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United States House of
Representatives
Committee on Financial
Services
Washington, D.C. 20515

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MEMBER

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Foreclosure Resource Manual to Assist Constituents

Dear Colleague:

As you know, a record number of American families are facing or are at risk of foreclosure. According to data from the Mortgage Bankers Association, foreclosures and delinquencies are at their highest level in more than 30 years. Much of the problem can be traced to the proliferation of subprime and other exotic adjustable rate loans given to consumers with little regard to the borrower's ability to repay. With an estimated 2 million of these adjustable-rate mortgages scheduled to reset over the next year, this crisis is far from over and has the potential to cause serious problems for the overall U.S. economy.

The Financial Services Committee has been trying to help people at risk of foreclosure stay in their homes and plans to take additional actions to address predatory lending and the causes of the foreclosure crisis. We recognize that foreclosures not only affect the families that lose their homes, but also have serious consequences for surrounding communities.

In response to Members' requests for information to provide to their constituents, the Financial Services Committee has created a "Foreclosure Resource Manual" describing various foreclosure prevention resources available to homeowners. The manual includes telephone numbers and website addresses for government agencies, non-profits and the Government Sponsored Enterprises that have developed initiatives to help homeowners who are having trouble with their mortgages. These resources include 24-hour, 7 day a week hotlines that refer borrowers to approved housing counseling services; links to organizations that can intervene on behalf of borrowers facing foreclosure; information on refinancing and financial assistance to eligible borrowers; links to educational information on how to avoid foreclosure; and links to state Attorneys General who can help investigate complaints of abusive mortgage lending practices.

If you have questions or need additional information please contact me, or have your staff contact Patience Singleton or Michael Beresik on the Financial Services Committee staff.

/s/

BARNEY FRANK
Chairman

Attachment

CONGRESSIONAL OFFICE MANUAL RESOURCES TO HELP HOMEOWNERS AVOID FORECLOSURE

Government and Nonprofit Resources: *A number of federal and state agencies and nonprofit organizations have developed foreclosure prevention programs to help homeowners who are having trouble with their home loans. Congressional offices may want to inform their constituents that the following organizations offer free or low-cost foreclosure prevention programs to eligible homeowners:*

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

HUD provides a variety of resources for homeowners at risk of foreclosure. The Department funds free housing counseling services throughout the country. HUD-approved counselors can help homeowners understand the law and their options, organize their finances, and represent borrowers in negotiations with their lenders if this assistance is needed.

Telephone: 1-800-569-4287

Find HUD-Approved Housing Counseling Agencies in your State:

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?weblistaction=summary>

Additional HUD resources for avoiding foreclosure:

<http://www.hud.gov/foreclosure/index.cfm>

State Attorneys General

Homeowners who suspect that they have been a victim of fraud, misleading information, or other deceptive practices, should contact their state Attorney General's office. These offices investigate complaints and sue lenders and other mortgage originators for alleged illegal behavior. In addition, several state Attorneys General have been instrumental in setting up multi-agency foreclosure prevention task forces that provide financial resources and proactive intervention for homeowners facing or at risk of foreclosure.

Find your state Attorney General's office:

http://www.naag.org/attorneys_general.php

State Housing Finance Agencies

State Housing Finance Agencies administer a wide range of affordable housing and community development programs. A number of state HFAs have partnered with other entities (including nonprofit counseling agencies, local governments, state housing departments and lenders) to provide comprehensive foreclosure prevention and mitigation strategies.

Find your state housing finance agency:

<http://www.ncsha.org/section.cfm/4/39/187>

NeighborWorks

NeighborWorks is a national network of more than 240 community-based nonprofit organizations (located in 50 states) created by Congress to provide financial support, technical assistance, and training for community revitalization efforts. NeighborWorks provides a variety of resources for preserving homeownership in the face of rising foreclosure rates including *HOPE for Homeowners*, a toll-free national hotline that offers free foreclosure prevention and counseling advice from a third party, HUD-certified, not-for-profit network of counseling agencies dedicated to helping homeowners avoid foreclosure. NeighborWorks has teamed up with the Homeownership Preservation Foundation and the Financial Services Roundtable to provide this service.

HOPE for Homeownership Hotline (in English and Spanish): 1-888-995-HOPE

Find a HUD-certified NeighborWorks organization:

<http://www.nw.org/network/nwdata/hudhousing.asp>

Information on the Center for Foreclosure Solutions:

<http://www.nw.org/network/neighborworksProgs/foreclosuresolutions/default.asp>

National Community Reinvestment Coalition (NCRC)

NCRC is a national coalition of more than 800 non-profit organizations that seek to increase the flow of private capital into underserved communities. NCRC's Consumer Rescue Fund works with victims of predatory lending to provide mediation, refinancing or renegotiation of mortgages. Refinancing services are currently available in the states of: Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Nevada, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas and Wisconsin.

NCRC's Information and CRF Services line: 202-628-8866

Website for the CRF: <http://www.fairlending.com/>

National Council of LaRaza (NCLR)

NCLR is the largest national Hispanic civil rights and advocacy organization in the United States. NCLR's Homeownership Network of 42 community-based organizations provide home ownership counseling and can intervene between borrowers facing financial crisis and the lenders and/or mortgage servicer.

Contact NCLR's: 202-785-1670

NCLR's Website: www.nclr.org

Neighborhood Assistance Corporation of America (NACA)

NACA is a national non-profit advocacy and homeownership organization. NACA's Refinance Program offers new loans to eligible homeowners with

unaffordable mortgages. NACA's *Home Save* program gives counseling and financial assistance to eligible homeowners who are at risk of foreclosure.

NACA's Information and Refinancing Services line: 1-888-302-NACA

Website: <https://www.naca.com/program/homesaveProgram.jsp>

Government Sponsored Enterprise Resources: *GSEs also provide excellent resources for Congressional offices seeking to aid constituents facing or at risk of foreclosure:*

Fannie Mae

Fannie Mae's *HomeStay Initiative* provides flexible mortgage products that help homeowners with blemish credit histories refinance as well as counseling and foreclosure prevention services. In addition, Fannie Mae has worked with three state housing finance agencies (Massachusetts, New York, and Ohio) to develop refinancing programs to assist homeowners who are facing foreclosure or have a mortgage product that may no longer be suitable to their financial situation. Fannie has designed a product that allows eligible at-risk homeowners to refinance into 30-year fixed rate mortgage loan.

Information on *HomeStay Initiative*:

<https://www.efanniemae.com/homestay>

Information on other Fannie Mae refinancing initiatives: [contact state HFA agencies in MA, NY and OH.](#)

Freddie Mac

Freddie Mac helped to develop and fund *Don't Borrow Trouble*, a comprehensive consumer awareness and foreclosure prevention campaign. In addition, Freddie Mac has partnered with national non-profit organizations, counseling agencies and several lenders on a foreclosure-avoidance initiative designed to reach out to delinquent borrowers early on and provide appropriate counseling through trusted intermediaries to help avoid foreclosure.

Information on *Don't Borrow Trouble*:

<http://www.dontborrowtrouble.com/>

Legal Resources: *In addition to the resources above, some homeowners may want to retain an attorney to help them navigate the legal system:*

National Association of Consumer Advocates

The National Association of Consumer Advocates (NACA) is a nationwide organization of more than 1000 attorneys who represent and have represented hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. NACA attorneys have represented thousands of victims of predatory lending practices. The legal services are provided by legal service lawyers and private practice attorneys who provide free or low-cost legal representation.

Contact NACA: 202-452-1989

Find an attorney: <http://members.naca.net/findanattorney.php>

Democratic Staff)

(Prepared by Financial Services Committee,