



Foundation Is Independent, Uniquely Suited To Hamp Role

The HPF provides foreclosure prevention and mitigation counseling and financial education to homeowners. HPF administers a nationwide network of housing counselors that provides needed assistance to about 5,500 homeowners each weekday, to help them avoid foreclosure, if possible. These trained, knowledgeable and empathetic counselors help the homeowners (1) understand their situation and how to avoid foreclosure, (2) develop a detailed action plan and monthly household budget, and (3) connect them with their servicer to determine viable options for their mortgage. HPF's counseling is independent and neutral, providing information that helps a homeowner make informed decisions around foreclosure prevention and home retention options.

HPF is able to provide counseling free-of-charge to homeowners, 24/7, 365 days a year, in 170 languages, through the financial support of public sources and the mortgage industry. HPF is a vital part of the solution to the nation's mortgage challenge and the homeowners we serve value the counseling that we provide. HPF helps facilitate discussion between servicers and homeowners, but does not have the legal authority to overturn a servicer or investor decision. In addition to providing comprehensive counseling for distressed homeowners, HPF has partnered, beginning in 2009, with the U.S. Department of Treasury to assist with the Making Home Affordable Program. HPF provides two distinct functions for the MHA program; first, we provide information to homeowners to determine if they may be eligible for the program, and secondly, HPF has developed a dedicated team to assist homeowners who may have questions related to the MHA program or believe that they were wrongfully denied for the program. In both cases the HPF agents are trained to review the situation, educate the homeowner and facilitate communication between the homeowner and servicer when it is appropriate. Both the authority and the responsibility for granting modifications rest with the servicers.

HPF is also the primary call to action for the national Loan Scam Alert campaign to bring awareness to loan modification scam activity. HPF's role in the campaign is to encourage counseling for the homeowners to determine their options as well as to capture key information on potential scam organizations and work with local, state and federal authorities to shut down their operations.

Since June 2009, more than 1.8 million homeowners have called HPF's Hotline for assistance, to report scams, or to learn about the MHA program and how they can avoid foreclosure. There are no other hotlines or systems (government, private or non-profit) which are able to manage a hotline, 24/7, 365 days a year, in 170 languages, to assist borrowers at risk who need support on navigating the tricky and complicated issues around foreclosure prevention and home retention options.



HPF's counselors assist homeowners completely independently of mortgage servicers and investors and are part of a nationwide network of 600 trained non-profit housing and credit counseling professionals who all work for HUD-approved counseling agencies and who must be certified by HUD to become housing counselors. Homeowners counseled by HPF and other non-profits have lower re-default rates, are often able to get their monthly mortgage payments reduced, and many more are able to stay in their homes as compared to those who were not counseled.

Of the 5,500 distressed homeowners who call our Hotline each weekday, HPF completes comprehensive counseling sessions for about 1,500 and provides basic information, guidance and assistance to about 3,500 of these homeowners. During the counseling sessions, we learn pertinent information about the status of a homeowner's situation and we use it to help the servicer in determining a workout solution. A small sample of what we know includes:

- 35% understand that they need to either earn more money or spend less money to bring their monthly budgets into balance and produce a surplus that may then qualify them for a modification.
- 71% report that their primary reason for default is unemployment, underemployment or loss of income.

The difference that a counselor can make in the life of a distressed homeowner is transforming--the counselor helps the homeowners see their new reality; relinquish their attachment to their old way of life and the trappings that came with making more money; apply for benefits; continue to look for work while perhaps others in the household also begin to work and apply their income to the mortgage; and possibly face the fact that they may need to take a job making less money (at least on a temporary basis) so they can keep a roof over their heads.

HPF is an example of an effective public-private partnership, in place to ensure there is a safe haven for thousands of distressed homeowners each day who are better able to make informed decisions around foreclosure prevention and home retention options.

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