



Training Foreclosure Counselors

BY CORA FULMORE



ike Homebuyer Counseling, Foreclosure Counseling requires one-on-one relationships that require trust and confidence in the counselor, the family in foreclosure and the process. Foreclosure counselors are seen by lenders as facilitators to mitigate losses, while buyers and owners see the counselor as an advocate. Counselors must design a plan that achieves the objective of the owner based on their willingness and capability. The counselor establishes a course of action with specific tasks to be followed. Knowledge of the servicing practices, foreclosure laws and options are essential for the counselor. The counselor must start by evaluating the situation to determine where in the process a delinquency or default might be. Since Florida requires a judicial process for the foreclosure of a real estate mortgage, the counselor needs to understand the timeframe and procedures involved.



Cora Fulmore, President of the Mortgage and Credit Center and Florida Housing Coalition Board Member, provides homebuyer counseling and foreclosure prevention training with the Florida Housing Coalition.

The foreclosure counselor will be familiar with the causes of delinquency. These include divorce, marital problems, or the death of a family member. Job loss or reduction in income can trigger foreclosure as well as a major illness and medical bills. Other causes include excessive financial

obligations, poor money management, unexpected repairs or other problems such as substance abuse. The consequences of foreclosure are dire: the loss of shelter, loss of credit, extreme stress on the family, and unexpected tax consequences. The counselor must evaluate the financial

picture and pinpoint the time constraints with regard to late payments and reinstatement. The homeowner needs to be given realistic advice and to understand if the problem is curable or not.

In working with the lender or servicer, the counselor will be able to determine if the property should be sold and what type of sale. Other options include a deed in lieu of foreclosure or a short sale. All of this is based on the financial condition of the owner.

The role of the counselor will be greater with the systematic streamlining of mortgage modifications proposed by the U.S. Treasury. If the loan servicer is willing and the originator of the mortgage can be located, there is a complex plan for modifying mortgages. This will be advanced territory for the state's mortgage counselors.



The next Foreclosure Prevention Workshop offered by the **Florida Housing Coalition** will be on **April 1, 2008 at the Crowne Plaza Hotel in West Palm Beach.**

For those working toward the joint homebuyer counseling certification from and the Florida Housing Coalition and NeighborWorks, attendance at this workshop will serve as one of the required courses for that certification.

This workshop will address:

- Foreclosure prevention through best practices for homebuyer counseling, underwriting, and subordination policies, so that barring unexpected illnesses or loss of employment, there would be no foreclosure.

- Foreclosure intervention and the foreclosure counselor's role, for those rare instances when assisted housing is in trouble, and for the all too common instances when those who did not have the benefit of affordable housing assistance, entered into the sub-prime mortgage market.
- Changes to the credit market that will affect future low income affordable housing buyers.

Who Should Attend:

- * Housing Counseling Providers
- * Local Government Housing Administrators
- * Community Lenders
- * Nonprofit Affordable Housing Developers

There is no fee for this training. Go on-line www.flhousing.org or Call 1-800-677-4548 to register.