HOUSING COUNSELING SERIES, PART 2: Successfully Administering Counseling Assistance

Sponsored by the Florida Housing Finance Corporation’s Catalyst Program

Michael Chaney, Technical Advisor
Florida Housing Coalition
Catalyst Training Schedule

The Coalition is Florida’s affordable housing training and technical assistance provider.

www.flhousing.org
Our Thanks to the Florida Housing Catalyst Program

Sponsored by the Florida Housing Finance Corporation
Request a Site Visit on Housing Counseling assistance or more

- Call (800) 677-4548
- Up to 6 hours of training in your office
- Discuss new and existing strategies
- Review of Files, Staffing, Procedures
Two Audiences for Today’s Webinar

• SHIP staff learning about counseling
• Counseling agencies learning about SHIP
Today’s Presenters

• Carrie Vitale, Vice President of the Tampa Bay CDC

• Mohan Lalwani, Program Manager at Credit Card Management Services

• Carolyn Norris, Executive Director of the Home Ownership Resource Center
Review from Part 1: Offering SHIP Housing Education and Counseling

Recording from February 12: https://vimeo.com/255454825
Benefits of Pre-Purchase Counseling

There is evidence that pre-purchase counseling reduces the rate of first-time buyer delinquency by 29%.

Estimated dollar benefit of this reduction is $1,000 per loan.

SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.
SHIP Pays for Housing Counseling

• May pay with SHIP Program Funds—not Administrative Budget—when contracting for counseling services

• Upper limit for SHIP-funded Counseling dictated by set aside compliance

• Counseling does not comply with set-asides
Counseling Agency Partnership
CASE STUDY

Tampa Bay CDC
Carrie Vitale
Sample Contract from Kissimmee
• Rapid Rehousing of Homeless persons
• Maintain Files, submit Monthly Reports

Pasco County Bid Specifications
• Classes: 7 hours long, # in certain locations, English and Spanish
• Foreclosure Prevention: Develop budget, Possibly defer SHIP loan repayment

Sub-Recipients Technical Bulletin
SHIP may partner with Counseling Agency

- SHIP pays a service delivery fee
- Counseling is a Program Delivery Cost: agency offers services that city/county staff often cannot
Counseling Agency Partnership
CASE STUDY

Home Ownership Resource Center
Carolyn Norris

What are the tasks involved with providing SHIP-funded assistance
### 16/17 SHIP Funds for Housing Counseling

- **Source:** Foreclosure Counseling Program (FCP)
- **Amount Available:** $10,000 - $15,000

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Annual Report: 16/17 Considerations

• Special allocation of counseling funds
  • Mostly provided January-June 2017 during 16/17 fiscal year.

Add to 16/17 Annual Report

• ENCUMBER: 16/17 Counseling Funds: may be encumbered by contract w/ HUD counseling agency

• EXPEND: Deadline is June 30, 2019
Types of Housing Counseling

• Pre-Purchase
• Post-Purchase
• Foreclosure prevention
• Rental housing counseling
• Homeless Counseling
Homebuyer Counseling

- Offer classes and one-on-one counseling.
- Involve lenders, home inspectors, Realtors, insurance staff, and more
# Topics for Pre-Purchase Education

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<th>Key Topics</th>
<th>Client Outcome</th>
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<td>Assessing Homeownership Readiness</td>
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<tr>
<td>Pros and cons of homeownership</td>
<td>Understand the benefits and responsibilities of homeownership</td>
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<td>Overview of the home purchase process</td>
<td>Conduct self-assessment of homeownership readiness</td>
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<td>Housing affordability</td>
<td>Calculate housing affordability</td>
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<td>4 C’s of credit</td>
<td>Understand how lenders determine mortgage readiness</td>
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Source: National Industry Standards for Homeownership Education & Counseling
Financial Management Counseling
Financial Management

Financial management education:
• Including “Provide... skills and knowledge necessary to ameliorate the risk of re-default or avoid problems in the future.”

Financial coaching:
• One-on-one assistance

Extended financial management:
• including post-modification assistance such as “engage with the lender or servicer to discuss specific issues related to the permanent modification.”

--Quotes from FCP Revised Procedures Feb 2015
Financial Management

CASE STUDY

Tampa Bay CDC

Carrie Vitale

• Provide an overview of the CDC’s financial counseling program.
  • Is it funded by SHIP?
Foreclosure Prevention
SHIP Foreclosure Prevention Resources

**SHIP Counseling**: Classes and one-on-one counseling. Communicate and Negotiate with lender

**SHIP Foreclosure Prevention Strategy**:
- Pays past due amounts:
  - Delinquent mortgage payments (principal, interest, taxes and insurance),
  - Attorney’s fees,
  - Late fees and other customary fees
SHIP helps Homeowners with Hardships

• Recovered from temporary hardship
• Can maintain housing payments
• Sample Text
  • “There must be a reasonable prospect that the applicant will be able to resume full mortgage payments to the primary lender.”
  • “The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.”
Foreclosure Prevention Counseling

CASE STUDY

Credit Card Management Services

Mohan Lalwani

• Overview of how a counselor provides foreclosure prevention counseling

• Hardest Hit closed January 31, 2018. What else funds your foreclosure work?
Post-Purchase Counseling
Post-Purchase Counseling
CASE STUDIES

Home Ownership Resource Center
Carolyn Norris
and
Credit Card Management Services
Mohan Lalwani

• Why is this important?
• What topics are addressed?
Post-Purchase Topics

• Budgeting
• Energy Efficient Home Maintenance
• Storm Shutters, Gutters, Drainage Control
• Selecting and Managing Home Improvement Contractors
• Home Warranties and Insurance
• Exterior and Interior Pest Control
• Preventing a Foreclosure
Rental Housing Counseling
Helping Renters

• Find the Right Place: Near transport. Near services or job. Rentals with subsidy
• Upfront: tenant responsibilities, Insurance for Renters
• Application Obstacles: Criminal Records, Leaving before lease is up.
• Details about the Rental Lease
• The Eviction Process – Avoid Eviction Action plan
Housing Stability Counseling
SHIP “Housing Stability Counseling” for Homeless recipients

- For recipients of SHIP Rental Subsidies
- Counseling links household with services to promote housing stability
  - Employment
  - Benefits (e.g., disability income, food stamps)
- Mediating between landlord and tenant
Questions & Answers

Please complete Evaluation