

Foreclosure Early Warning and Intervention Pilot Project

Frank Ford, Senior Vice President

Neighborhood Progress, Inc.

(216) 830-2770 x 218

fif@neighborhoodprogress.org

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Strategic Purpose

- Stabilize neighborhoods
- Encourage retention of existing homeowners
- Reduce the number of projected foreclosures and vacancies in targeted areas

Strategic Objectives

- Identify borrowers already in foreclosure
- Identify borrowers with subprime loans – not yet in foreclosure
- Proactively contact borrowers
- Stop foreclosures in progress
- Arrange loan workouts or alternative refinancing products

Where

- Cleveland, Ohio
- Six neighborhoods participating in the Strategic Investment Initiative of Neighborhood Progress, Inc. (NPI)

When

- Four month pilot project
- September – December 2007

Pilot Project Partners

- Neighborhood Progress, Inc.
- Six participating community development corporations (CDCs)
- East Side Organizing Project (ESOP)
- Case Western Reserve University, Center on Urban Poverty and Community Development
 - NEO CANDO Data and Mapping System

Process:

- Identify and map all pending mortgage foreclosures in the target area
- Identify and map properties with a recorded loan from a subprime lender in the past 5 years.
 - Lenders on the HUD Subprime List
 - Lenders identified by Home Mortgage Disclosure Data (HMDA) who made high-cost loans in target census tracts
- CDC & ESOP outreach
 - Door knocking & personal contact, phone calls, etc.
 - Street Club meetings to promote, educate, get the word out
- If in foreclosure – link with foreclosure counseling resources
- If not in foreclosure yet – link with loan workout or alternative refinancing programs
- Key: ESOP agreements with 12 lenders and servicers provide for 1) immediate halt to foreclosure proceedings, 2) loan restructuring, reduction of principle, etc. 3) donation of (vacant) property to local CDC.