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**Mortgage Bankers Association  
Annual Servicing Conference  
February 19, 2009**

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**HOPE NOW Alliance**

*Faith Schwartz  
Executive Director*



# HOPE NOW Alliance

- ❑ Overview of HOPE NOW
  - ❑ 2008
- ❑ HOPE Hotline
- GSE, FHFA and Portfolio SMP
- ❑ Outreach
- Data Collection Efforts and results
- ❑ HOPE NOW in 2009
  - ❑ Government program
  - ❑ Web
  - ❑ Outreach
  - ❑ Data collection



- **Voluntary Industry Response**
- **HOPE NOW** is an alliance among non-profit counselors, servicers, investors, and other mortgage market participants to prevent foreclosures through outreach to delinquent borrowers, counseling, and loan workouts based on the borrower's ability to repay
- **HOPE NOW:**
  - Reaches Homeowners in Need
  - Counsels Homeowners in Need
  - Assists Homeowners with alternatives to foreclosure
  - Integrates housing counseling with servicers
  - Report on Results
- Check Web at [HOPENOW.com](http://HOPENOW.com)



# HOPE NOW 2008

- Servicer guidelines
  - Accountability, transparency loss mit, First/Second lien process, early contact, and direct counselor communication
- Streamlined mods, subprime arms
- Early resolution technology(ERCPC)
- Support of national HOPE hotline
  - Fee for service, counseling
- Streamlined GSE/FHFA and portfolio mods
- Coordination of efforts with non-profits, servicers, regulators and borrowers



# HOPE NOW in review 2008

- Approximately 2.2 million foreclosure preventions
- Almost 950,000 mortgage modifications
- More than 20,000 families/homeowners helped at 29 workshops held across the United States
- More than 1 million total calls from homeowners to the Hope Hotline.
- An average of more than 7,000 calls per day to the Hope Hotline that was available 24 hours a day, 7 days a week, and 365 days a year.
- 2.9 million letters sent to at-risk homeowners
- An 18% response rate to the letters sent by HOPE NOW to at-risk homeowners, 6 times more than the typical response rate servicers receive when they send their own mailings.



# HOPE HOTLINE

- Free counseling- Homeownership Preservation Foundation HOPE Hotline, 888-995-HOPE
  - Number is in the public domain, used by many states, Legislators
  - Ad council campaign , Neighborworks America
    - Homeowners connected to one of 450 counselors.
    - 24 hours/7 days a week
    - Recent weeks, over 10,000 daily
    - HOPE NOW Servicers provide 800 numbers, fax and e-mail for all HUD counselors and hotline.



# GSE, HOPE NOW

## Streamlined Modification

- Reach borrowers who have not been helped, 90 days or more past due, 90% current LTV
- Reach 38% housing ratio by
  - Term , Rate and Principal Deferral
- Income verification
  - One stop offer
- Implementation plan Dec 08
  - Finalize Modification for performance, 90 days
- Adopt for portfolio's , anticipate more through private label securities, SMP and or FDIC model for market
- Discussion around NEW GOVERNMENT PROGRAM?

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# Home Preservation workshops

## Example, Gillette Stadium

- Counseled/met with over 2200 families in 7 Hours
    - 25,000 Letters Mailed to Borrowers At Risk
    - 50 Non-Profit Counselors Participated
    - 80 Servicer Reps with 23 Mortgage Servicers
  - Partners included Federal Reserve Bank of Boston, NeighborWorks, and the Robert Kraft Foundation/New England Patriots/Gillette Stadium
  - Other participants included Governor Patrick, Mayor Menino, Congressman Barney Frank, and numerous others
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# HOPE NOW Reach Out Campaign Flyer

Letter campaign to help drive borrowers to HUD approved non profit counselors. Phase 1 with Wisconsin, New Jersey and South Carolina.



## Local Partners Who Can Help

Please refer to the list below for local HUD Certified counseling agencies who are just a phone call away. By calling any one of these agencies, you will find a FREE advocate who will look at your total financial picture, including your mortgage, and share various options with you on how to stay current on your mortgage loan.

### Central

Catholic Charities of the Diocese of La Crosse  
– Marshfield  
1-715-387-2748

Catholic Charities of the Diocese of La Crosse  
– Stevens Point  
1-888-344-2500

Catholic Charities of the Diocese of La Crosse  
– Wausau  
1-888-849-3311

### Southeast

Acorn Housing Corporation  
1-414-444-6902 | [www.acornhousinghelp.org](http://www.acornhousinghelp.org)

HBC Services, Inc.  
1-800-687-1680

Housing Resources, Inc.  
1-414-449-0702

United Community Center  
1-414-384-3100

### North/Northeast

ADVOCAP, Inc.  
1-920-922-7760

Homestead Solutions, Inc.  
1-920-230-3324

Lakeshore Cap  
1-920-682-3737

NeighborWorks Green Bay  
1-920-593-3701

NEWCAP, Inc.  
1-800-242-7334

West Central, CAA  
1-715-265-4271

### Southwest/South Central

Catholic Charities of the Diocese of La Crosse  
– La Crosse  
1-800-212-HELP

Catholic Charities of the Diocese of La Crosse  
– Prairie du Chien  
1-800-212-8612

Common Wealth Development, Inc.  
1-608-256-3527

Coulecap, Inc.  
1-608-634-3104

NHS of Beloit, Inc.  
1-608-362-9051

Neighborhood Housing of Richland County  
1-808-647-4949



HOPE NOW

Support & Guidance For Homeowners

For more information about the HOPE NOW Alliance visit [www.hopenow.com](http://www.hopenow.com)





# HOPE NOW Data

BORROWER LOAN WORKOUT PLANS									
	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	Dec-08	2008 Year End Totals	July 2007-Dec 2008 ("Life to Date") Totals
<b>Repayment Plans</b>	357,900	348,531	314,453	302,565	335,152	349,622	116,911	1,301,792	2,008,223
<b>Prime</b>	154,383	160,127	148,814	141,840	179,864	203,171	72,151	673,689	988,199
<b>Subprime</b>	203,517	188,404	165,639	160,725	155,288	146,451	44,760	628,103	1,020,024
<b>Modifications</b>	72,773	133,467	170,216	220,349	256,188	322,105	121,876	968,859	1,175,099
<b>Prime</b>	29,714	36,634	48,148	56,202	70,503	91,880	36,939	266,733	333,081
<b>Subprime</b>	43,058	96,833	122,068	164,147	185,685	230,225	84,937	702,126	842,018
<b>Workout Plans</b>	430,673	481,998	484,669	522,914	591,340	671,728	238,787	2,270,651	3,183,322
<b>Prime</b>	184,097	196,761	196,961	198,042	250,367	295,051	109,090	940,422	1,321,280
<b>Subprime</b>	246,575	285,237	287,708	324,872	340,973	376,677	129,697	1,330,229	1,862,042

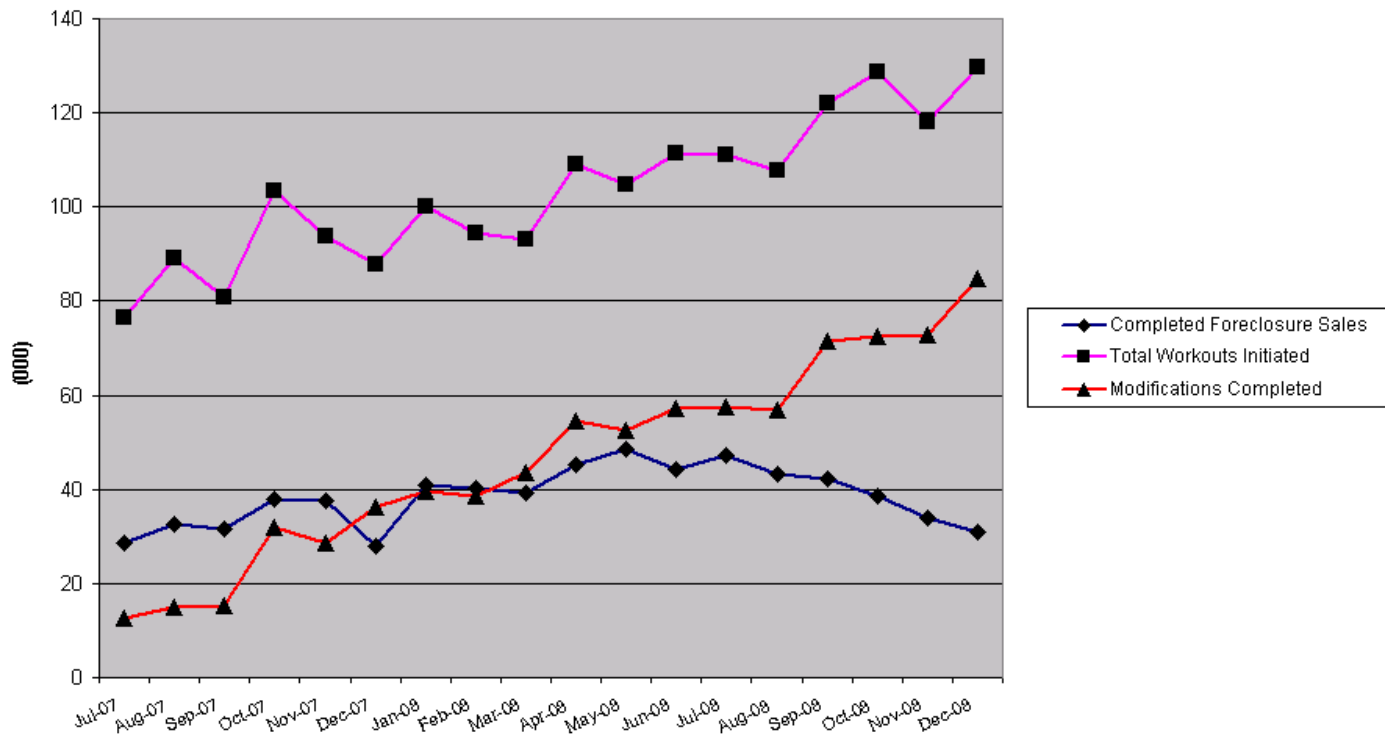
FORECLOSURE SALES									
	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	Dec-08	2008 Year End Totals	July 2007-Dec 2008 ("Life to Date") Totals
<b>Foreclosure Sales</b>	153,408	168,213	203,503	246,192	263,326	204,943	55,608	917,964	1,239,585
<b>Prime</b>	60,699	64,958	83,352	108,202	130,700	101,230	24,525	423,485	549,142
<b>Subprime</b>	92,709	103,255	120,151	137,990	132,626	103,713	31,083	494,479	690,443

(Workout Plans = Repayment Plans + Modifications)

<b>Repayment Plans:</b>	A plan that allows the borrower to become current and catch up on missed payments that are appropriate to the borrower's circumstances, which involves deferring or rescheduling payments but the full amount of the loan is expected ultimately to be paid and within the original contractual maturity of the loan.
<b>Modifications:</b>	A modification occurs any time any term of the original loan contract is permanently altered. This can involve a reduction in the interest rate, forgiveness of a portion of principal or extension of the maturity date of the loan.

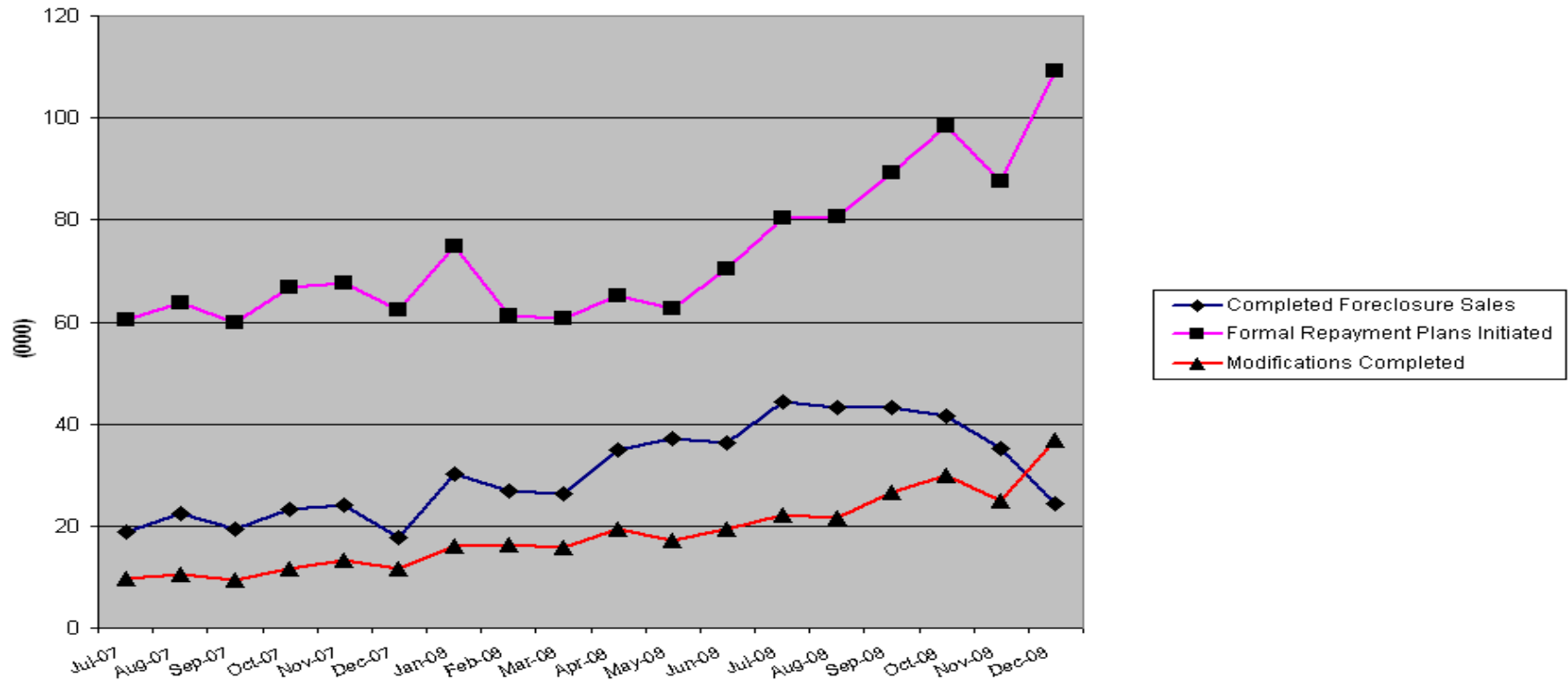
# HOPE NOW Data

Number of Sumprime Loans  
July 2007 to December 2008  
(thousands)



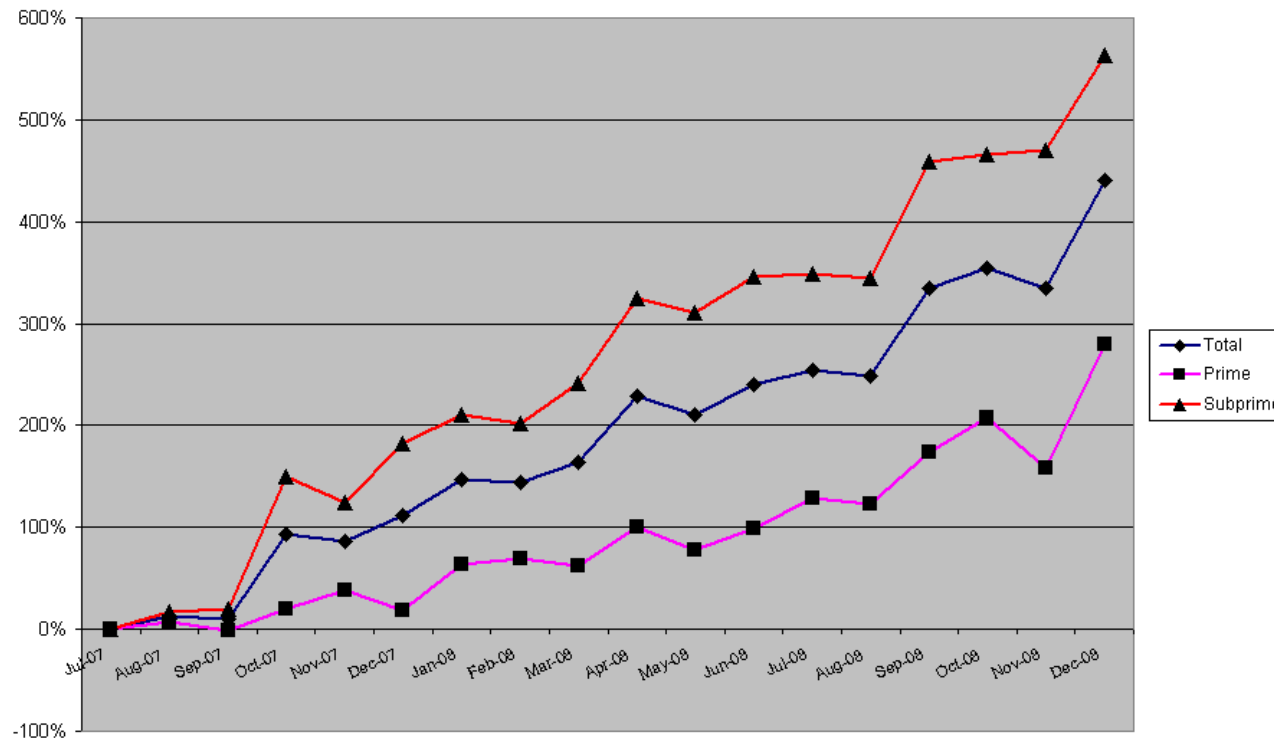
# HOPE NOW Data

Number of Prime Loans  
July 2007 to December 2008  
(thousands)

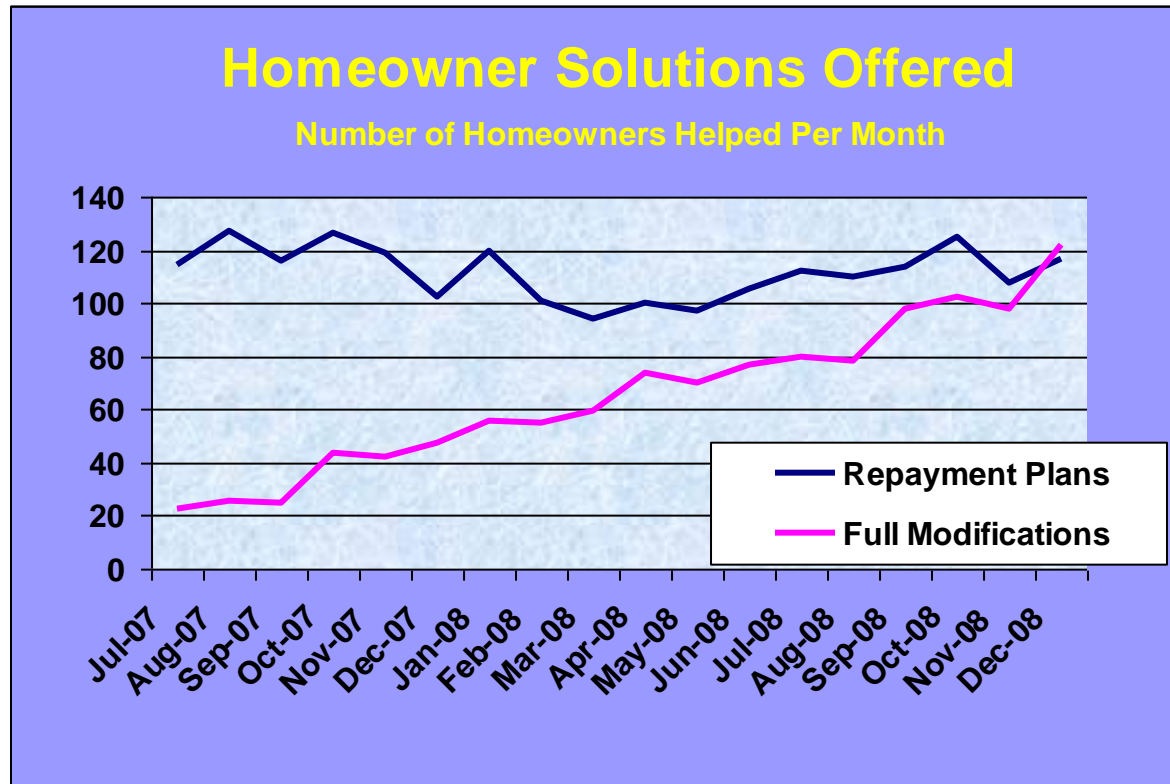


# HOPE NOW Data

Modifications Completed  
Percentage Change from July 2007 to December 2008



# HOPE NOW Results





# Challenging Environment

- Unemployment
- Estimate 2.8 mm borrowers greater than 60 days past due
- No longer Sub-prime problem, Economy
- Option arm resets into 2012
- Expectations around Government solution
- Modifications, historically, have various standards, confuse parties
- One in five borrowers underwater.
- Unprecedented in-bound requests for work outs
  - Estimates that 30% or more are current looking for help
- Numerous scam operations underway to charge borrower fees for help, modifications and counseling



# HOPE NOW Focus 2009

- **Outreach:** 30 projected homeowner workshops, expanded partnering and attendance.
  - Provide counseling and other assistance to homeowners such as phone-a-thons, web sites, expanded hotline activity
  - Visible campaign enhancement to HOPE NOW's existing efforts to reach at-risk homeowners
- **Web-based initiative** that will supplement the existing ability of homeowners to begin the foreclosure prevention process through the Hope Hotline
  - Support borrower through expanded Web capabilities to servicers , counselors and work out options
  - Additional assurance borrowers get through to servicers and counselors
- **Effort to collect superior loan-level data** that will help the industry further analyze trends and make necessary adjustments to help prevent foreclosures and provide policymakers with important additional information.
  - Significant improvement in workout solutions
  - Execute new Government program(?), operationalize with servicers
- **Work to shut down SCAM operators**
  - Discussion point