FORECLOSURE PREVENTION FUNDERS COUNCIL

GOAL OF THE FORECLOSURE PREVENTION FUNDERS COUNCIL

The goal of the Foreclosure Prevention Funders Council is to create a **healthy housing market** by **focusing existing and future investments** to address the recent surge in residential mortgage foreclosures and to thereby **revitalize the neighborhoods** affected by foreclosure. The FPPC is addressing foreclosure at **three stages**: pre-purchase, post-purchase, and remediation.

FORECLOSURE PREVENTION FUNDERS COUNCIL IS:

- a **nonpartisan effort** with collaborating members that bring experience and funding tools.
- a **mechanism** to review and analyze existing tools and resources.
- a **coordinated effort** to develop and utilize tools, approaches, and funding initiatives.

HOUSING FUNDERS & FORECLOSURE SPECIALISTS

- Carolyn Olson, Greater Metropolitan Housing Corporation
- Cecile Bedor, City of Saint Paul
- Colleen O'Brien, HousingLink
- Denise Beigbeder, Ramsey County
- Elizabeth Ryan, City of Minneapolis (CHAIR)
- Jill Alverson, Hennepin County
- Julie Gugin, Home Ownership Center
- Linda White, Fannie Mae
- Mark Ulfers, Dakota County Community Development Agency
- Mike Haley, Minnesota Housing
- Shawn Huckleby, Emerging Markets Homeownership Initiative
- Tom Fulton, Family Housing Fund

PROJECTS AND ACHIEVEMENTS AT THREE STAGES

- **All Stages**
  - An analysis of seven-county metro foreclosure data (three sources: county recorded/filed documents, home ownership counselor interviews, and an aggregated data set supplied by home ownership counselors) uncovered challenges and opportunities to improve and streamline future data collection efforts.
    - Working with the Minnesota Sheriffs and Auditors Associations and others to enhance and coordinate existing and future data collections so that future research will be more cost-effective and informative.
    - Plan to convene pre-session hearings with legislators to prepare legislative amendments that address current data collection challenges.
  - Elected and community leaders were provided with information to disseminate to residents on the availability of home ownership counseling and home owner training services as well as legal assistance services.
  - Working with partners to develop legislation solution related to, for example, renters affected by foreclosure, available data streams, reinstatement and redemption periods, owner-occupied vs. investor-owned process, counseling services funding, property donations, and homestead status.
  - Working to increase the capacity of the home ownership counseling service providers.
  - Developed and opened the Foreclosure Relief Law Project where current and past homeowners can obtain legal assistance and other relief.
- **Pre-Purchase Foreclosure Prevention**
  - Educated realtors about the CityLiving Program, HomeStretch pre-purchase training, and the availability of counseling services throughout the home ownership experience.
  - Publishing information in print, radio, and television that advertises availability of home ownership training and the benefits of obtaining pre-purchase counseling.
  - Assembled list of pre-purchase financial assistance programs for potential home owners.

- **Post-Purchase Foreclosure Prevention and Mitigation**
  - Working with utilities to alert home owners, who are delinquent on their utility bills or experiencing financial distress generally, of home ownership counseling services.
  - Producing a multi-language DVD that informs home owners of rights and obligations upon purchase of a home, during ownership, and when experiencing a foreclosure.
  - Re-introduced the City of Minneapolis' Early Warning System as a way to identify home owners potentially heading toward foreclosure in order to make them aware of counseling services. Working with other cities to create a similar system.
  - Partnered with mortgage industry to create dedicated call lines for home ownership counselors and distressed home owners.
  - Partnering with mortgage industry to provide loss mitigation training for home ownership counselors and borrowers, as well as to provide neighborhood-based workshops where borrowers can meet with mortgage industry to immediately address borrower's concerns.
  - Working with mortgage industry to create financing mechanisms that could assist distressed home owners who cannot retain home ownership through the use of existing lender/servicer products.
  - Publishing information in print, radio, and television that advertises availability of home ownership counseling services. Partnering with lenders to distribute existing materials already prepared to assist borrowers.
- **Mitigation and Remediation after Foreclosure**
  - Mortgage industry working to provide contact information for city staff and neighborhood organizations for reporting vacant/distressed buildings so that problems can be addressed more efficiently.
  - Working with property management companies to explore use of alternatives to boarding and securing vacant properties, such as the use of hardware cloth, security systems, etc.
  - Working with mortgage industry, government, and community developers to focus remediation and loss mitigation efforts in six clusters on Minneapolis' Northside and in the Invest Saint Paul areas so that the continuum of solutions can be employed to address each individual property in a focused, efficient way.
  - Working with mortgage industry, realtors, and government to intensify use of short sales, keys for cash, deeds in lieu of foreclosure, and restoration in lieu of demolition to make more properties available for remediation and resale before vacancy and blight occur.
  - The Family Housing Fund, City of Minneapolis, and the Greater Metropolitan Housing Corporation developed a $10 million working capital loan fund through Minnesota Housing for properties in Minneapolis' Northside, and Saint Paul developed a pilot project through Habitat for Humanity and community development groups for Invest Saint Paul neighborhoods. Both initiatives will purchase, rehab, and resell properties to stable home owners after the original home owner has abandoned the property.
  - Working with mortgage industry to increase property donations to community-based redevelopment entities.
  - Working with partners to create incentives for homeowners returning to or moving to Minneapolis' Northside or an Invest Saint Paul area.

PROJECT FUNDING

The project is generously funded by the **Family Housing Fund**. The Family Housing Fund is a nonprofit organization whose mission is to produce and preserve affordable housing for low- and moderate-income families in the Twin Cities metropolitan area.

PROJECT CONTACT

Melissa Manderschied, Kennedy & Graven, Chartered; 470 US Bank Plaza, 200 South Sixth Street, Minneapolis, Minnesota 55402; (612) 337 – 9274 or mmanderschied@kennedy-graven.com.