inland Empire,	Neighborworks Organization	233,405	214,380	-
Neighborhood Housing Services of the South Shore, .	Neighborworks Organization	152,852	200,700	-
Neighborhood Housing Services of Toledo, Inc.	Neighborworks Organization	39,272		
Neighborhood Housing Services Silicon Valley	Neighborworks Organization		558,360	
Neighborhood of Affordable Housing, Inc.	Neighborworks Organization	141,203	187,200	-
Neighborhood Partnership Housing Services	Neighborworks Organization	119,796	88,200	-
Neighborhoods Inc. of Battle Creek	Neighborworks Organization	135,652	106,380	-
NeighborWorks Columbus (GA)	Neighborworks Organization		45,360	42,525
NeighborWorks Greater Manchester	Neighborworks Organization	24,733		
NeighborWorks Green Bay	Neighborworks Organization		51,300	-
NeighborWorks HomeOwnership Center Sacramento Region	Neighborworks Organization	107,277	306,900	200,000
NeighborWorks Lincoln	Neighborworks Organization	127,847		
NeighborWorks of Pueblo	Neighborworks Organization	91,560	75,240	-
NeighborWorks of Western Vermont	Neighborworks Organization		24,120	-
NeighborWorks Resource Group	Neighborworks Organization	12,204	38,160	-
NeighborWorks Salt Lake	Neighborworks Organization	21,577		
NeighborWorks Waco	Neighborworks Organization	30,044	49,680	-
North East Community Action Corporation	Neighborworks Organization	142,646	144,180	100,000
Nuestra Comunidad Development Corp.	Neighborworks Organization		40,500	-
Oak Hill Community Development Corp.	Neighborworks Organization	151,852		
Opportunities for Chenango, Inc.	Neighborworks Organization		21,420	-

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Pasadena Neighborhood Housing Services, Inc.	Neighborworks Organization	64,907		
Reynoldstown Revitalization Corporation	Neighborworks Organization	18,564	130,320	-
Richmond (CA) Neighborhood Housing Services, Inc.	Neighborworks Organization	135,796		
Rockingham Area Community Land Trust, Inc.	Neighborworks Organization		27,900	-
Sacramento Mutual Housing Association, Inc.	Neighborworks Organization		28,980	-
Salisbury Neighborhood Housing Services, Inc.	Neighborworks Organization	43,354		
San Juan Neighborhood Housing Services, Inc.	Neighborworks Organization	77,162	114,840	-
Select Milwaukee, Inc.	Neighborworks Organization		176,940	-
Self-Help Enterprises	Neighborworks Organization	129,346	60,150	100,000
Southwest Solutions	Neighborworks Organization	315,652		
Springfield Neighborhood Housing Services, Inc.	Neighborworks Organization	161,798	113,940	-
St. Lawrence County Housing Council, Inc.	Neighborworks Organization	10,000		
St. Mary Development Corporation	Neighborworks Organization	237,970	570,780	240,000
The Primavera Foundation, Inc	Neighborworks Organization	54,233	105,840	78,750
The Unity Council	Neighborworks Organization	217,414	142,020	250,000
Tierra del Sol Housing Corporation	Neighborworks Organization	22,940	10,800	-
Tri-County Housing & Community Development Corporation	Neighborworks Organization	10,000		
Troy Rehabilitation & Improvement Program, Inc.	Neighborworks Organization	12,786	18,360	9,575
Twin Cities Community Development Corp.	Neighborworks Organization	34,866	56,700	18,000
UNHS NeighborWorks HomeOwnership Center	Neighborworks Organization	10,000		
Urban Edge Housing	Neighborworks			

Grantee Name	Grantee Type	Round 1 Counseling Award (\$)	Round 2 Counseling Award (\$)	Legal Assistance Award (\$)
Corporation	Organization	45,124	113,000	25,000
West Elmwood Housing Development Corp.	Neighborworks Organization	94,503	86,400	-
West Side Neighborhood Housing Services, Inc.	Neighborworks Organization	10,138		
SUB-TOTAL – NeighborWorks Organizations		130,438,408	177,522,170	25,104,347

ATTACHMENT B.

Input Received from HFAs and Intermediaries at April 17, 2009 Convening:

TOPIC 1: Working with Servicers

- **Recommendations for NFMC**
 - Provide current servicer contact information on the NFMC Grantee site:
 - Maintain a database of servicers' current phone/fax/forms and update it monthly. Provide contact information for loss mitigation departments, not customer service or collections.
 - Make lenders' loan mod packages available for download on the site
 - Encourage servicers to adopt systems that "talk" to one another
 - Ask HOPE NOW if they can make progress to (a) standardize everything in the loss mitigation process – the timeline of when servicers must process and respond, and the forms and documents required for all servicers' packets and (b) have servicers assign specific "team" of staff persons to each state – they will know the law, know the market, know the players, and be responsible to counseling agencies within that state
 - Create a Servicer Watch Group to monitor noncompliant servicers, report them to some administrative agency, or send feedback to servicer's management.

TOPIC 2: Adjusting Service Delivery in Response to the Current Demand

- **No Recommendations for NFMC, but General Comments:**
 - Call volume is up; loan modifications rate is up
 - There are more for-profit modification companies
 - Due to the media blitz, there are more calls from homeowners who are current on their payments, but still curious about a better deal through new programs
 - DEBATE ON TIMING: More homeowners are coming in for help sooner VS. More homeowners are coming in for help at the last minute when sale date is set.
 - DEBATE ON RE-DEFAULT TRENDS: increase in loan modifications correlates with the increase in re-defaults because they all have poor terms (like temporary freeze in rates) VS. increase in good loan modifications and the higher re-default rate applies only to those with no real benefit (such as lower payment, interest rate reduction, or term extension) to the client.

TOPIC 3: Program Design

- **Recommendations for NFMC**
 - Continue regular trainings for all Grantees on the NFMC process (billing, reporting, contacts, etc.)
 - Revise the NFMC Duplicates Policy
 - the first counseling treatment is sometimes not sufficient, and agencies that accept referrals for Level 2 counseling find themselves "re-doing" Level 1 counseling.
 - enable a pre-appointment search to see if the client has already received services, reset the dupe check every six months
 - Tie all "rate changes" for counseling reimbursements to a certain date, rather than to performance in a certain Round.

- Create standardized NFMC Forms for intake, client authorization, privacy policy, and make them all available on the member website.
- Vary reporting requirements/reimbursements for whether the counseling was done on the phone or face-to-face
- Allow more flexibility (and frequency) in reallocating MSA goals and production units at each level
- Allow more flexibility for Grantee reimbursements, because the 14 day rule is a problem
- Use a shorter application in Round 3 for grantees who have already performed well in Rounds 1 and 2
- Raise the value of each level of counseling - amounts are still too low for the amount of time we spend counseling and reporting

TOPIC 4: Program Administration

- **Recommendations for NFMC**
 - The application has too many redundant questions (ex: about marketing)
 - Draw requests should not require aggregate data from sub-grantees – give the grantee more frequent draws
 - Make the funds recapture policy and practice stress accountability and specify how long sub-grantees have to spend the funds
 - Communications from NFMC are too broad and too legalese to know the actual “do” and “do-not” rules of the program
 - Overlap of Round 1 and Round 2 is a problem. It makes us unable to reimburse our sub-grantees that are in Round 2 until the others have completed Round 1.
 - 14 day disbursement requirement is a problem. Grantees need more control, and need ideas for how to deal with underperforming sub-grantees.
 - Provide grantees with:
 - more templates
 - a compliance (quality control) checklist for use with sub-grantees
 - clear and concise communication about program changes/updates
 - a “Grantees Only” message board to share best practices and discuss administrative issues
 - biannual training on program administration
 - the ability to save uploads so a grantee can see what has been reported even after it has been reported

TOPIC 5: Legal Assistance Program

- **Recommendation for NFMC**
 - Develop a simple menu of the legal services that can be provided under NFMC legal assistance in judicial and non-judicial states.
 - Create a checklist and provide accompanying examples for counselors to use when determining whether to refer clients to receive legal assistance

ATTACHMENT C.
NFMC Counseling Award Draw Requirements

1. Draw 1 (Draw 1 = 70% of PRS; 35% of Counseling; 35% of OO) For the typical Grantee¹, this represents 40.5% of its total NFMC award.

Released upon ratification of Grant Agreement. Round 1 must be closed out before the first draw of Round 2 will be released.

2. Draw 2 (Draw 2 = 15% of PRS; 30% of Counseling; 30% of OO)
Total disbursed to Grantee at this point is 85% of PRS; 65% of counseling; 65% of OO. For the typical Grantee¹, this represents 68% of its total NFMC award.

Released when 25% of production is complete and:

- A. Grantee has no significant compliance findings
 - B. Grantee has submitted proof of the requisite match funds
 - C. Grantee is within allowable variances by Level and geographic area²
 - D. For Round 2, Grantees with contracted requirements to provide a certain amount of counseling sessions in low-income and minority communities and to low-income and minority homeowners will be required to achieve at least the contracted percentage of production in those areas
-

3. Draw 3 (Draw 3 = 15% of PRS; 30% of Counseling; 30% of OO)
Total disbursed to Grantee at this point is 100% of PRS; 95% of counseling; 95% of OO. For the typical Grantee¹, this represents 96% of its total NFMC award.

Released when 60% of production is complete and:

- A. Grantee has no significant compliance findings
 - B. Grantee has submitted proof of the requisite match funds
 - C. Grantee is within allowable variances by Level and geographic area²
 - D. For Round 2, Grantees with contracted requirements to provide a certain amount of counseling sessions in low-income and minority communities and to low-income and minority homeowners will be required to achieve at least the contracted percentage of production in those areas
 - E. Grantee has counseled enough borrowers to spend down 60% of its counseling funds³
-

4. Draw 4 (Draw 3 = 2.5% of counseling; 2.5% of OO)
Total disbursed to Grantee is 100% of PRS; 97.5% of counseling; 97.5% of OO. For the typical Grantee¹, this represents 98% of its total NFMC award.

Released when:

- A. Grantee has no significant compliance findings
- B. Grantee has completed 100% of its units of counseling
- C. Grantee has submitted proof of the requisite match funds

- D. Grantee has counseled enough borrowers to fully spend down 100% of the dollar amount awarded to it in Counseling Funds³. Note: NFMC will allow up to 3% of the Grantee's counseling award to be used to cover duplicate clients that were not self-duplicates. This will be applied at Draw 4 and may reduce the dollar amount and/or units of counseling needing to be achieved before releasing Draw 4.)
- E. At least 75% of the Grantee's production was provided in Areas of Greatest need. If the Grantee was contracted to provide less than 75% of its units of counseling in Areas of Greatest need, it must be within 5% of its contracted percentage. *For example, if a Grantee was contracted to provide 65% of its total units of counseling in Areas of Greatest Need, it must provide at least 60% in AGN to close out the grant.*
- F. For Round 2, Grantees with contracted requirements to provide a certain amount of counseling sessions in low-income and minority communities and to low-income and minority homeowners will be required to achieve at least the contracted percentage of production in those areas.
- G. Grantee has completed its Final NFMC Programmatic Report

Exceptions to be considered:

The executed Grant Agreements required that Grantees meet certain goals. The following provisions have been established to allow Grantees to draw down some of their NFMC funds and continue providing counseling services if they have not met the contracted requirements but have sufficiently documented the reasons why and have proven they have made best efforts to achieve their goals.

At the time of the 2nd draw, If Grantee is not within allowable variances by Level, geographic area, or (if applicable) by service to low-income and minority homeowners or communities, Grantee must send an e-mail detailing its plan to get back on track. Once this is reviewed and accepted, NFMC will release Draw 2.

At the time of the 3rd draw, if Grantee is unable to meet the Level and/or geographic area requirements, Grantee must send an e-mail giving a satisfactory explanation for how they will make best efforts get back on track. Once this is reviewed and accepted, NFMC will release half of Draw 3.

To receive the second half of the third draw, Grantee must upload additional units of counseling, and NFMC staff must analyze progress to date on the Levels and geographic areas where Grantee was below acceptable variances at the time of the 3rd draw. If Grantee has increased production so it is within the variance, then the second half of the third draw will be authorized.

If Grantee has not increased production to be within the variance, NFMC staff will review the documented best efforts reported by the Grantee to address the variance. Factors that may allow a waiver of the Grant Agreement requirements would include: the geographic area is not an Area of Greatest Need, the geographic area is being served satisfactorily by the program overall, Grantee makes up less than 15% of the overall proposed production for that geographic area, production in immediately adjacent MSAs or rural areas of a state make up for the units of counseling not delivered in the contracted geographic area, documentation that clients were served in the under-reported geographic areas but billed to another funding source, or documentation that specific outreach and efforts to affiliate new sub-Grantees (if applicable) have not produced the required volume of borrowers to allow Grantee to meet its goal.

¹ This percentage may vary slightly, as not all Grantees applied for or were awarded the maximum amount of Operational Oversight and Program Related Support they were eligible to receive. NeighborWorks Organizations were not eligible to apply for Operational Oversight funds.

² To determine if Grantee is within allowable variances by Level and geographic area, NFMC looks at the following:

- For geographic variances, Grantee must have achieved at least 75% of the units of counseling expected at each draw for each MSA and rural area of a state it was contracted to serve. NFMC will not penalize Grantees that achieve more than 125% of its counseling goals, provided this does not cause other geographic areas Grantee was contracted to serve to fall below its goals. *Draw 2 Example: If a Grantee was contracted to provide 800 units of counseling in the Atlanta MSA, it would reach the Draw 2 trigger when it had uploaded 200 units of counseling (or 25% of the contracted units). If at least 75% of those units (or 150 units of counseling) were provided in the Atlanta MSA, the Grantee is considered to be within the allowable variance. Draw 3 Example: That same Grantee would reach the Draw 3 trigger when it had uploaded 480 units of counseling (or 60% of the contracted units). If at least 75% of those units (or 350 units of counseling) were provided in the Atlanta MSA, the Grantee is considered to be within the allowable variance.* If it is determined that Grantee is under-producing in rural areas, NFMC will analyze whether the Grantee has produced units of counseling in rural areas of MSAs using the USDA 502 rural definition. If this is the case, units of counseling that fall within these areas can be counted toward the Grantee's rural production.
- For Level variances, this means that the Grantee must have delivered Level 1, 2 and 3 counseling as contracted in the Grant Agreement, within a 50% variance. When evaluating this, NFMC staff looks at Level 2 and Level 3 numbers together, as we recognize that some Grantees have adopted the practice of reporting their Level 3 clients separately at Level 1 and in a subsequent data upload for Level 2.

³ To determine if Grantee has counseled enough borrowers to spend down 60% or 100% of its counseling funds, NFMC multiplies the number of units produced at Level 1 by 150, adds to that the number of units produced at Level 2 by 200 (or 300 for Round 2), and adds to that the number of units of counseling produced at Level 3 by 350 (or 450 for Round 2). The resulting amount must equal or exceed 60% or 100% of the Grantee's counseling award, depending on the Draw being released.

ATTACHMENT D.**Individual Data Points and Quarterly Report Questions:**

NFMC Data Points

Data Point	Description
1	Branch ID
2	Client Unique Identifier
3	Counseling Level
4	Counseling Intake Date
5	Counseling Mode
6	First Name
7	Last Name
8	Age
9	Race
10	Ethnicity
11	Gender
12	Head of Household
13	Household Family Income
14	Household Income Category (% of AMI)
15	House Number
16	Street
17	City
18	State
19	Zip
20	Total Individual Counseling Hours Received
21	Total Group Education Hours Received
22	Name of Originating Lender
23	FDIC/NCUA # or Originating Mortgage Co. name
24	Original loan Number
25	Current Servicer
26	FDIC/NCUA # or Current Servicer name
27	Loan Number Assigned by Current Servicer
28	Credit Score
29	If No Credit Score
30	Source of Credit Score
31	PITI at Intake
32	Which loan are you reporting on, first or second?
33	If it is a first loan, does the homeowner have a second loan?
34	Type of Loan at Intake
35	Interest Only Loan

36	Hybrid ARM
37	Option ARM
38	FHA or VA Insured Loan
39	Privately Held Loan
40	Has Interest Rate Reset on ARM loan
41	Primary Reason for Default
42	Loan Status at First Contact
43	Counseling Outcome
44	Counseling Outcome Date
45	Back End Debt to Income (DTI) ratio - new for Level 4

NFMC Quarterly Report Questions

Aggregate Client Information

1. Number of clients reported to NFMC during reporting period.
 - a) Total # of NFMC borrowers serviced during the reporting period: (#)
 - b) Total # of NFMC units of counseling delivered by level:
Level 1 (#) Level 2 (#) Level 3 (#)
 - c) Do levels differ by more than 50% from those agreed to in your Grant Agreement?
(Yes/No) If yes, please explain why:
2. Number of clients served during reporting period that achieved each of the following outcomes:
3. Number of counseling units that were provided via the following modes during the reporting period?

Foreclosure Counselor Capacity

4. How many previously employed Staff or volunteers were retrained or reassigned to be foreclosure counselors during the reporting period?
5. How many new counselors or volunteers were put into service during the reporting period?
6. How many foreclosure counselors received additional foreclosure related training during the reporting period?

Progress on overall program activities

7. Did you meet or exceed your quarterly production goals for this quarter as outlined in Exhibit B to your grant agreement?

If no, please explain factors that inhibited you from reaching your goal:

8. Please estimate the percentage of program-related support funds used for the following activities:

The legislation enabling these funds requires that we collect the following information:

10. Please name and describe a few key factors or strategies that contributed to the successes you encountered in helping clients avoid foreclosure, mitigate losses, or ensure the affordability of mortgages when clients retain their homes, and estimate the percentage of clients for whom each strategy has been successful.
11. Please name and describe a few key challenges encountered in helping clients avoid foreclosure, mitigate losses, or ensure the affordability of mortgages when clients retain their homes.

Success Stories

12. Please provide the name and contact information of one person that received services as a result of NFMC funds who is willing to be contacted to discuss their situation and possibly be highlighted in future NFMC reports, with their approval.

Compliance

13. Are you/are your sub-grantees or branches in compliance with all terms and conditions of the grant agreement and funding announcement, including OMB Circulars?
If no, how will you remedy during the upcoming quarter?

Languages

14. Please note the languages of which you and/or your sub grantees offer counseling services.
Note how many counselors provide services for each language.

The Final Quarterly Report also includes questions about revenue and expenditures

ATTACHMENT E.

**NFMC Grantees Service to Minority and Low-Income Communities,
Including Number of Clients Served by Intermediaries and NeighborWorks Organizations**

**SERVICE OF NFMC INTERMEDIARIES TO MINORITY AND LOW-INCOME
PEOPLE AND NEIGHBORHOODS**

Data as of March 31, 2009- Combines NFMC RD1 and RD2

SUMMARY STATEMENT									
Grantee Name	Total Clients	# of Clients from Majority Minority Zips	% of Clients from Majority Minority Zips	# of Clients from Low-Income (<80% AMI) Zips	% of Clients from Low-Income (<80% AMI) Zips	# of Clients with Self Reported Incomes <80%	% of Clients with Self Reported Incomes <80% AMI	# of Minority Clients	% of Clients Served that are Minorities
ACORN HOUSING CORPORATION	21,758	12,045	55%	7,698	35%	17,450	80%	16,172	74%
CATHOLIC CHARITIES USA	1,369	252	18%	348	25%	864	63%	571	42%
CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	291	111	38%	140	48%	212	73%	119	41%
HOMEFREE - U S A	8,309	4,351	52%	2,840	34%	6,233	75%	6,076	73%
HOMEOWNERSHIP PRESERVATION FOUNDATION	92,082	30,191	33%	18,400	20%	54,046	59%	38,132	41%
HOUSING PARTNERSHIP NETWORK	7,507	2,756	37%	2,835	38%	5,589	74%	4,047	54%
MISSION OF PEACE	12,862	5,569	43%	4,466	35%	9,602	75%	7,240	56%
MONEY MANAGEMENT INTERNATIONAL INC.	12,848	4,819	38%	2,655	21%	6,232	49%	5,534	43%
NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA	37,313	20,484	55%	11,084	30%	37,165	100%	31,138	83%
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS-INVESTMENT DIVISION	375	253	67%	159	42%	249	66%	321	86%
NATIONAL COMMUNITY REINVESTMENT COALITION	1,206	739	61%	642	53%	909	75%	894	74%
NATIONAL COUNCIL OF LA RAZA	3,791	2,196	58%	1,440	38%	2,551	67%	3,105	82%
NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	64,195	14,368	22%	9,301	14%	34,149	53%	23,315	36%
NATIONAL URBAN LEAGUE	3,698	2,008	54%	1,808	49%	2,679	72%	2,880	78%
NEIGHBORWORKS AMERICA	25,070	12,152	48%	9,307	37%	17,829	71%	16,436	66%
STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	2,534	1,574	62%	973	38%	1,832	72%	2,184	86%
WEST TENNESSEE LEGAL SERVICES, INCORPORATED	2,556	841	33%	705	28%	1,866	73%	1,248	49%
Grand Total of Intermediary Service	272,694	102,557	38%	65,494	24%	181,628	67%	142,976	52%

Data as of March 31, 2009- Combines NFMCRD1 and RD2

NEIGHBORWORKS ORGANIZATIONS Grantee Name	Total Clients	# of Clients from Majority Minority Zips	% of Clients from Majority Minority Zips	# of Clients from Low-Income (<80% AMI) Zips	% of Clients from Low-Income (<80% AMI) Zips	# of Clients with Self Reported Incomes <80%	% of Clients with Self Reported Incomes <80% AMI	# of Minority Clients	% of Clients Served that are Minorities
Affordable Housing Education and Development, Inc.	142		0%		0%	108	76%	3	2%
BCL of Texas	193	95	49%	42	22%	121	63%	105	54%
Beyond Housing / Neighborhood Housing Services of St. Louis	618	366	59%	398	64%	528	85%	469	76%
Brand New Day, Inc.	140	80	57%	66	47%	95	68%	112	80%
Cabrillo Economic Development Corp.	461	266	58%	226	49%	365	79%	396	86%
Centro Campesino Farmworker Center, Inc.	136	128	94%	51	38%	88	65%	62	46%
Coalition for a Better Acre	78	5	6%	45	58%	55	71%	44	56%
Cobb Housing, Inc.	321	94	29%	22	7%	233	73%	250	78%
Colorado Rural Housing Development Corporation	463	115	25%	126	27%	314	68%	199	43%
Community Development Corporation of Long Island, Inc.	465	132	28%	5	1%	289	62%	225	48%
Community Housing Development Corporation of North Richmond	532	408	77%	285	54%	305	57%	446	84%
Community Housing Services of Wichita/Sedgwick County	21	2	10%	9	43%	16	76%	8	38%
Community HousingWorks	438	244	56%	81	18%	255	58%	312	71%

Community Service Programs of West Alabama, Inc.	38	10	26%	10	26%	30	79%	29	76%
Community Ventures Corporation	491	1	0%	74	15%	360	73%	121	25%
Corporation to Develop Communities of Tampa	160	58	36%	30	19%	112	70%	105	66%
Family Services, Inc.	1,782	560	31%	261	15%	1,630	91%	1,253	70%
Home HeadQuarters, Inc.	131	19	15%	60	46%	100	76%	71	54%
Home Ownership Center of Greater Cincinnati, Inc., The	878	291	33%	280	32%	694	79%	526	60%
Housing Assistance Program of Essex County, Inc.	1		0%		0%	1	100%		0%
Housing Resources of Western Colorado	19	1	5%	1	5%	11	58%	3	16%
Housing Resources, Inc.	48	25	52%	25	52%	28	58%	29	60%
Hudson River Housing, Inc.	236	22	9%	25	11%	116	49%	117	50%
Kalamazoo Neighborhood Housing Services, Inc.	166	12	7%	40	24%	127	77%	56	34%
Kennebec Valley Community Action Program Housing Services	82		0%	2	2%	63	77%	2	2%
Lawrence CommunityWorks, Inc.	147	109	74%	111	76%	122	83%	133	90%
Los Angeles Neighborhood Housing Services, Inc.	2,032	1,610	79%	860	42%	1,137	56%	1,752	86%
Marshall Heights Community Development Organization, Inc.	93	93	100%	85	91%	65	70%	93	100%
Miami-Dade Neighborhood Housing Services, Inc.	535	472	88%	226	42%	400	75%	485	91%
National Council on Agricultural Life and Labor Research Fund, Inc.	144		0%	4	3%	45	31%	74	51%
Neighbor to Neighbor, Inc.	118		0%	9	8%	102	86%	16	14%
Neighborhood Development Services	332	7	2%	20	6%	254	77%	32	10%
Neighborhood Finance Corporation			9%		84%		81%		22%

	32	3		27		26		7	
Neighborhood Housing & Development Corporation	75	8	11%	10	13%	50	67%	36	48%
Neighborhood Housing Partnership of Greater Springfield, Inc.	215		0%	26	12%	161	75%	28	13%
Neighborhood Housing Services of Birmingham, Inc.	196	111	57%	67	34%	157	80%	160	82%
Neighborhood Housing Services of Chicago, Inc.	1,593	1,427	90%	1,218	76%	1,298	81%	1,365	86%
Neighborhood Housing Services of Greater Cleveland, Inc.	1,569	664	42%	643	41%	1,217	78%	887	57%
Neighborhood Housing Services of Greater Nashua, Inc.	31		0%	6	19%	22	71%	4	13%
Neighborhood Housing Services of Hamilton, Inc.	281		0%	3	1%	208	74%	65	23%
Neighborhood Housing Services of Kansas City, Inc.	115	53	46%	63	55%	95	83%	68	59%
Neighborhood Housing Services of Lackawanna County	115	10	9%	8	7%	70	61%	26	23%
Neighborhood Housing Services of New Haven, Inc.	367	155	42%	162	44%	245	67%	261	71%
Neighborhood Housing Services of New York City, Inc.	1,210	989	82%	613	51%	800	66%	1,067	88%
Neighborhood Housing Services of Oklahoma City, Inc.	13	3	23%	4	31%	7	54%	11	85%
Neighborhood Housing Services of Orange County, Inc.	242	143	59%	11	5%	152	63%	177	73%
Neighborhood Housing Services of Phoenix, Inc.	217	115	53%	105	48%	147	68%	155	71%
Neighborhood Housing Services of Reading, Inc	58	20	34%	20	34%	34	59%	31	53%
Neighborhood Housing Services of the Inland Empire, Inc.	564	422	75%	147	26%	338	60%	380	67%
Neighborhood Housing Services of the South Shore, Inc.	306	112	37%	162	53%	223	73%	172	56%
Neighborhood Housing Services of Toledo, Inc.	80	19	24%	31	39%	64	80%	47	59%
Neighborhood of Affordable Housing, Inc.			36%		73%		69%		74%

	450	160		330		312		334	
Neighborhood Partnership Housing Services	548	458	84%	100	18%	316	58%	451	82%
Neighborhoods Inc. of Battle Creek	469	15	3%	51	11%	389	83%	124	26%
NeighborWorks Greater Manchester	71		0%	31	44%	54	76%	13	18%
NeighborWorks HomeOwnership Center Sacramento Region	373	141	38%	129	35%	226	61%	262	70%
NeighborWorks Lincoln	107	2	2%	16	15%	94	88%	18	17%
NeighborWorks of Pueblo	271	138	51%	136	50%	204	75%	172	63%
NeighborWorks Resource Group	56	31	55%	28	50%	32	57%	50	89%
NeighborWorks Salt Lake	29	4	14%	6	21%	20	69%	8	28%
NeighborWorks Waco	120	35	29%	35	29%	83	69%	71	59%
North East Community Action Corporation	123	1	1%	2	2%	80	65%	12	10%
Oak Hill Community Development Corp.	296	2	1%	149	50%	187	63%	139	47%
Pasadena Neighborhood Housing Services, Inc.	70	53	76%	19	27%	56	80%	49	70%
Reynoldstown Revitalization Corporation	66	52	79%	25	38%	57	86%	64	97%
Richmond (CA) Neighborhood Housing Services, Inc.	230	182	79%	103	45%	155	67%	196	85%
Salisbury Neighborhood Housing Services, Inc.	116	9	8%	15	13%	94	81%	52	45%
San Juan Neighborhood Housing Services, Inc.	223		0%		0%	122	55%	223	100%
Select Milwaukee, Inc.	6	3	50%	2	33%	2	33%	3	50%
Self-Help Enterprises	159	108	68%	25	16%	49	31%	125	79%
Southwest Solutions	428	272	64%	275	64%	343	80%	323	75%
Springfield Neighborhood Housing Services, Inc.			47%		52%		67%		60%

	236	110		122		159		141	
St. Lawrence County Housing Council, Inc.	29		0%		0%	23	79%		0%
St. Mary Development Corporation	698	263	38%	268	38%	499	71%	302	43%
The Primavera Foundation, Inc	188	113	60%	94	50%	123	65%	149	79%
The Unity Council	291	228	78%	143	49%	196	67%	255	88%
Tierra del Sol Housing Corporation	48	43	90%	12	25%	38	79%	44	92%
Tri-County Housing & Community Development Corporation	22	5	23%		0%	14	64%	11	50%
Troy Rehabilitation & Improvement Program, Inc.	33	1	3%	17	52%	26	79%	6	18%
Twin Cities Community Development Corp.	129		0%	79	61%	78	60%	54	42%
UNHS NeighborWorks HomeOwnership Center	23		0%	3	13%	18	78%	1	4%
Urban Edge Housing Corporation	136	92	68%	91	67%	54	40%	115	85%
West Elmwood Housing Development Corp.	286	147	51%	185	65%	224	78%	187	65%
West Side Neighborhood Housing Services, Inc.	20	5	25%	11	55%	19	95%	7	35%
Grand Total	25,070	12,152	48%	9,307	37%	17,829	71%	16,436	66%

Data as of March 31, 2009- Combines NFMCRD1 and RD2

INTERMEDIARIES Grantee Name	Total Clients	# of Clients from Majority Minority Zips	% of Clients from Majority Minority Zips	# of Clients from Low- Income (<80% AMI) Zips	% of Clients from Low- Income (<80% AMI) Zips	# of Clients with Self Reported Incomes <80%	% of Clients with Self Reported Incomes <80% AMI	# of Minority Clients	% of Clients Served that are Minorities
ACORN HOUSING CORPORATION	21,758	12,045	55%	7,698	35%	17,450	80%	16,172	74%
CATHOLIC CHARITIES USA	1,369	252	18%	348	25%	864	63%	571	42%
CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	291	111	38%	140	48%	212	73%	119	41%
HOMEFREE - U S A	8,309	4,351	52%	2,840	34%	6,233	75%	6,076	73%
HOMEOWNERSHIP PRESERVATION FOUNDATION	92,082	30,191	33%	18,400	20%	54,046	59%	38,132	41%
HOUSING PARTNERSHIP NETWORK	7,507	2,756	37%	2,835	38%	5,589	74%	4,047	54%
MISSION OF PEACE	12,862	5,569	43%	4,466	35%	9,602	75%	7,240	56%
MONEY MANAGEMENT INTERNATIONAL INC.	12,848	4,819	38%	2,655	21%	6,232	49%	5,534	43%
NACA	37,313	20,484	55%	11,084	30%	37,165	100%	31,138	83%
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS- INVESTMENT DIVISION, INC	375	253	67%	159	42%	249	66%	321	86%
National Community Reinvestment Coalition	1,206	739	61%	642	53%	909	75%	894	74%
NATIONAL COUNCIL OF LA RAZA	3,791	2,196	58%	1,440	38%	2,551	67%	3,105	82%
NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	64,195	14,368	22%	9,301	14%	34,149	53%	23,315	36%

Testimony of Kenneth D. Wade,
Chief Executive Officer, NeighborWorks America
Before the House Financial Services Subcommittee on Housing and Community Opportunity
May 13, 009

NATIONAL URBAN LEAGUE	3,698	2,008	54%	1,808	49%	2,679	72%	2,880	78%
STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	2,534	1,574	62%	973	38%	1,832	72%	2,184	86%
WEST TENNESSEE LEGAL SERVICES, INCORPORATED	2,556	841	33%	705	28%	1,866	73%	1,248	49%
Grand Total	272,694	102,557	38%	65,494	24%	181,628	67%	142,976	52%

Data as of March 31, 2009- Combines NFMCRD1 and RD2

STATE HOUSING FINANCE AGENCIES Grantee Name	Total Clients	# of Clients from Majority Minority Zips	% of Clients from Majority Minority Zips	# of Clients from Low-Income (<80% AMI) Zips	% of Clients from Low-Income (<80% AMI) Zips	# of Clients with Self Reported Incomes <80%	% of Clients with Self Reported Incomes <80% AMI	# of Minority Clients	% of Clients Served that are Minorities
Arizona Department of Housing/Arizona Housing Finance Authority	1,704	592	35%	495	29%	1,121	66%	936	55%
California Housing Finance Agency	12,936	8,205	63%	3,340	26%	5,711	44%	9,106	70%
Colorado Housing and Finance Authority	3,532	989	28%	1,067	30%	2,362	67%	1,552	44%
Delaware State Housing Authority	394	36	9%	43	11%	259	66%	222	56%
Florida Housing Finance Corporation	2,783	837	30%	721	26%	1,776	64%	1,759	63%
Georgia Department of Community Affairs	2,760	1,023	37%	484	18%	1,564	57%	1,297	47%
Idaho Housing and Finance Association	183		0%	27	15%	155	85%	34	19%
Illinois Housing Development Authority	3,670	2,035	55%	1,621	44%	2,586	70%	2,747	75%
Indiana Housing and Community Development Authority	199	8	4%	19	10%	118	59%	34	17%
Iowa Finance Authority	1,511	14	1%	312	21%	1,103	73%	135	9%
MaineHousing	44		0%	1	2%	34	77%	7	16%
Maryland Department of Housing and Community Development	1,974	929	47%	654	33%	1,304	66%	1,355	69%
Michigan State Housing Development Authority	1,811	334	18%	455	25%	1,184	65%	628	35%
Minnesota Housing	11,625	742	6%	2,501	22%	9,093	78%	3,146	27%

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Mississippi Home Corporation	42	17	40%	11	26%	31	74%	30	71%
Missouri Housing Development Commission	1,098	578	53%	598	54%	841	77%	720	66%
Montana Board of Housing/Housing Division	1,102	1	0%	86	8%	613	56%	54	5%
Nebraska Investment Finance Authority	138	24	17%	49	36%	112	81%	49	36%
Nevada Housing Division	458	101	22%	77	17%	248	54%	265	58%
New Jersey Housing and Mortgage Finance Agency	875	284	32%	164	19%	620	71%	584	67%
New Mexico Mortgage Finance Authority	159	97	61%	11	7%	150	94%	115	72%
North Carolina Housing Finance Agency	3,010	863	29%	425	14%	2,029	67%	1,527	51%
Ohio Housing Finance Agency	5,016	1,401	28%	1,699	34%	3,691	74%	2,284	46%
Oregon Housing and Community Services	519	3	1%	38	7%	352	68%	159	31%
Pennsylvania Housing Finance Agency	8,709	2,580	30%	3,417	39%	4,985	57%	3,518	40%
Rhode Island Housing	1,009	394	39%	470	47%	552	55%	465	46%
South Dakota Housing Development Authority	154	1	1%		0%	73	47%	20	13%
State of New York Mortgage Agency/New York State Housing Finance Agency	2,450	985	40%	594	24%	1,651	67%	1,369	56%
Tennessee Housing Development Agency	3,770	1,347	36%	1,052	28%	2,917	77%	2,321	62%
Texas Department of Housing and Community Affairs	76	35	46%	23	30%	57	75%	62	82%
Virginia Housing Development Authority	497	172	35%	119	24%	394	79%	310	62%
Washington State Housing Finance Commission	592	5	1%	73	12%	361	61%	151	26%
Wisconsin Housing and Economic Development Authority	566	198	35%	221	39%	391	69%	251	44%
Sub- Total – State Housing Finance Agencies	75,366	24,830	33%	20,867	28%	48,438	64%	37,212	49%

(All)			Neighborworks Organization			HUD Approved Intermediary			Housing Finance Agency		
TYPE											
Row Labels	Total NFMCClients	% Overall	Row Labels	Total NFMCClients	% Overall	Row Labels	Total NFMCClients	% Overall	Row Labels	Total NFMCClients	% Overall
AK	499	0%	AL	233	1%	AK	498	0%	AK	1	0%
AL	2,951	1%	AZ	406	2%	AL	2,706	1%	AL	12	0%
AR	1,425	0%	CA	5,933	24%	AR	1,420	1%	AR	5	0%
AZ	10,430	3%	CO	892	4%	AZ	8,283	3%	AZ	1,741	2%
CA	61,051	16%	CT	374	1%	CA	42,546	16%	CA	12,572	17%
CO	8,001	2%	DC	68	0%	CO	3,574	1%	CO	3,535	5%
CT	4,053	1%	DE	142	1%	CT	3,674	1%	CT	5	0%
DC	1,381	0%	FL	912	4%	DC	1,307	0%	DC	6	0%
DE	1,701	0%	GA	391	2%	DE	1,163	0%	DE	396	1%
FL	30,085	8%	HI	1	0%	FL	26,326	10%	FL	2,847	4%
GA	16,484	4%	IA	34	0%	GA	13,325	5%	GA	2,768	4%
GU	2	0%	IL	1,651	7%	GU	2	0%	HI	5	0%
HI	276	0%	IN	13	0%	HI	270	0%	IA	1,510	2%
IA	2,543	1%	KS	42	0%	IA	999	0%	ID	187	0%
ID	642	0%	KY	534	2%	ID	455	0%	IL	3,677	5%
IL	16,217	4%	MA	1,778	7%	IL	10,889	4%	IN	217	0%

IN	4,280	1%	MD	143	1%	IN	4,050	1%	KS	2	0%
KS	1,279	0%	ME	82	0%	KS	1,235	0%	KY	4	0%
KY	3,720	1%	MI	1,065	4%	KY	3,182	1%	LA	14	0%
LA	2,010	1%	MO	777	3%	LA	1,996	1%	MA	3	0%
MA	8,588	2%	MS	3	0%	MA	6,807	2%	MD	2,003	3%
MD	18,946	5%	NC	39	0%	MD	16,800	6%	ME	46	0%
ME	945	0%	NE	105	0%	ME	817	0%	MI	1,823	2%
MI	15,993	4%	NH	245	1%	MI	13,105	5%	MN	11,626	15%
MN	13,957	4%	NJ	146	1%	MN	2,331	1%	MO	1,098	1%
MO	7,568	2%	NM	44	0%	MO	5,693	2%	MS	63	0%
MS	2,860	1%	NV	2	0%	MS	2,794	1%	MT	1,103	1%
MT	1,250	0%	NY	2,146	9%	MT	147	0%	NC	3,021	4%
NC	10,646	3%	OH	3,992	16%	NC	7,586	3%	ND	1	0%
ND	189	0%	OK	13	0%	ND	188	0%	NE	142	0%
NE	799	0%	OR	1	0%	NE	552	0%	NJ	890	1%
NH	947	0%	PA	175	1%	NH	702	0%	NM	161	0%
NJ	7,037	2%	PR	223	1%	NJ	6,001	2%	NV	470	1%
NM	1,143	0%	RI	274	1%	NM	938	0%	NY	2,453	3%
NV	6,948	2%	SC	1,734	7%	NV	6,476	2%	OH	5,018	7%
NY	11,276	3%	SD	1	0%	NY	6,677	2%	OK	6	0%
OH		7%	TX		1%	OH		6%	OR		1%

	25,031			316			16,021			535	
OK	1,807	0%	UT	29	0%	OK	1,788	1%	PA	8,714	12%
OR	1,988	1%	VA	56	0%	OR	1,452	1%	RI	1,009	1%
PA	14,432	4%	WA	1	0%	PA	5,543	2%	SC	8	0%
PR	1,903	1%	WI	54	0%	PR	1,680	1%	SD	150	0%
RI	2,114	1%				RI	831	0%	TN	3,772	5%
SC	7,640	2%				SC	5,898	2%	TX	97	0%
SD	1,106	0%				SD	955	0%	UT	3	0%
TN	7,640	2%				TN	3,868	1%	VA	492	1%
TX	12,742	3%				TX	12,329	5%	WA	584	1%
UT	1,187	0%				UT	1,155	0%	WI	570	1%
VA	8,050	2%				VA	7,502	3%	WV	1	0%
VI	6	0%				VI	6	0%			
VT	132	0%				VT	132	0%			
WA	3,566	1%				WA	2,981	1%			
WI	4,527	1%				WI	3,903	1%			
WV	984	0%				WV	983	0%			
WY	153	0%				WY	153	0%			
Grand Total	373,130	100%	Grand Total	25,070	100 %	Grand Total	272,694	100 %	Grand Total	75,366	100 %

Round 2 National Foreclosure Mitigation Counseling Program Number of Counseling Unit Delivered MSAs Only*

