

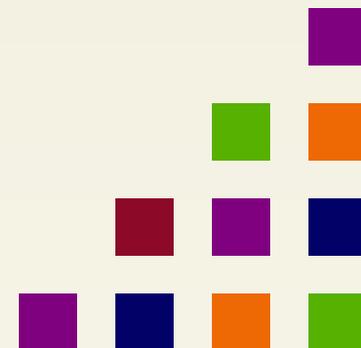
Fixing the Foreclosure System

October 4, 2007

Minnesota Home Ownership Center

651-659-9336 or 866-462-6466

www.hocmn.org



Minnesota Home Ownership Center

Mission

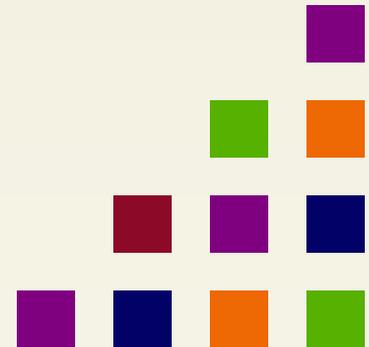
The Minnesota Home Ownership Center promotes sustainable home ownership for low and moderate income Minnesotans through the development and delivery of quality, standardized education, counseling and related support services.



Minnesota Home Ownership Center

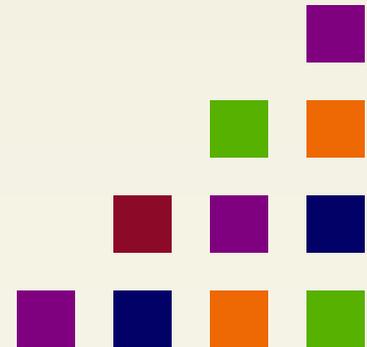
What Does the Center Do?

- Serve as a liaison between the mortgage & real estate industry and counseling organizations.
- Support a network of 50 agencies that offer pre-purchase, post purchase and foreclosure prevention education and counseling.
- Consumer Referrals.
- Don't Borrow Trouble™ Minnesota.



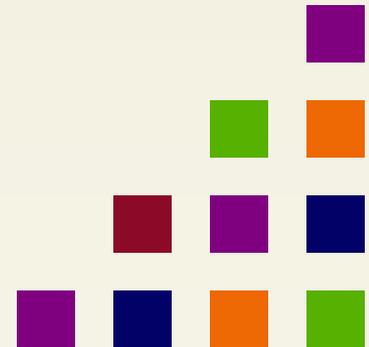
Preventing Foreclosures with Education and Counseling

- Home Stretch (pre-purchase) = informed buyers
- Post purchase = prepared for the unexpected
- Refinance = expert opinion on advisability of refinancing
- Foreclosure prevention = help dealing with a crisis



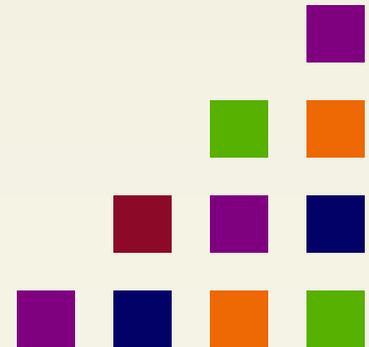
Why Special Mortgage Refinance Counseling?

- Inform borrowers of their options before paying off a loan with advantageous terms.
- As of August 1, 2007 Minnesota law requires counseling before paying off a “Special Mortgage”:
 - Payments vary with income
 - Payments are not required or can be deferred
 - Forgivable under specified conditions
 - No interest or interest of 2% or less



Special Mortgage Refinance Counseling

- Purpose of the proposed refinance.
- Advantages of the special mortgage.
- How to determine if you can refinance without paying off the special mortgage.
- Comparison of existing mortgage(s) and the proposed mortgage(s).
- Benefits and costs of refinancing.



What is Foreclosure Prevention Counseling?

- Statewide network of 18 organizations
- Information about the foreclosure process
- Customized plan to address household crisis
- Identify options for preventing foreclosure

The objective of foreclosure prevention is to work with households to reach long-term solutions that are stable and affordable.



Tips for Homeowners in Default

- Open your mail. Call your lender. Don't be afraid. They want to help you.
- Cut your bills. Make temporary sacrifices.
- Put your house payment first.
- Know a sheriff's sale does **not** mean you have to move right away.
- Beware of those offering a quick and easy fix.
- **Call a foreclosure prevention counselor NOW for advice and options.**



Referring Homeowners for Education and Counseling

- Visit www.hocmn.org
- Call 651-659-9336 or 866-462-6466

