

**Office of
Bronx Borough President
Adolfo Carrión Jr.**



**Foreclosure
Prevention Resource
Guide 2008**



Dear Bronxites:

My office has created this Foreclosure Prevention Resource Guide to assist residents who have either fallen behind in their mortgage payments or who are at risk of losing their homes.

The sub-prime loan and foreclosure crises have negatively affected many communities. According to data from the NY Federal Reserve Bank, the largest number of sub-prime loans in the Bronx was in the Northeast Bronx while the highest percentage of foreclosures on sub-prime loans was in the South Bronx.

In response to these twin crises, I convened a Foreclosure Prevention Summit in February 2008 with officials from housing, regulatory and government institutions to identify financial and educational resources to help homeowners. This Resource Guide is largely a result of my collaboration with them.

I have a longstanding commitment to encouraging homeownership in The Bronx, including supporting the development of 5,089 affordable housing units and hosting an annual Homebuyer's Fair that attracts thousands. This year's Homebuyers Fair has been revamped to include a stronger focus on foreclosure prevention.

I hope this guide will help you to live the American Dream of buying and *keeping* a home.

Sincerely,

Adolfo Carrión Jr.

ADDRESSING FORECLOSURES IN OUR BOROUGH

SUB-PRIME LENDING AND FORECLOSURES IN THE BRONX...

The recent debacle in the sub-prime loan market and rising foreclosure rates have had a ripple effect on communities throughout New York and the country. Data released in early 2008 by the Federal Reserve Bank of New York reveal that the **largest number of sub-prime loans** in The Bronx was in zip codes 10466 (Wakefield/Eastchester: 1,055 loans) and 10469 (Baychester/Williamsbridge/Pelham Gardens: 999 loans), both in the **Northeast Bronx**. The **highest foreclosure rates** on sub-prime loans were in zip codes 10459 (Longwood: 16.3%), 10457 (Mount Hope/Bathgate/East Tremont: 16.1%), and 10460 (Crotona Park East/West Farms: 15.9%) in the **central South Bronx**.

BRONX FORECLOSURE PREVENTION SUMMIT...

To stem the spread of the sub-prime lending and foreclosure crises, the Bronx Borough President hosted a Foreclosure Prevention Summit in February 2008 with leading agencies to identify resources to assist Bronx homeowners facing foreclosure. Borough President Carrión is working with key organizations to perform outreach to at-risk homeowners.

ABOUT THE FORECLOSURE PREVENTION RESOURCE GUIDE...

This Resource Guide is based largely on discussions with executives from 15 institutions about their initiatives to address the foreclosure and sub-prime lending crises in the Bronx. Representatives of NYS Senators Klein and Hassel-Thompson, key individuals on this issue, were also present. This booklet provides Bronx homeowners with easy-to-use local resources to address and prevent mortgage default and foreclosure.

FORECLOSURE PREVENTION

PROFILE OF ORGANIZATIONS

CENTER FOR NYC NEIGHBORHOODS

A new 501(c)(3) nonprofit organization created by the New York City Council, the New York City Department of Housing Preservation and Development and not-for-profit partners to assist homeowners and renters threatened by the national subprime-lending and mortgage-foreclosure crises. Scheduled to open in Spring 2008, CNYCN will work with community-based organizations, public officials and financial institutions to deliver and coordinate comprehensive legal, housing counseling and educational services to neighborhoods throughout the City.

FANNIE MAE (FEDERAL NATIONAL MORTGAGE ASSOCIATION)

A shareholder-owned company chartered by Congress to expand the flow of mortgage funds in all communities and to help lower the costs to buy a home. Fannie Mae has taken a public stance against any type of predatory lending and their lender partners, who help consumers find the lowest cost mortgage, uphold the same standards.

FEDERAL RESERVE BANK OF NEW YORK

One of 12 regional Reserve Banks that, together with the Board of Governors in Washington, DC, comprise the Federal Reserve System. The New York Fed helps provide the nation with a safe, flexible, and stable monetary and financial system, and conducts open market operations. The New York Fed supervises the Second Federal Reserve District, which includes New York State. In February 2008, the New York Fed released data on sub-prime and Alt-A mortgage conditions in New York City, searchable by zip code.

FREDDIE MAC

A shareholder-owned corporation chartered by Congress to increase the supply of affordable mortgage funds for borrowers. Freddie Mac works with lenders and communities to help families avoid foreclosure, suppress predatory lending practices, and increase public awareness of mortgage fraud.

HABITAT FOR HUMANITY –NYC

A non-profit that promotes decent, affordable housing by building or renovating single-family homes and multiple-family condominium apartments with the “sweat equity” of low-income homebuyers and volunteers. Homebuyers make monthly mortgage payments at zero percent interest. Habitat-NYC is creating a social movement to end NYC’s housing crisis and to make affordable housing a priority.

MOUNT HOPE HOUSING COMPANY INC.

A community development organization in the Bronx whose Asset Building Program counters economic marginalization through: i) financial incentives for saving and asset accumulation, ii) financial literacy and counseling and iii) partnerships to reduce poverty. Mount Hope’s Individual Development Account (IDA) is a 2-to-1 match-savings program that enables clients to improve their savings capacity and to reach their financial goals, including buying a home.

NEIGHBORHOOD ECONOMIC DEVELOPMENT ADVOCACY PROJECT (NEDAP)

A non-profit focused on promoting community economic justice, and eliminating discriminatory economic practices that perpetuate poverty. NEDAP engages in policy advocacy and corporate accountability campaigns, builds coalitions, conducts research, and provides legal assistance to community groups and low-income individuals. Their programs build local capacity to effect change.

NEIGHBORHOOD HOUSING SERVICES OF NEW YORK CITY (NHS NYC)

NHS NYC has a 25-year history of providing New Yorkers with the affordable loans and housing education they need to buy, improve and keep their homes. NHS NYC partners with corporations and government to help more than 21,000 people each year. There are two offices in the North & South Bronx. NHS is a member of NeighborWorks America's national network to support community revitalization. Their 24-hour foreclosure hotline is 1-888-995-HOPE.

NEIGHBORHOOD INITIATIVES DEVELOPMENT CORPORATION (NIDC)

The primary community development agency in Community District 11 in the Bronx. Founded in 1982, the agency's mission has been, and remains, the stabilization and growth of the communities of the Northeast Bronx. Services include tenant landlord mediation, housing assistance, foreclosure prevention, community organizing and events, after school and summer youth programs, crime prevention, environmental education and volunteer programs.

NEW YORK CITY COMMISSION ON HUMAN RIGHTS

Agency that enforces local law against housing discrimination based on "actual or perceived" protected class including: race, creed (religion), citizenship status, gender, and other classes. NYCCHR provides default mortgage counseling to homeowners who are behind in their mortgage payments due to financial hardship resulting from loss of employment, divorce, illness, and other situations beyond their control. NYCCHR has a center in the Bronx.

NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT (HPD)

City agency that is a key governmental partner with the New York City Council in providing funding and support to the new Center for New York City Neighborhoods (CNYCN), which will assist homeowners at risk of foreclosure in all five boroughs.

NEW YORK STATE ATTORNEY GENERAL'S OFFICE

Attorney General Andrew M. Cuomo, the highest ranking State Law Enforcement Official in New York State, is responsible for investigating and prosecuting individuals and entities engaging in illegal business practices. Staff at the Harlem/Bronx regional office analyze predatory lending trends and also deliver workshops on predatory lending and other consumer fraud topics to Bronxites.

NEW YORK STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL

Government agency responsible for supervising, maintaining, and developing affordable low- and moderate-income housing in New York State. DHCR has created a \$25 million Subprime Foreclosure Prevention Services Program to provide grants to not-for-profits to deliver counseling and legal services to New York State homeowners with a subprime or unconventional mortgage. DHCR also participates in the Halt Abusive Lending Transactions (HALT) Task Force to address the sub-prime lending and foreclosure crises.

PARODNECK FOUNDATION

A not-for-profit that uses advocacy, counseling, intervention and partnerships to address the foreclosure crisis. Parodneck's Senior Citizen Homeowner Assistance Program (SCHAP) helps seniors in dilapidated homes or at-risk of foreclosure to retain their homes and improve their living conditions. SCHAP is the only affordable financial and home improvement program in NYC that exclusively targets low income senior homeowners. Parodneck was a member of the Planning Committee for the Center for NYC Neighborhoods.

STATE OF NEW YORK MORTGAGE AGENCY (SONYMA)

State government administrator of the "Keep the Dream" mortgage refinancing program launched in September 2007 to help New York homeowners with risky mortgages avoid default and foreclosure. Borrowers with adjustable rate, interest-only or other non-conventional mortgages can refinance and obtain a 30-year or 40-year fixed-rate mortgage at competitive interest rates.

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Federal government agency that administers the *FHASecure* program through which homeowners who missed mortgage payments after their rates were reset can refinance. Almost 35,000 homeowners nationwide have avoided foreclosure under this program. HUD has proposed additional financial and counseling tools to help homebuyers and homeowners combat predatory lending.

UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

A non-profit organization and Community Development Financial Institution (CDFI) that creates, preserves and finances affordable housing in the West Bronx. UNHP's work with homeowners centers on research, advocacy, outreach, intake and referrals.

EARLY STEPS TO PREVENT FORECLOSURE

(Source: www.freddiemac.com)

You already know a **Plan B** is important, but what should it include? The first steps to take in creating your plan to prevent foreclosure are:

Save money.

Put away some money each month to have an emergency fund in case something unexpected happens, such as losing your job. You should have several months of housing costs saved to protect you from unexpected financial problems.

Reduce expenses.

Think about where you can save money; for instance, temporarily canceling cable or your gym membership. By cutting down to the bare necessities, you may be able to save a significant amount of money. And even if it doesn't seem like enough of a savings to make a big difference, remember – every little bit helps.

TIP: Use Freddie Mac's budget worksheet to help you think about which changes you can make if you find yourself facing financial difficulties. To use the budget sheet, go to their website:

www.freddiemac.com/corporate/buyown/english/avoiding_foreclosure/early_steps.html

If you've put your Plan B into action and still find yourself having trouble paying the mortgage, you should:

CALL your lender.

This is the single most important thing you can do. Lenders want borrowers, not properties – they would prefer to see you keep your home. Most will work with you while you get back on your feet.

Be honest with your lender.



Different situations require different solutions. It will matter to your lender to know if your financial problems are temporary, for example, due to an injury that puts you out of work for a few months, or are more long term, such as a cut in pay or a layoff.

Know what you owe.

Have a clear picture of what your debts are and make your mortgage the priority if you have to make choices. Debt collectors can be very aggressive, but if you can't pay all your debts, make sure your home is protected from foreclosure by paying your mortgage.

Talk to a housing counselor.

A non-profit housing counseling agency, several of which are listed in this resource guide, may be able to help you restructure your bills so that you have an easier time paying them. Additionally, they can help you create a budget that suits your specific needs.

CONTACT a housing not-for-profit.

A housing non-profit can give you valuable assistance and advice. The HOPE National helpline, 888-995-HOPE, is dedicated to helping homeowners facing foreclosure 24 hours each day. Spanish-speaking counselors are available. Freddie Mac, Fannie Mae, and NHS (through NeighborWorks America) are HOPE hotline partners.

Foreclosure Prevention Snapshot

Not-for-Profit Services in the Bronx in 2008

	Advocacy	Anti-Predatory Lending	Counseling	Education	Intervention (Financial)	Outreach	Referral	Research & Analysis
Center for NYC Neighborhoods	✓	✓	✓	✓	✓	✓	✓	✓
Habitat for Humanity	✓	✓		✓	✓	✓		✓
Mount Hope Housing		✓	✓	✓		✓	✓	
NEDAP	✓	✓		✓		✓	✓	✓
NHS North Bronx		✓	✓	✓	✓	✓	✓	
NHS South Bronx		✓				✓	✓	
NIDC	✓		✓	✓	✓	✓	✓	
Parodneck Foundation	✓	✓	✓	✓	✓	✓	✓	✓
UNHP	✓					✓	✓	✓

FORECLOSURE PREVENTION SERVICES

NOT-FOR-PROFITS

Center for New York City Neighborhoods

New York, NY

E-mail: info@cnycn.org

Contact: MICHAEL HICKEY, Executive Director

- Analysis: Foreclosure and Borrower Trends
- Funding: \$5.3 million in 2008 from public and private sector
- Monitoring and Evaluation of CBOs
- Neighborhoods: All Bronx
- Partnerships: NHS, NEDAP, Legal Services NYC
- Research and Reporting: Development of Best Practices
- Resources: 57 anti-foreclosure legal and counseling staff to help homeowners in each borough
- Training: Financial Counselors, Legal Services, and Community Outreach and Education Specialists

Habitat for Humanity-NYC

111 John St., 23rd Fl.

New York, NY 10038

212-991-4000

www.habitatnyc.org

Contact: JON FURLONG, Advocacy Program Associate

- Advocacy
- Anti-Predatory Lending: Public awareness campaign
- Education
- Financing: 0% interest rate mortgage on affordable housing
- Outreach
- Partnerships: NEDAP, NYC Office of Financial Empowerment
- Research & Policy: 2008 Housing Covenant, 2007 Predatory Lending Survey

Mount Hope Housing

2001-05 Walton Avenue

Bronx, NY 10453

718-299-7175

www.mounthopehousing.org

Contact: BRENDA D. JONES, Vice President of Asset Building & Technology

- Anti-Predatory Lending: Educates homebuyers on appropriate financial tools
- Asset-Building: Sponsored NYC's first Individual Development Account Program
- Counseling
- Education/Training: Financial Literacy
- Outreach: Participates in Bronx Homebuyer Education Initiative
- Partnerships: Fleet Bank, Citibank, JP Morgan Chase, NHS-South Bronx, and many others.

Neighborhood Economic Development Advocacy Project (NEDAP)

73 Spring St.

New York, NY

212-680-5100

www.nedap.org

Contact: REBECA GAMEZ, Community Education Coordinator

- Advocacy
- Analysis: Foreclosure Trends
- Anti-Predatory Lending Task Force
- Community Education
- Neighborhoods: All Bronx
- Partnership: Center for NYC Neighborhoods
- Research: Geographic Information Systems/Mapping

GOVERNMENT (FEDERAL, STATE, CITY)

U.S. Department of Housing and Urban Development (HUD)

26 Federal Plaza
New York, NY
212-542-7142

www.hud.gov

Contact: MANUEL A. ALVARADO, Operation Specialist

- Counseling: Proposed funds for housing counseling
- Funding: \$65 million FY '09 budget request for 2,300 housing counseling agencies nationwide
- Intervention: *FHASecure* Refinancing, Proposed FHA Modernization Bill (Alternative to High Risk Loan)
- Neighborhoods: All Bronx
- Outreach: Workshops with homeowners on *FHASecure* eligibility

State of New York Mortgage Agency (SONYMA)

641 Lexington Ave
New York, NY 10022
212-688-4000

www.nyhomes.org

Contact: GEORGE LEOCATA, S.V.P. Single Family Programs

- Affordable Homeownership
- Intervention: “Keep the Dream” mortgage refinancing program for at-risk homeowners. Expanded to include single and multi-family dwellings (up to four-family homes). Allows lower FICO credit scores.
- Neighborhoods: All Bronx
- Outreach: Radio and newspaper advertising; Direct mail campaign to potential borrowers
- Partnerships: Participating lenders include CitiMortgage Inc., Countrywide Home Loans Inc. and JPMorgan Chase

N.Y.S. Division of Housing and Community Renewal (DHCR)

Hampton Plaza
38-40 State St.
Albany, NY 12207
518-402-3728

www.dhcr.state.ny.us

- Anti-Predatory Lending: Halt Abusive Lending Transactions (HALT) Task Force
- Funding: \$25 million in non-profit grants for financial counseling, mediation, legal services and negotiation for at-risk homeowners
- Neighborhoods: All Bronx
- Program: Subprime Foreclosure Prevention Services Program
- Partnerships: NYS Housing Trust Fund Corp. NYS Banking Department, the Office of Court Administration
- Training: Financial support for credit counseling and homeownership assistance training

Office of N.Y.S. Attorney General Andrew M. Cuomo Harlem/Bronx Regional Office

163 W. 125th St.
New York, NY 10027
212-961-4475

www.oag.state.ny.us

Contact: GUY H. MITCHELL, Assistant Attorney General-In-Charge

- Analysis: Identification of predatory lending patterns/targets
- Anti-Predatory Lending: Investigation of consumer complaints of patterns of predatory lending practices
- Mediation/Legal: Engage in mediation and prosecution against predatory lenders
- Neighborhoods: All Bronx
- Outreach: Workshops to community groups about predatory lending, identity theft prevention and financial literacy

**N.Y.C. Department of Housing Preservation and Development
Division of Neighborhood Preservation**

100 Gold St.
New York, NY 10038
212-863-7763

www.nyc.gov/hpd

Contact: WILLIAM CARBINE, Assistant Commissioner

- Funding: Center for NYC Neighborhoods, to help homeowners at-risk of foreclosure
- Initiatives: P.A.C.E. Anti-Predatory Lending Campaign, Senior Citizen Housing Assistance Program, Home Improvement Program
- Neighborhoods: All Bronx
- Partnerships: NYC Council, NEDAP, NHS, Parodneck

**New York City Commission on Human Rights
Bronx Community Service Center**

1932 Arthur Ave., Rm. 203A
Bronx, NY 10457
718-579-6900

www.nyc.gov/html/cchr

Contact: BELINDA SIMMONS, Deputy Director

- Advocacy
- Counseling: Mortgage counseling to homeowners in default
- Neighborhoods: All Bronx
- Outreach: Seminars to groups on mortgage defaults
- Partnership: HUD-approved mortgage-counseling agency
- Referrals

Federal Reserve Bank of NY

33 Liberty St.
New York, NY 10045
212-720-2789

www.ny.frb.org

Contact: JAVIER SILVA, KEN TIONGSON, Community Affairs Analysts

- Monitoring: Oversight of financial institutions
- Neighborhoods: All Bronx
- Research: Sub-prime mortgage data by Bronx zip code

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851 Grand Concourse
2nd Fl.
Bronx, NY 10451

718-590-3500

bronxboropres.nyc.gov

Contact: JAMES RAUSSE, AICP, Chief Planner for Housing & Community Development

- Affordable Housing: Development Assistance to Not-for-Profit and For-Profit Developers
- Analysis: Sub-prime and Foreclosure Trends
- Education: Annual Homeowners Education Fair
- Funding: Not-for-Profit and For-Profit Housing Developers
- Geographic Information Systems: Mapping of Residential, Commercial and Institutional Development
- Neighborhoods: All Bronx
- Outreach: Foreclosure Prevention Resource Guide 2008
- Planning: Foreclosure Prevention Summit
- Referrals
- Research: Housing Report 2007 on Market Approaches to Affordable Housing; Annual Development Report on Bronx Residential, Commercial and Institutional Development.

GOVERNMENT-SPONSORED ENTITIES

Fannie Mae

780 Third Ave., 38th Fl
New York, NY 10017
888-995-HOPE
www.fanniemae.com

- Affordable Homeownership and Rental Housing
- Anti-Predatory Lending Policy
- Counseling: Homeownership Preservation Foundation through 888-995-HOPE hotline
- Education to Homebuyers
- Financing: Offers lower-cost mortgages through institutional partners, including refinance products such as *HomeStay*.
- Funding: Grants to support foreclosure prevention efforts of not-for-profit partners, ex. Center for NYC Neighborhoods
- Intervention: Keys to Recovery™ Initiatives, including refinancing, neighborhood stabilization, flexible down payment options, and participation in Hope Now events. Efforts to expand responsible lending: www.fanniemae.com.
- Neighborhoods: All Bronx
- Outreach: Supports NeighborWorks America and the HOPE NOW Alliance 1-888-995-HOPE
- Partnerships: Liaises with NYS Housing Finance Agency and other institutions to find affordable refinance solutions for homebuyers, such the *Keep the Dream Mortgage Product*
- Training: Approved Lenders

Freddie Mac

122 E. 42nd St., 4th Fl
New York, NY 11201
800-424-5401

www.freddie.mac.com/avoiding_foreclosure

Contact: ROBIN STOUT MIGALA, Consumer Outreach Manager

- Affordable Homeownership: *HomePossible*® mortgage products. *SafeStep*® alternatives, for borrowers with insufficient or challenged credit
- Anti-Predatory Lending: Sponsor of Center for NYC Neighborhoods, *Don't Borrow Trouble*® campaigns (www.dontborrowtrouble.com), Mortgage Fraud Awareness videos on www.YouTube.com
- Education: Supports homebuyer education for first-time homebuyers. Created CreditSmart® training online at www.freddie.mac.com/creditsmart
- Intervention: Works through lenders to actively help families avoid foreclosure. Delegates authority to lenders and provides financial incentives to work out delinquent loans quickly and safely
- Neighborhoods: All Bronx
- Outreach: Sponsors 1-888-995-HOPE foreclosure hotline, the national Ad Council Anti-Foreclosure ad campaign, and local Foreclosure Avoidance education
- Research: 2005 and 2008 Foreclosure Avoidance Studies

ACKNOWLEDGMENTS

BRONX BOROUGH PRESIDENT STAFF

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