National Foreclosure Mitigation Counseling Program

Congressional Update

Activity through September 15, 2008

NeighborWorks® AMERICA

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Executive Summary

In response to the nationwide subprime foreclosure crisis, Congress approved and President George W. Bush signed legislation authorizing $180 million for a National Foreclosure Mitigation Counseling (NFMC) Program as part of the FY 2008 Consolidated Appropriations Bill. The legislation was signed on December 26, 2007 and named NeighborWorks® America (as authorized by the Neighborhood Reinvestment Corporation Act, 42 U.S.C. 8101-8107) to administer the program. NeighborWorks is privileged to accept this responsibility and work with the thousands of housing counselors on the front lines helping American families deal with the financial and emotional impact the housing crisis has on their families and communities. Many of these counselors have worked six or seven days per week and very long hours to be accessible to homeowners in crisis.

The legislation directed NeighborWorks to meet specific criteria in administering the NFMC Program: $50 million to be awarded to eligible organizations (HUD-Approved Housing Counseling Intermediaries, State Housing Finance Agencies, and NeighborWorks organizations) within 60 days, with funds primarily for use in "areas of greatest need"; $5 million to be used to build foreclosure and default mitigation counseling capacity; and up to 4% to administer the program. NeighborWorks met and continues to meet all statutory requirements.

In February 2008, 148 eligible entities requested $348 million in NFMC Program funding through a competitive application process. After reviewing all applications, more than $130 million was awarded to 130 organizations around the country including HUD-Approved Housing Counseling Intermediaries, State Housing Finance Agencies and NeighborWorks organizations. Fully 86% of counseling units awarded were projected to serve defined areas of greatest need.

As of September 15, 2008, nearly $55 million in cash has been disbursed to NFMC Program Grantees, and 105,071 homeowners in all fifty states have been provided assistance to address their mortgage delinquency and foreclosure challenges.

Legislative Requirements

The legislation included specific requirements to ensure the financial assistance was distributed expeditiously and to communities across the nation that were affected by the subprime foreclosure crisis. Below are brief descriptions of those requirements and how they were met:

- Award Funding within 60 Days: The legislation was signed December 26, 2007 and required that $50 million be awarded in 60 days. NeighborWorks held a competitive application process and met this deadline by awarding $130,438,408 to 130 Grantees on February 24, 2008. NeighborWorks reserved $37.4 million to award at a later date once performance and need could be further assessed.

- Award Funding to Areas of Greatest Need: NeighborWorks was given statutory direction to "focus on states and areas with high rates of defaults and foreclosures primarily in the subprime housing market". It consulted with experts and defined areas of greatest need based on numbers and percents of subprime and Alt-A delinquent loans, percent of subprime and Alt-A loans in foreclosure or REO, and percent of overall loans that are subprime in metropolitan and micropolitan statistical areas. In total, 86% of counseling units were awarded to the defined 192 MSAs of greatest need and 29 states with rural areas of greatest need.

- Increase Counseling Capacity: The legislation allocated $5 million to be used "to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries". With a strong training program in place, NeighborWorks utilized these funds to expand existing training opportunities and schedule new opportunities throughout the nation. The funding also enabled NeighborWorks to provide scholarships to staff of nonprofit housing organizations, municipalities and their partners to take foreclosure counseling and related courses at these events. Finally, NeighborWorks used the funding to launch its first ever certificate e-learning course - Foreclosure Basics - which is the online equivalent of a course offered at NeighborWorks Training Institutes.

- Grants to NeighborWorks Organizations: NeighborWorks could not grant more than 15% of the appropriation to NeighborWorks organizations. NeighborWorks certified that it did not demonstrate any conflict of interest in awarding grants to NeighborWorks organizations. The total amount awarded directly to NeighborWorks organizations was $11,417,501, which is 8.75% of the total awarded amount of $130,438,408, or 6.34% of the total appropriation of $180 million.

- Administration: NeighborWorks is using the 4% administrative allocation for designing, implementing, managing and evaluating the NFMC Program, including determining the program's overall structure, creating an effective and transparent application process, serving as steward of the appropriated monies, hiring staff to administer the program, purchasing software and web site design services to collect data on all clients counseled through the program, and competitively contracting with consultants to evaluate the program and provide quality control and compliance monitoring of all NFMC Program Grantees.

Training Efforts

In January of 2008, NeighborWorks America designed an aggressive NFMC Training Program to help non-profit counseling agencies strengthen their capacity to assist homeowners at risk of foreclosure. The $5 million in NFMC Program funding allowed NeighborWorks to provide scholarships to eligible applicants to attend numerous training events around the country and take an online course. As of September 15, 2008, scholarships have been provided through the NFMC Program to 2,555 nonprofit staff members who provide foreclosure counseling activities and/or are working towards providing foreclosure counseling activities, and 4,608 training certificates in foreclosure-related courses have been issued.

- NeighborWorks Training Institutes: NeighborWorks Training Institutes (NTIs) are "mobile universities" dedicated to providing superior training and continuing professional education in community development and affordable housing. A total of 390 NFMC Program scholarships have been provided to NTI attendees, and one additional NTI is scheduled for this calendar year.

- Place-Based Trainings: This year, NeighborWorks is hosting regional multi-course Place-Based Trainings (PBTs) with each of its eight district offices and 34 PBTs in partnership with HUD-Approved Housing Counseling Intermediaries and State Housing Finance Agencies. As of September 15, 2008, NFMC Program scholarships have been provided to 2,165 participants to attend these trainings, and more PBTs will be held this calendar year.

- Foreclosure Basics E-Learning Course: The NFMC Program funding enabled NeighborWorks to develop and launch its first ever certificate e-learning course, Foreclosure Basics, which is the online equivalent to the two-day NeighborWorks classroom course of the same name. A total of 1,819 participants have enrolled in the course and 1,078 participants have completed the course and received its certification.

Impact on Counseling Capacity

Quarterly reports received in August from NFMC Program Grantees provided data about the growth in counseling staff capacity through the NFMC Program. This reported growth was substantial. In aggregate, 1,985 people already employed by the 130 Grantees were retrained and reassigned to be foreclosure counselors through June 30, 2008 (an average of 15 per Grantee). Fully 1,035 new foreclosure counselors were hired in the same period, averaging 8 per Grantee, and 2,866 foreclosure counselors received additional foreclosure-related training in the four-month period (or 22 per Grantee).

Counseling Efforts

As of September 15, 2008, HUD-Approved Housing Counseling Intermediaries, State Housing Finance Agencies, and NeighborWorks organizations participating in the NFMC Program have delivered 113,494 units of foreclosure mitigation counseling to 105,071 homeowners nationwide. This report covers the initial months of the NFMC Program, during which production was slower than anticipated due to start-up efforts of Grantees. The number of counseled clients has increased every month, and is anticipated to continue to increase rapidly as the program continues.

The NFMC Program divides counseling services into three categories of specific activities, Level One, Level Two, and Level Three counseling. Level One counseling involves developing a budget and action plan for a client seeking assistance in preventing foreclosure. Level Two counseling entails verifying the client's budget, creating an action plan with steps to address the foreclosure issues and assisting the client in meeting the goals of his or her action plan. Level Three counseling entails meeting the requirements for both Levels One and Two.

NeighborWorks estimates that 466,343 units of counseling will be provided through the NFMC Program. Of the total units of counseling delivered, 70% were at Level One, 8% were at Level Two, and 22% were at Level Three. When comparing these total units of counseling sessions against the NFMC Program goal, the NFMC Program has achieved 24% of the overall goal. By counseling level, the NFMC Program has achieved 32% of the total Level One counseling units and almost 20% of the total year-end Level Two and Level Three unit goals.

Clients Counseled Through NFMC Program:

- More than half (55%) of counseling services were provided to female clients.
- Overall, the largest percentage of NFMC Program clients (30%) were married with dependents.
- The majority of NFMC Program clients (52%) are minority homeowners (defined as African American, Hispanic, Asian or Pacific Islander), while minority homeowners make up 18% of homeowners in the country. Whites represent 37% of all clients, African Americans account for 29%, Hispanics represent 20%, Asians account for 2%, one percent of clients reported having two or more ethnicities, and 11% reported being of other races.
- Sixty-two percent (62%) of NFMC Program clients were between the ages of 35 and 54, and one in five clients (20%) was over the age of 55.

- More than 40% of homeowners seeking NFMC Program counseling reported the reason they defaulted on their mortgage was a reduction in or loss of income. Nine percent (9%) reported they were in default because their loan payment had increased.

- Almost as many NFMC Program clients held an adjustable-rate mortgage (ARM) (44%) as held a fixed-rate mortgage (45%). However, only 22% of mortgages nationwide are ARMs, while 72% are fixed-rate mortgages.

- Half of all homeowners (50%) receiving NFMC Program counseling services were fewer than 60 days late on their mortgage upon first contact with an NFMC Program Grantee. Twenty-eight percent (28%) were current on their mortgage at intake. However, more than one in five (22%) was over 120 days delinquent.

- On average, clients' total reported monthly principal, interest, taxes and insurance (PITI) was $1,988, and the median was $1,393. Close to 30% of NFMC Program clients paid more than $2,000 per month in PITI.

- Roughly 52% of NFMC Program clients paid more than 40% of their income toward housing costs. Twenty percent (20%) paid more than 75% of their income on housing costs.

- As of September 15, 2008, the NFMC Program has delivered 100,579, or 89%, of the total units of counseling to date to areas of greatest need. Of this total, more than 93,000 units of counseling have been delivered to MSAs and roughly 7,000 units have been delivered to rural areas of states. Over $20 million has been utilized to counsel clients within NFMC Program targeted areas of greatest need.

- Based on information available as of September 15, 2008, the most prevalent counseling outcome was that the client is still in counseling (22%). The NFMC Program is still in its early stages, and it is understandable that many clients will require long-term assistance and counseling to remediate their financial situation. Many other clients (13%) were able to initiate a forbearance or repayment plan, or had their mortgage modified.

Counseling Successes and Challenges

Successful Counseling Strategies:

- Grantees emphasized that reaching borrowers early—before they were 60 days delinquent—often increased the likelihood of a successful outcome.

- Grantees outlined a number of counseling processes and services which increased the likelihood of successful outcomes, including having counselors available evenings and weekends or at all times, and contacting the servicer with the client present.

- Grantees outlined a number of strategies to create more efficient communication and negotiations with servicers. Grantees highlighted persistence as the most important factor to increase the likelihood of positive outcomes. Other strategies included using the HOPE NOW list of loss mitigation department phone numbers, analyzing refinancing plans provided by servicers to ensure borrower feasibility, and following up with the servicer within 24 to 48 hours to ensure they had received electronically-transmitted documents.

Counseling Challenges:

- Overall, Grantees reported the most common challenges they encountered were obtaining a timely response from servicers (18%), borrowers not following through with counselors (12%), and borrowers obtaining loans that were not affordable in the first place (7%).

- Grantees noted several challenges when communicating with servicers, including waiting from 45 days to more than 60 days to obtain a response, and that loss mitigation departments seemed to be understaffed and overworked, documentation faxed or mailed to servicers was lost repeatedly and counselors had to send documentation multiple times, and counselors were connected to a different representative each time they called who proposed different solutions and requirements.

- Grantees also reported a number of challenges when attempting to obtain a work-out from servicers, most notably that loan modifications, forbearance and principal write-downs were offered less frequently than repayment plans. They also noted that servicers generally had a limited understanding of Pooling and Servicing Agreement (PSA) requirements which lengthened the time to obtain a decision about borrowers' options, the refinance plans offered by servicers were not affordable to borrowers, and there was a lack of PSA incentives for servicers to refinance mortgages.

Highlights from Urban Institute Report

As required by statute, NeighborWorks is conducting an evaluation of the NFMC Program, and competitively awarded a contract to the Urban Institute to assess the NFMC Program design and client-level information. The first interim report is included in the Appendix, and contains information on its evaluation of the NFMC Program structure and award determination process, its analysis of the data submitted by Grantees on or before August 1, 2008 covering the time period March 1 – June 30, 2008, and findings from "reconnaissance interviews" with select housing industry professionals, NFMC Program Grantees, and homeowners. Urban Institute will be providing similar reports throughout the duration of the first NFMC Program grant period and will provide further analysis as more data become available.

The first interim report can be found in Appendix F. Key findings include:

- The likelihood of borrowers being able to remain in their homes is significantly raised where third-party financial assistance, such as a second mortgage, is available.

- Respondents do not see large variations in outcomes for borrowers across housing markets. Geographic differences are observed to depend more on state regulations and public policies, and the types of loans and lending practices concentrated in differing markets. Borrower financial circumstances, including falling income and unusual costs (often medical), loan affordability at outset, and loan-to-value ratios have more impact. The use of exotic loans, notably Option ARMs, also has strong implications for successful outcomes.

- Primary obstacles to successful foreclosure prevention and mitigation are of three types:
  - Difficulties in the contact and process of transmission of information among servicers, borrowers, and counselors.
  - Related limitations of capacity of servicers, counselors, and borrowers to fully and promptly carry out their respective roles.

- Constraints by servicers, and lender and investor counterparts, in willingness to make loan modifications yielding mortgage payments borrowers can sustain.

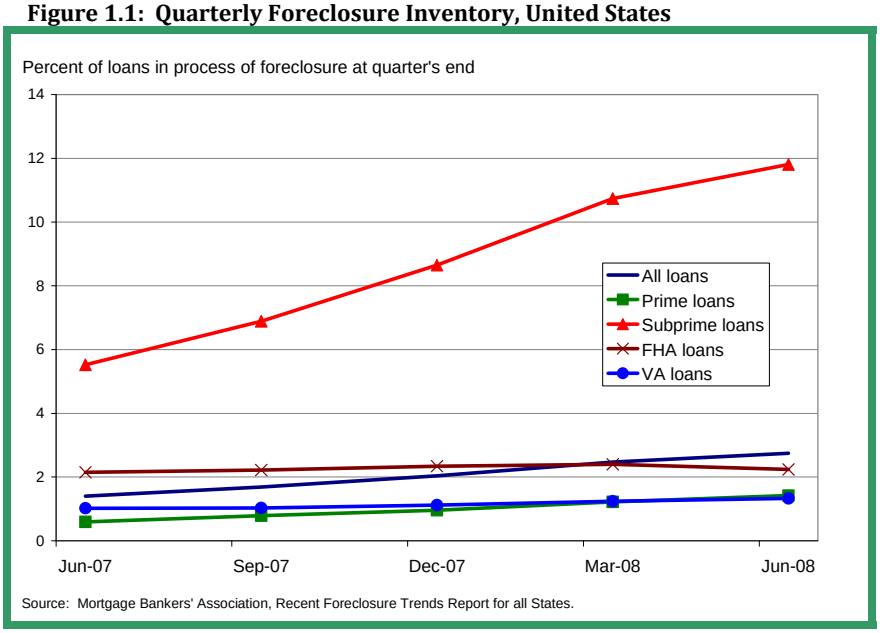
- At least partial solutions in each of these areas have been developed, piloted, or proposed, including on-line and standardized mechanisms for counselor-to-servicer information interchange, more common and wholesale approaches to loan modification, and third-party financing and financial assistance.

Foreclosures in America

More and more American families are facing foreclosure, and the most recent data on foreclosures suggest that the situation is likely to worsen before it improves. The percentage of mortgage loans in foreclosure nationally, according to Mortgage Bankers Association (MBA) June 2008 data, has almost doubled, increasing from 1.4% to 2.8% of outstanding loans between the second quarters of 2007 and 2008 (Figure 1.1). (MBA allowed participants to report what they consider to be their prime and subprime servicing portfolio, since internal servicing guidelines vary.) Subprime loans were much more likely to be in foreclosure than other types of loans. The percentage of subprime loans in foreclosure increased from 5.5% to 11.8% over this same period.

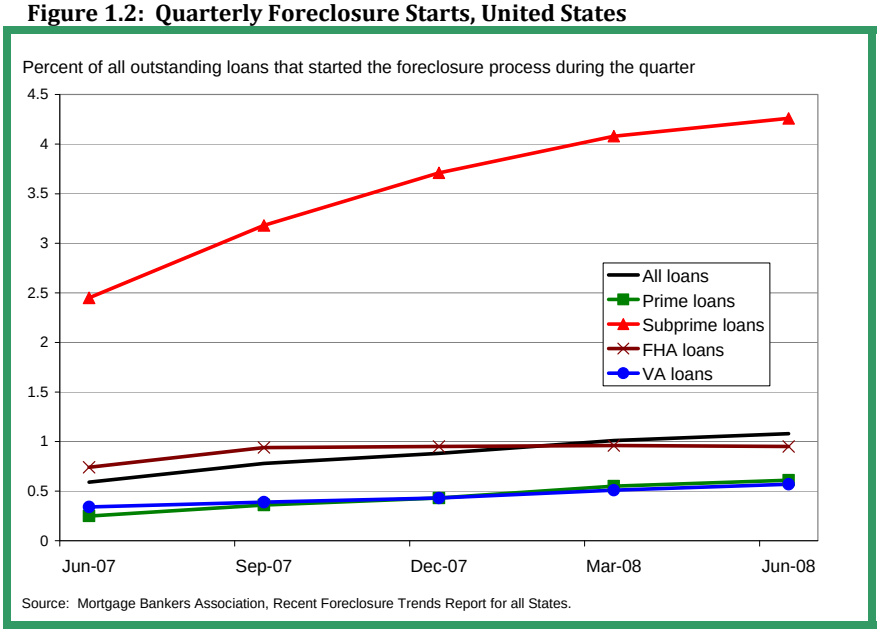
Although prime loans are less likely to be in foreclosure than other loan types, the rising incidence of financial problems and the national real estate market decline has affected this segment of the mortgage market, too. Between the second quarters of 2007 and 2008, the percentage of prime loans in foreclosure more than doubled, rising from 0.6% to 1.4%.

Figure 1.1: Quarterly Foreclosure Inventory, United States



Like loans currently in foreclosure, the percentage of loans for which the foreclosure process is initiated each quarter has also been rising – from 0.6% to 1.1% between the second quarters of 2007 and 2008 (Figure 1.2). As with the foreclosure inventory, the percentage of foreclosure starts was highest for subprime loans, increasing from 2.5% to 4.3% of outstanding loans. Foreclosure starts for prime loans increased as well, however, rising from 0.3% to 0.6% of outstanding prime loans over this period.

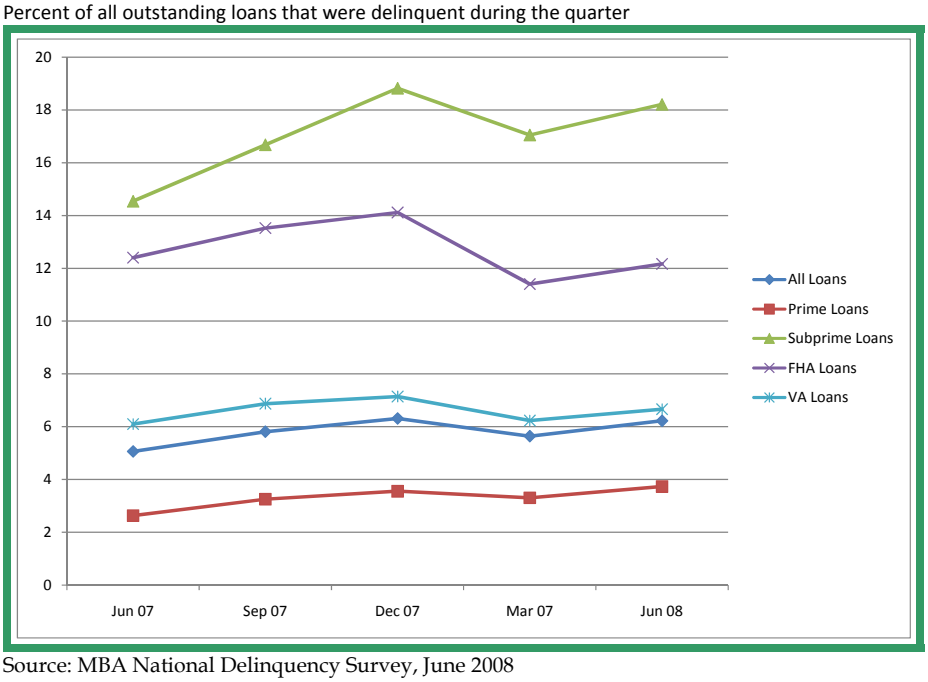
Figure 1.2: Quarterly Foreclosure Starts, United States



When tracking all loans that are delinquent, defined as any point past due, subprime loans by far have higher delinquency rates. As of June 2008, according to the MBA, 18% of subprime loans are delinquent, up from 14% in June 2007. FHA loans also have delinquency rates higher than the rates for all loans – fully 12% of FHA loans were delinquent in June 2008, but this rate is only slightly changed from the year before. When looking at all loans, slightly over 6% are delinquent as of June 2008, compared to 5% in June 2007.

Figure 1.3: Quarterly Delinquencies, United States

Percent of all outstanding loans that were delinquent during the quarter



Source: MBA National Delinquency Survey, June 2008

The state of Florida had the highest percentage of loans in the process of foreclosure nationally, with 6% of mortgages in foreclosure in the second quarter of 2008. This was an increase from 1.4% in foreclosure in Florida in the second quarter of 2007. The state with the second highest percentage of loans in foreclosure in the second quarter of 2008 was Nevada (4.9%), followed by Ohio (4.0%) and California (3.9%). All fifty states experienced an increase in percentages of loans in foreclosure during the past year.

Nevada and Florida had the highest rates of foreclosure starts among all states, with 2.2% of all outstanding loans in each state beginning the foreclosure process in the second quarter of 2008. California and Arizona were third and fourth highest, with 1.8% and 1.6%, respectively, of outstanding loans starting foreclosure in the second quarter.

Mississippi had the highest rate of delinquent loans, at 10.4%. Puerto Rico followed with 9.4%. Michigan had 8.6% of loans delinquent, and roughly 8% of loans in Georgia and Indiana are delinquent.

Legislative Requirements

The legislation included several requirements for NeighborWorks (referred to in the legislation as Neighborhood Reinvestment Corporation, or NRC) to incorporate into the program design. This section will detail the statutory language regarding each of these requirements and how it was met. (See Appendix A for statutory and Conference Report language.)

Award Funding Within 60 Days

NRC shall award $50,000,000 in mortgage foreclosure mitigation grants for States and areas with the greatest needs within 60 days of enactment. Additional funds may be awarded once the NRC certifies that…agencies have the need for additional funds in states and areas with high rates of mortgage foreclosure, defaults, or related activities and the expertise to use these funds effectively.

The legislation was signed December 26, 2007 and required that $50 million be awarded in 60 days. To meet this deadline, NeighborWorks held input sessions with potential applicants, housing experts, and staff of its Board Member agencies to design the program. The NFMC Program Funding Announcement was officially released and the electronic application for the funds was posted to the NeighborWorks website on January 25, 2008. Eligible entities had until February 8, 2008 to complete the application, and award decisions were made on February 24, 2008, meeting the 60-day requirement. NeighborWorks certified that grants totaling well over $50 million were warranted, since applicants had both a demand for these funds in areas of greatest need and the expertise to use the funds effectively. In total, $130,438,408 of the eligible $167,800,000 was awarded on this date. NeighborWorks reserved $37.4 million to award at a later date once performance and need could be further assessed.

Award Funding to Areas of Greatest Need

NRC shall award $50,000,000 in mortgage foreclosure mitigation grants for States and areas with the greatest needs within 60 days of enactment.

NeighborWorks was directed by statute to determine the areas of greatest need for these funds. NeighborWorks reviewed available data sources at the state, metropolitan and micropolitan statistical areas, county and zip-code levels, and consulted a range of experts on the availability and validity of data sources. After extensive review, NeighborWorks decided to assess areas of greatest need at the metropolitan and micropolitan statistical area level as it provided the most robust and consistent data available. NeighborWorks also chose to assess a balance of delinquency and foreclosure factors to reflect current and anticipated market conditions and to comply with the statutory mandate to provide assistance primarily to *"states and areas with high rates of defaults and foreclosures, primarily in the sub prime housing market"*. The four factors considered were:

1. Number of subprime and Alt-A delinquent loans (30-90 days)
2. Percent of subprime and Alt-A loans delinquent (30-90 days)
3. Percent of subprime and Alt-A loans in foreclosure process or REO
4. Percent of all loans originated in 2006 that were subprime

Metropolitan and micropolitan statistical areas were separately ranked in each of the four categories. Every metropolitan statistical area (MSA) that was in the top quintile for at least one of these criteria was considered an area of greatest need, a total of 192 metropolitan areas. In order for states with rural areas

to be considered as having areas of greatest need, at least half of their micropolitan areas had to fall in the worst quintile of at least one criterion; 29 of the 48 states with rural areas were so designated.

The database from which criteria 1, 2 and 3 above were drawn consisted of LoanPerformance.com data provided through the Board of Governors of the Federal Reserve. This database is a snapshot of all securitized subprime (B & C paper) and Alt-A loans from 357 metropolitan and 588 micropolitan areas as of September 30, 2007 (the most recent data available in January of 2008 when the analysis was conducted). These data take into account owner-occupancy.

Home Mortgage Disclosure Act (HMDA) data were used for the fourth criteria to determine the portion of loans in an area that were considered "high cost" or "subprime". High cost loans are defined as loans whose rates are three or more percentage points higher than a benchmark rate; these loans are typically referred to as "subprime". Each metropolitan area was ranked by the percentage of owner-occupied home loans for any purpose that was subprime. For rural areas, the data were taken from the counties that comprise the micropolitan area.

Analysis of the 192 Metropolitan Statistical Areas and 29 states with rural areas of greatest need shows that 86% of counseling units were awarded to counseling agencies in defined areas of greatest need.

Increase Counseling Capacity

Up to $5,000,000 may be made available to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries through NRC training courses.

An integral component of the NFMC Program is increasing the capacity of counseling staff throughout the nation so they can be equipped to handle the skyrocketing demand for foreclosure counseling. NeighborWorks was uniquely positioned to quickly deploy a comprehensive foreclosure mitigation training program and an aggressive capacity building strategy. The week of February 11, 2008, the first NFMC Program multi-course training was conducted in Sacramento, California. Scholarships were awarded to 144 participants to attend this training. Another 118 scholarships were awarded to participants at the NeighborWorks Training Institute held the week of February 24th. Within 60 days of enactment of the legislation, 262 people had been trained. As of September 15, 2008, a total of 2,555 training scholarships have been provided, and another 1,078 certifications have been earned through an online foreclosure course created with NFMC Program funds. A full description of the NFMC training program successes to date is addressed later in this report.

Grants to NeighborWorks Organizations

The NRC may provide up to fifteen percent of the total funds to its own charter members with expertise in foreclosure prevention counseling, subject to a certification by the NRC that the procedures for selection do not consist of any procedures or activities that could be construed as an unacceptable conflict of interest or have the appearance of impropriety.

NeighborWorks certified that it did not demonstrate any conflict of interest in awarding grants to NeighborWorks organizations. Throughout the process, the same standards, criteria, and review process was used for both NeighborWorks organizations and Intermediary/HFA applications. The process only varied when criteria for Intermediaries and HFAs were not relevant for NeighborWorks organizations, as they do not pass funds through to a network of Sub-grantees, branches or affiliates as do HFAs and Intermediaries. The total awarded directly to NeighborWorks organizations was $11,417,501, which is

8.75% of the total awarded amount of $130,438,408, or 6.34% of the total appropriation of $180 million. In addition to the 82 NeighborWorks organizations that received direct grants, 17 NeighborWorks organizations are named as Sub-grantees under other successful HUD-Approved Intermediary and State Housing Finance Agency applications.

Administration

Up to 4 percent may be used for associated administrative expenses for the NRC to carry-out activities provided under this section.

NeighborWorks is thankful for the time, support and cooperation of the U.S. Department of Housing and Urban Development, especially Margaret Burns (Director, Office of Single Family Program Development), Brian Siebenlist (Deputy Director, Single Family Program Support Division), and Ruth Roman (Director, Single Family Program Support Division) in program design and implementation and the five HUD employees who served as grant application reviewers. Several other entities were also instrumental in the Program's rapid design and implementation, including the Federal Reserve Board of Governors and the U.S. Department of Treasury, both of which loaned staff to serve as grant application reviewers. NeighborWorks also thanks the Federal Deposit Insurance Corporation, which loaned two experienced staff members from its Executive Leadership Development Program to NeighborWorks for 60-90 days to assist with the development of the NFMC Program quality control and compliance monitoring program.

The administrative expense resources have enabled NeighborWorks, with the assistance of the entities named above, to effectively design, implement, manage and begin to evaluate the NFMC Program. Third-party consultants have been retained by NeighborWorks for key programmatic components, as appropriate, to avoid a significant expansion in staff or the development of unnecessary infrastructure to support a time-limited program. Contracted components include quality control and compliance monitoring, a detailed program and process evaluation, and a data collection system. All three of these contracts were awarded following a competitive and open Request for Proposal (RFP) process and are being overseen by NFMC Program staff.

Program Design

The legislation included an abbreviated timeframe for eligible applicants to apply for funds and NeighborWorks to make awards so the funds would positively and quickly impact localities hit hard by the foreclosure crisis around the nation. The legislation was signed December 26, 2007, and required that $50 million be awarded in 60 days (by February 24, 2008).

Once chosen to administer the NFMC Program, NeighborWorks quickly responded inside a very tight timeline to award the NFMC Program funds, with a commitment to quality, transparency and accountability. NeighborWorks detailed staff to focus exclusively on the NFMC Program during this time period – on both the grant award and the training components. In addition, numerous other staff members assisted during these 60 days to ensure NeighborWorks accomplished this goal, and many more assumed extra duties to assure NeighborWorks continued to meet its obligations under core Congressional funding and programs.

Three staff members assigned full-time to develop the grant program and oversee award decisions worked a total of 835 hours during the month of December (average of 70 hours per week) and 2,715 hours during the first quarter of calendar year 2008 (average of 70 hours per week). In total, 103 of NeighborWorks 290 employees logged 9,979 hours within 78 business days after the legislation passed to

ensure that program implementation deadlines were met. Over 7% of total hours worked by NeighborWorks employees this fiscal year were devoted to the NFMC Program.

Prior to the bill being signed into law, NeighborWorks sought feedback on the proposed statutory requirements and program structure from the Appropriations Committees. Once the legislation was passed, NeighborWorks held input sessions with potential applicants and requested input from housing experts to ensure the NFMC Program was designed effectively. An Advisory Council was created, and the expertise of the members of NeighborWorks' Board of Directors served as a valuable resource. Throughout the process, NeighborWorks continued to keep the Appropriations Committees informed of major decisions and progress toward meeting the statutory requirements and implementing an effective program, including:

December 26, 2007	Legislation signed into law
December 27, 2007	Meeting with representatives from HUD's Office of Single Family Program Development
January 3, 2008	NFMC briefings with eligible applicants to receive feedback on program design
January 7, 2008	Call with staff members of NeighborWorks Board Agencies to receive feedback on program design
January 7, 2008	Advisory Committee meeting to receive feedback on program design
January 10, 2008	NFMC Program was discussed at NeighborWorks Board of Directors meeting

The Funding Announcement was officially released and the electronic application for funds became available on January 25, 2008. The application was due 14 days later, on February 8, 2008. Understanding the short application window, NeighborWorks held Bidders' Conferences on January 15 and 16, 2008, where applicants were told what questions they would be asked on the application to give them more time to prepare. A total of 148 eligible entities worked within the very short timeline and met the deadline, requesting $348 million in funding. Applications were reviewed from February 9-19, and award decisions were made on February 24, 2008, meeting the 60-day requirement. In total, $130,438,408 of the eligible $167,800,000 was awarded on this date. NeighborWorks reserved the remainder, $37.4 million, to award at a later date once performance and need could be further assessed.

Of primary importance was designing a program that successfully addressed the crisis, was consistent with the legislative language and direction, and was transparent and accountable. This carried through all aspects of the program – including the grant review and scoring process. All applications were independently scored by a team of three professionals, with a balance of NeighborWorks staff and external reviewers, and a scoring rubric was designed to ensure applications were scored consistently. Reviewers were trained prior to the review process to ensure an understanding of the rubric, program design and funding recommendations.

Applications were evaluated based on whether the Applicant had: sufficient demonstrated experience with providing foreclosure counseling services (a statutory requirement); the ability to certify they met or exceeded the minimum standards for approval as a HUD housing counseling agency; counselors with experience and training in providing foreclosure counseling; the capacity to measure results; goals that were realistic given past performance; adequate marketing and outreach plans; and the ability to provide adequate quality control of services offered. Penetration into areas of greatest need was also considered in the final award determination.

Because of the great demand and need for funds across the country and the low organizational tolerance for concentrating risk with a small number of grantees, it was determined that no Grantee would receive

more than $15 million or less than $10,000 (three Intermediaries requested a total of $159 million). No organization received the full amount they requested, and not all organizations that applied received funds.

Table 2.1: Applicants and Grants Awarded

	Number Applied	Requested Funding	Number Funded	Award Amount	Average Award	Median Award
HFAs	36	$70 million	32	$38.6 million	$1.2 million	$695,884
Intermediaries	17	$254 million	16	$80.3 million	$5 million	$2,256,518
Intermediaries without Largest 3 Requests	14	$95 million	13	$35.3 million	$2.7 million	$2,092,601
NeighborWorks Organizations	90	$24 million	82	$11.4 million	$139,000	$66,381
Total	**143**	**$348 million**	**130**	**$130.4 million**		

Source: NFMC Program Reported Data
Note: Information on Intermediaries without largest 3 requests for comparison purposes only.

Successful applicants were sent award letters and Grant Agreements with production goals. Once the Grantee proved its financial soundness through an audit review and returned its required start-up documentation and signed Grant Agreement, a percentage of its award was released. Additional funds are released when production goals are met, contingent on the Grantee's timely submission of quarterly reports, compliance with program requirements and participation in all program evaluation processes.

If Grantees do not show substantial progress toward meeting counseling goals, NeighborWorks has reserved the right to recapture or de-obligate awards. A Grantee also has the opportunity to return a portion of its award to NeighborWorks if it expects that it will not utilize the full award within the funding timeframe. These funds will be subsequently awarded to other Grantees.

Debriefings

All applicants were offered the opportunity to request debriefings on their applications within 45 days of the award announcements. Thirty-two applicants requested debriefings: 12 HFAs, 9 Intermediaries, and 11 NeighborWorks organizations. Nine of these organizations were not successful applicants. The debriefings took place between April 22, 2008 and July 1, 2008. During the debriefings, applicants were given an overview of the grant review and evaluation process, were told how many points were assigned to each rating factor and how many points its application received for each factor, and were given specific feedback on its application. Time was also spent answering specific questions from the applicant.

At least three NeighborWorks employees were present at each debriefing: the Program Director, the "team lead" who facilitated conversation during the application process with the team that reviewed the application, and a note taker. On random occasions, NeighborWorks' Internal Audit staff and staff of NeighborWorks Board agencies sat in to audit the debriefing process, and NeighborWorks' General Counsel sat in on two debriefings.

Data Collection and Reporting

NeighborWorks competitively awarded a contract to SocialServe, a 501(c)(3) not-for-profit organization with a nine-year history of providing website, technology, and database consulting services, to develop a web-based data collection system in which a Grantee uploads data on each client it counsels, and reports on clients and program successes and challenges quarterly throughout the course of the program. The system is fully functioning, Grantees have been successfully reporting production data, and all have submitted the first quarterly reports, which were due on August 1, 2008, through the system. NFMC Program funding also supported upgrades to N-Step (NeighborWorks' client management system) and CounselorMax (a client management system NeighborWorks purchased from EMTA, Inc. that is widely utilized by counseling agencies), as well as upgrades to interfaces for other client management systems.

Quality Control and Compliance Monitoring

Through a competitive process, NeighborWorks awarded a contract to Mayer Hoffman McCann, a CPA firm, to conduct quality control and compliance monitoring of Grantees and applicable Sub-grantees. The firm is currently conducting quality control and compliance reviews of all NFMC Program Grantees. Its report will be delivered in January 2009, unless the scope of work is extended to include the new funding allocation, in which case interim reports will be provided. It also can provide real-time reports to NeighborWorks if significant concerns are raised during monitoring. Thirty grantees were selected for in-depth on-site reviews, and the remaining 100 grantees will receive remote compliance reviews. In order to determine which Grantees would receive on-site compliance reviews, NeighborWorks instituted a Risk Rating system, which considered the following factors: size of the award, years of experience providing foreclosure counseling, findings from A-133 review and litigation disclosure, increase in service over demonstrated experience, Organizational Health Tracking System for NeighborWorks organizations, experience participating in HUD monitoring and compliance, and number of Sub-grantees.

Program Evaluation

As required by statute, NeighborWorks has competitively awarded a contract to the Urban Institute to conduct both process and program evaluation. This evaluation will look thoroughly at NFMC Program design, and measure the impact of foreclosure counseling on the likelihood of foreclosure itself. It is expected that quantitative modeling of the explanatory value of counseling coupled with extensive case studies will indicate successful strategies to help people remain in their homes. Their first report focused on the program award process and an analysis of Grantee production data. (See Attachment F for the Urban Institute report.) It concludes positive initial findings on both the program design and the award process. This report is the first of a few, and subsequent reports will contain additional information not only on program design and effectiveness, but also on foreclosure counseling and its ability to curtail foreclosures.

Staffing

In addition to existing detailed staff, NeighborWorks has hired additional necessary staff to administer both the grant and training components of the NFMC Program. Any new staff hired have been informed that the positions will not extend past the end of the program completion.

Infrastructure

A modest amount of administrative expenses have been incurred to supply office space, equipment, software, and the tools necessary for NFMC Program staff to perform their job functions. For example,

NeighborWorks has purchased necessary statistical analysis tools and software to best interpret data received on foreclosures.

Internal Audit

NeighborWorks America's Internal Audit team and additional temporary staff, reporting to the NeighborWorks Board of Directors, has initiated their audit of the NFMC Program, which includes individual audits of ten aspects of the program: compliance with legislative and program requirements; quality control of counseling services; outsourced Data Collection System; production and quarterly reporting; grant recapture; program design, scoring and funding recommendations; complaint management; staffing and management of outsourced services; grant disbursement and related accounting; and non-grant expenditures, related and miscellaneous accounting.

Board Oversight

NeighborWorks America has a very active Board of Directors which consists of senior leadership of the Federal banking regulatory agencies and HUD. The NFMC Program is a standing agenda item on the regular quarterly Board meetings as well as meetings of the Finance, Budget and Program Committee and the Audit Committee. Officers of the Corporation, NFMC Program staff, and Internal Audit provide written and oral reports to the Board, respond to members' questions and receive input and direction during these meetings.

As of September 15, 2008, the Members of NeighborWorks' Board of Directors were:

Thomas J. Curry	Director, Federal Deposit Insurance Corporation
Gigi Hyland	Member, Board of Directors, National Credit Union Administration
Randall S. Kroszner	Member, Board of Governors of the Federal Reserve System
Brian Montgomery	Assistant Secretary, United States Department of Housing and Urban Development
John Reich	Director, Office of Thrift Supervision
Julie L. Williams	First Senior Deputy Comptroller and Chief Counsel, Office of the Comptroller of the Currency

In addition, staff members of Board agencies have been given the opportunity to participate in all aspects of the program, from providing input into the program design and contributing as grant application reviewers to observing the application reviewer trainings and applicant debriefings.

Budget and Cash Management

In accordance with prescribed uses of the funds as outlined in Public Law 110-161 and Public Law 110-289 (including grants, training, administrative expenses, legal assistance grants, etc.), NeighborWorks America prepared a comprehensive program budget for the NFMC Program indicating the breakdown and summary of planned costs by major category. The budget serves as a key financial control to manage all program expenditures. Additionally, separate bank accounts were instituted for the program to effect clean segregation of funds for management activities and fiscal accountability. Finally, components of the program design also incorporate internal and program control elements that help to effect a proper balance of risk management between the program objectives and financial oversight. Each of these considerations reflects the overall commitment to preserving the high quality that NeighborWorks America maintains with regard to its financial management function.

Training Efforts

In January of 2008, NeighborWorks America designed an aggressive NFMC Training Program to help non-profit counseling agencies strengthen their capacity to assist homeowners at risk of foreclosure. The program builds on NeighborWorks America's existing training venues, including the quarterly NeighborWorks Training Institutes (NTIs), complemented by a robust schedule of Place-Based Trainings (PBTs), which are hosted by NeighborWorks America or in partnership with HUD-Approved Housing Counseling Intermediaries and State Housing Finance Agencies. **As of September 15, 2008, more than 2,500 scholarships have been provided through the NFMC Program.** Scholarships funded with the $5 million from the NFMC Program are provided to eligible applicants on a first-come, first-served basis. The NFMC Program authorizing legislation specifically prohibits employees of private financial institutions from receiving scholarships through the program, but ineligible parties may enroll and pay market rate for their tuition and all other expenses.

To be eligible for NFMC Program-funded training activities:

- Participants must be staff of a qualified non-profit 501(c)(3) organization. This includes both HUD-Approved housing counseling agencies (affiliates and locally-approved) and others who may not be approved by HUD. Board members of a qualified 501(c)(3) may submit scholarship applications on a limited basis. Further eligibility criteria may apply. Staff of state and local municipalities may also be considered for scholarships on a limited basis.
- Organizations and staff must be providing foreclosure counseling activities and/or working towards providing foreclosure counseling activities.
- Scholarships are awarded on a first-come, first-served basis. Awards are made subject to demand and availability. The total number of awards made to each organization may be limited.

Scholarships Awarded

NeighborWorks Training Institutes: NeighborWorks America has been providing the highest quality community development training for over 18 years through its NeighborWorks Training Institutes (NTIs), held four times annually in different cities around the country. The NTI is essentially a "mobile university" dedicated to providing superior training and continuing professional education in community development and affordable housing. On average, more than 100 courses are offered at each NTI.

With NFMC Program funding, the number of foreclosure courses offered at the NTIs was increased, and full tuition scholarships with lodging were provided to eligible recipients to attend any of the four NTIs in 2008 for up to five days of training. Many courses are also offered in Spanish. A total of 390 scholarships have been provided to NTI attendees.

Featured courses for the NFMC Training Program include:

HO103 Lending Basics for Homeownership Counselors (3 day course)
HO107 Understanding Credit Scoring (1 day course)
HO109 Foreclosure Basics (2 day course)
HO110 Introduction to Housing Counseling (2 day course)
HO211 Credit Counseling for Maximum Results (2 day course)
HO307 Advanced Foreclosure: Case Study Practicum (2 day course)
HO320 Developing and Implementing an Effective Foreclosure Program (2 day course)
HO326 Advanced Residential Lending (2 day course)
HO345 Foreclosure Intervention and Default Counseling Certification, Part I (5 day course)

Regional Multi-Course Trainings: NFMC Program funding enabled NeighborWorks to host a series of Regional Multi-Course Place-Based Trainings in collaboration with the corporation's eight district offices. In total, 1,508 participants from more than 1,000 organizations have received scholarships and attended training through these PBTs. These events are designed to accommodate between 200-225 participants each, and offer six to eight foreclosure-related courses.

Place-Based Trainings in Partnerships with Intermediaries and HFAs: The NFMC Program funding also enabled NeighborWorks to sponsor 34 additional PBTs that were hosted by HUD-Approved Housing Counseling Intermediaries and/or State Housing Finance Agencies. Between March and September 2008, NeighborWorks conducted 20 such PBTs. The remaining 14 PBTs are scheduled to take place by the end of November 2008. More than 650 practitioners have received training at these PBTs.

The table below presents the training opportunities and number of scholarships awarded through the NFMC Program.

Table 3.1: NFMC Program Scholarships

NeighborWorks Training Opportunity	Date	Location	Scholarships Awarded
NeighborWorks Training Institute	February 25-29, 2008	Atlanta, GA	118
NeighborWorks Training Institute	May 5-9, 2008	Cincinnati, OH	130
NeighborWorks Training Institute	August 18-22, 2008	Chicago, IL	142
NeighborWorks Training Institute	December 8-12, 2008	Washington, DC	enrolling
Regional PBT	February 11-15, 2008	Sacramento, CA	144
Regional PBT	March 10-14, 2008	Providence, RI	152
Regional PBT	April 14-18, 2008	Philadelphia, PA	218
Regional PBT	May 19-23, 2008	St. Louis, MO	226
Regional PBT	June 23-27, 2008	Denver, CO	199
Regional PBT	July 14-18, 2008	Orlando, FL	203
Regional PBT	July 28 - August 1, 2008	Burbank, CA	201
Regional PBT	September 8-12, 2008	Memphis, TN	165
Regional PBT	November 17-21, 2008	Phoenix, AZ	enrolling
Housing Finance Agency PBT	March 2008	3 in Virginia	88
Housing Finance Agency PBT	April 2008	Trenton, NJ	26
Housing Finance Agency PBT	May 2008	Jackson, MS	52
Housing Finance Agency PBT	June 2008	New York, NY	39
Housing Finance Agency PBT	June 2008	Baton Rouge, LA	35
Housing Finance Agency PBT	June 2008	Madison, WI	9
Housing Finance Agency PBT	June 2008	Fresno, CA	40
Housing Finance Agency PBT	June 2008	Las Vegas, NV	20
Housing Finance Agency PBT	June 2008	Akron, OH	33
Housing Finance Agency PBT	June 2008	Jacksonville, FL	16
Housing Finance Agency PBT	June 2008	Harrisburg, PA	52
Housing Finance Agency PBT	June 2008	Seattle, WA	39
Housing Finance Agency PBT	June 2008	Lincoln, NE	26
Housing Finance Agency PBT	July 2008	Springfield, IL	17
Housing Finance Agency PBT	July 2008	Des Moines, IA	12
HUD-Approved Intermediary PBT	July 2008	Hyattsville, MD	30

Housing Finance Agency PBT	July 2008	Raleigh, NC	32
Housing Finance Agency PBT	August 2008	Albuquerque, NM	39
Housing Finance Agency PBT	September 2008	Denver, CO	13
HUD-Approved Intermediary PBT	September 2008	Memphis, TN	39
HUD-Approved Intermediary PBT	September 2008	Jackson, MS	after 9/15
Housing Finance Agency PBT	September 2008	Eugene, OR	after 9/15
Housing Finance Agency PBT	September 2008	Savannah, GA	after 9/15
HUD-Approved Intermediary PBT	September 2008	Birmingham, AL	after 9/15
HUD-Approved Intermediary PBT	September 2008	New Orleans, LA	after 9/15
Housing Finance Agency PBT	September 2008	St. Paul, MN	after 9/15
HUD-Approved Intermediary PBT	October 2008	Boston, MA	after 9/15
HUD-Approved Intermediary PBT	October 2008	Flint, MI	after 9/15
Housing Finance Agency PBT	October 2008	Little Rock, AR	after 9/15
Housing Finance Agency PBT	October 2008	Dover, DE	enrolling
Housing Finance Agency PBT	October 2008	San Antonio, TX	enrolling
Housing Finance Agency PBT	October 2008	Crownsville, MD	enrolling
Housing Finance Agency PBT	November 2008	Montgomery, AL	enrolling
Housing Finance Agency PBT	November 2008	Nashville, TN	enrolling
		TOTAL:	**2,555**

Foreclosure Basics E-Learning Course

In May, to further increase the availability and accessibility of training opportunities, NeighborWorks developed and launched its first ever certificate e-learning course, Foreclosure Basics, which is the online equivalent to the two-day classroom course of the same name. The e-learning course provides counselors new to foreclosure intervention an additional option for accessing this training. Enrollees have 60 days to complete the course. It is being made available free of charge to NeighborWorks organizations; HUD-Approved Housing Counseling Intermediaries and their affiliates, branches, and Sub-grantees; State Housing Finance Agencies and their affiliates; HUD-Approved housing counseling agencies; employees of states and municipalities; and select nonprofits through December 2008. The enrollment fee for those ineligible for scholarships is $195. Course participants must successfully complete an exam at the end of the course to receive a certificate of completion.

Course Enrollment: **1,819 participants**
Course Completion and Certifications Issued: **1,078 participants**

<u>Evaluating NFMC Program Training Activities</u>

As part of NeighborWorks America's standard business practices, the Training Division closely monitors the soundness of the training it provides to community development practitioners at NTIs and regional PBTs. A multi-tiered evaluation protocol is used to assess the effectiveness of its training.

Post-Course Exam: Most NFMC Program-related courses require participants to pass an on-line exam (scoring 80% or better), which measures the degree to which they learned the course content. These tests are rigorous to ensure participants capture the key elements required within each curriculum – students have homework to complete and lessons to study before taking the exams at the end of the course. Successful completion of a post-course exam or content proficiency is required before participants can enroll in higher-level courses.

Course Evaluation Forms: Evaluations are administered to all NTI and PBT participants at the end of the final day of training. The evaluation forms ask participants to assess the effectiveness of the training in achieving the objectives of the course, the effectiveness of the trainers, and the degree to which the knowledge they acquired from the course will have an impact on their work. Currently, 99% of NTI and PBT participants taking NFMC Program-related courses feel they are "better prepared to assist my organization" (77% reporting feeling "much better prepared").

Participant Feedback: Participants also provide written comments and other feedback after the completion of training. Examples include:

- "I was really engulfed with all the knowledge that was given. Good job."
- "This was an excellent training. It helped things become a lot clearer i.e., loss mitigation options, action plan, hardship package. Never felt rushed, which was nice."
- "I want to thank NeighborWorks for the Orlando training scholarship. By far the information and trainers exceeded my expectations. …My experience was filled with solid information, group participation and superb presentation. This was my first training opportunity with NeighborWorks and I look forward to future opportunities. The information was presented in a way that was understandable, with examples that breathed life into the terminology. You are providing tools to help us all impact our agencies, clients and communities."

Impact on Counseling Capacity

Quarterly reports received in August from NFMC Program Grantees provided data about the growth in counseling staff capacity through the NFMC Program. This reported growth was substantial. In aggregate, 1,985 people already employed by the 130 Grantees were retrained and reassigned to be foreclosure counselors through June 30, 2008 (an average of 15 per Grantee). Fully 1,035 new foreclosure counselors were hired in the same period, averaging 8 per Grantee, and 2,866 foreclosure counselors received additional foreclosure-related training in the four-month period (or 22 per Grantee).

More than three quarters of all Grantees retrained and reassigned at least one person to foreclosure counseling and about the same percentage hired at least one new counselor. More than 90% provided one or more people with additional training. The average numbers, however, were skewed by a smaller number of organizations that hired or retrained a very large number of counselors. The median number of people retrained and newly hired per agency was only 2, and the median number of people per agency receiving additional training was 4. These middle points are well less than the averages, driven up by a few Grantees involving hundreds of existing and new workers.

Counseling Efforts

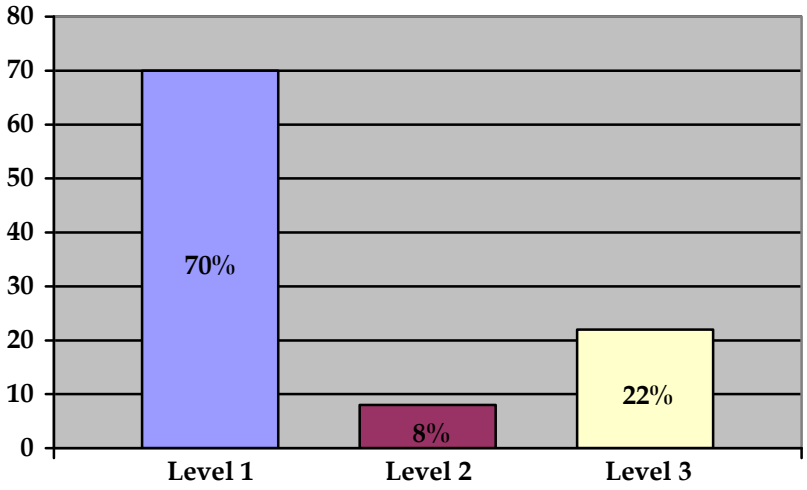
As of September 15, 2008, the National Foreclosure Mitigation Counseling Program has assisted HUD-Approved Housing Counseling Intermediaries, State Housing Finance Agencies, and NeighborWorks organizations to provide 113,494 units of foreclosure mitigation counseling to 105,071 homeowners nationwide. This report covers the initial months of the NFMC Program, during which production was slower than anticipated due to start-up efforts of Grantees. The number of counseled clients has increased every month, and is anticipated to continue to increase rapidly as the program continues.

The NFMC Program divides counseling services into three categories of specific activities, Level One, Level Two, and Level Three counseling. Level One counseling involves developing a budget and action plan for a client seeking assistance in preventing foreclosure. Level Two counseling entails verifying the client's budget, creating an action plan with steps to address their foreclosure issues and assisting the client in meeting the goals of his or her action plan. Level Three counseling entails meeting the requirements for both Levels One and Two within the same reporting period.

Since an individual NFMC Program client may receive both Level One and Level Two counseling sessions, these sessions are counted and referred to as "units" of produced counseling. Units of counseling will be larger than the number of individual clients/homeowners served as any individuals can receive both Level One and Level Two counseling.

Of the total units of counseling, 70% have consisted of Level One counseling sessions only. Level Two counseling sessions rank the lowest of the three sessions representing only 8% of the total counseling units to date. NeighborWorks anticipates an increase in reported Level Two counseling sessions as the program continues, as homeowners initially receiving Level One counseling may return for additional assistance.

Figure 4.1: Percentage of Counseling Units by Level



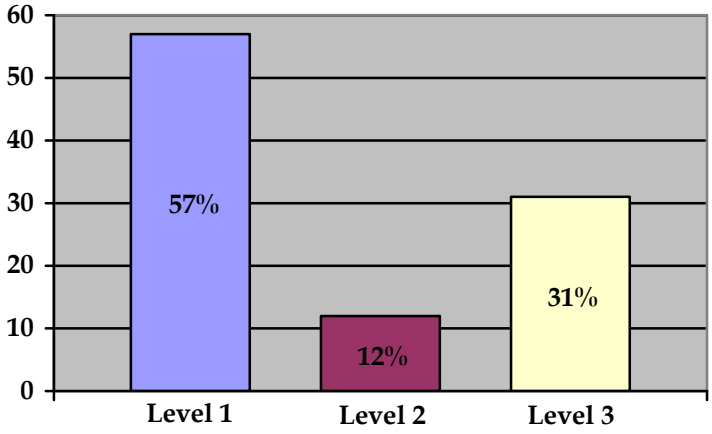
Source: NFMC Program Reported Data

According to reported data, the Homeownership Preservation Foundation (HPF) has delivered the most counseling units of all Grantees - 34,325 sessions. These counseling sessions are conducted through the

nation-wide 1-888-995-HOPE hotline, and are all Level One counseling. Should clients need counseling beyond the Level One boundaries, HPF has a structure in place to refer these clients to local organizations that provide foreclosure counseling.

Once HPF's counseling sessions are removed from the calculation, Level One continues to be the most prevalent counseling level, at 57% of sessions reported. As expected, there are increases in the percentages of Level Two and Three counseling sessions. The breakdown of total delivered units based on level of counseling, after removing HPF from the analysis, is presented.

Figure 4.2: Percentage of Counseling Units Excluding Homeownership Preservation Foundation by Level



Source: NFMC Program Reported Data

NeighborWorks estimates that 466,343 units of counseling will be provided through the NFMC Program. When comparing the total units of counseling sessions delivered against the NFMC Program goal, the NFMC Program has achieved 24% of the overall goal. By counseling level, the NFMC Program has achieved 32% of the total Level One counseling units and almost 20% of the total year-end Level Two and Level Three unit goals.

Table 4.1: Counseling Units Delivered

	Total Units Awarded	Total Units Delivered	Program Goal Achieved
Level One	244,500	79,168	32%
Level Two	59,311	9,827	17%
Level Three	162,532	24,499	15%
Total	**466,343**	**113,494**	**24%**

Source: NFMC Program Reported Data

Each counseling level was set at a maximum dollar amount per unit of counseling. The value of a Level One session was set at $150, Level Two at $200, and Level Three at $350. Converting each delivered unit by the pre-set counseling level dollar amounts, the NFMC Program has delivered a total of $22,415,250 in foreclosure mitigation counseling. NFMC Program Grantees have, therefore, expended 21% of the total awarded counseling dollars (Table 4.2). In addition to their counseling awards, Grantees also received an additional amount (up to 20% of their counseling award) for Program Related Support to facilitate their tracking of client information and their preparation for additional clients. Eligible Intermediaries and

HFAs also could receive an additional amount of up to 7% of their counseling award to facilitate oversight of their Sub-grantees, branches and/or affiliates.

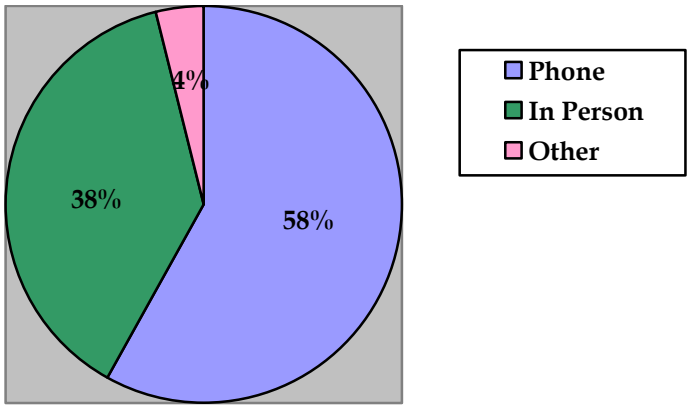
Table 4.2: Units of Counseling Delivered Converted into Dollars

	Total Counseling Units Awarded, in Dollars	Total Counseling Units Delivered, in Dollars	Program Goal Achieved
Level One	$36,675,000	$11,875,200	32%
Level Two	$11,862,200	$1,965,400	17%
Level Three	$56,886,200	$8,574,650	15%
Total	**$105,423,526**	**$22,415,250**	**21%**

Source: NFMC Program Reported Data

Analyzing all reported counseling sessions, more than half (58%) of sessions are conducted over the phone, and 38% are conducted in person. The remaining 4% are conducted in a variety of other methods, including video conferencing and via internet.

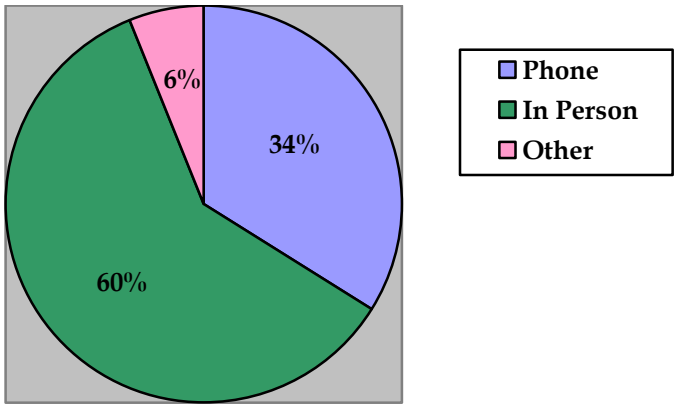
Figure 4.3: Method of Counseling



Source: NFMC Program Reported Data

Again, HPF's production has a heavy influence on NFMC Program data as all its sessions are conducted via phone through the HOPE Hotline. Removing its reported counseling sessions from this analysis, the majority (60%) of all other Grantees' counseling sessions are conducted in person.

Figure 4.4: Method of Counseling without HPF



Source: NFMC Program Reported Data

Client Information

Gender and Household Type

More than half (55%) of reported NFMC Program counseling services were provided to female clients. When comparing gender with household type, the data show that 46% of female clients have identified their household type as either single adult or female-headed single parent household – more than twice as many as male clients who identified their household type as either single adult or male-headed single parent household.

Overall, the largest percentage of clients (30%) reported that they were married with dependents.

Table 4.3: Household Type

Household Type	Percent
Married with Dependents	30%
Single Adult	18%
Female-Headed Single Parent Household	14%
Married without Dependents	13%
Male-Headed Single Parent Household	3%
Two or More Unrelated Adults	2%
Other	20%

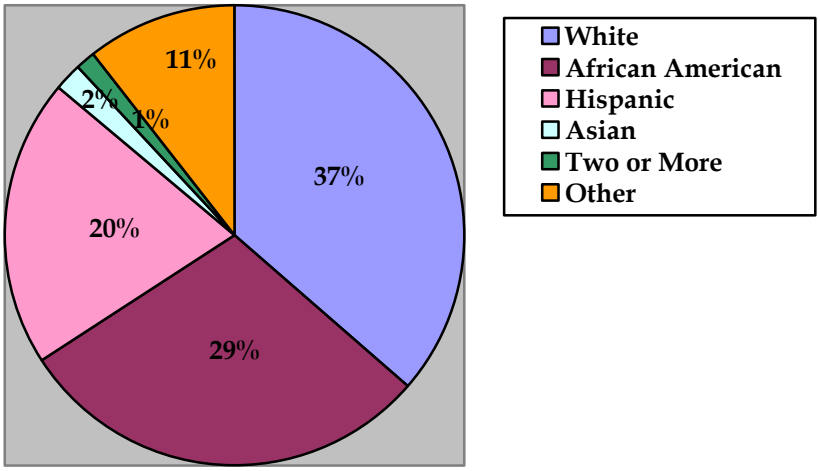
Source: NFMC Program Reported Data

Race and Ethnicity

When ethnicity is analyzed, the majority of NFMC Program clients (52%) are minority homeowners (defined as African American, Hispanic, Asian or Pacific Islander), while minority homeowners make up 18% of homeowners in the country. Whites represent 37% of all clients, African Americans account for 29%, Hispanics represent 20%, Asians account for 2%, one percent of clients reported having two or more ethnicities, and 11% reported being of other races. Figure 4.5 represents the racial breakdown of NFMC

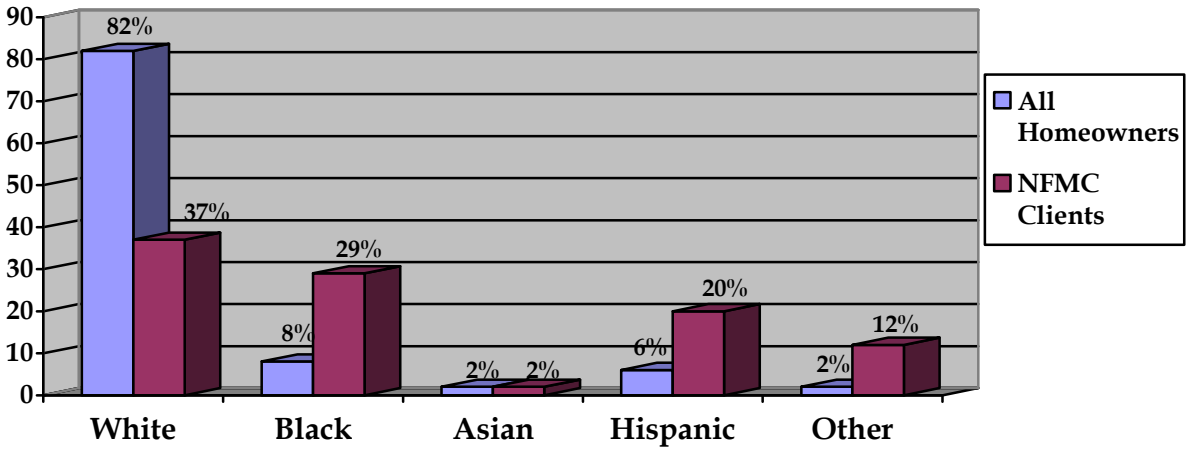
Program clients, and Figure 4.6 compares this breakdown to the percentage of the nation's homeowners that are comprised of each group.

Figure 4.5: Race and Ethnicity of NFMC Program Clients



Source: NFMC Program Reported Data

Figure 4.6: Percentage of All U.S. Homeowners by Race and Ethnicity Compared to that of NFMC Program Clients

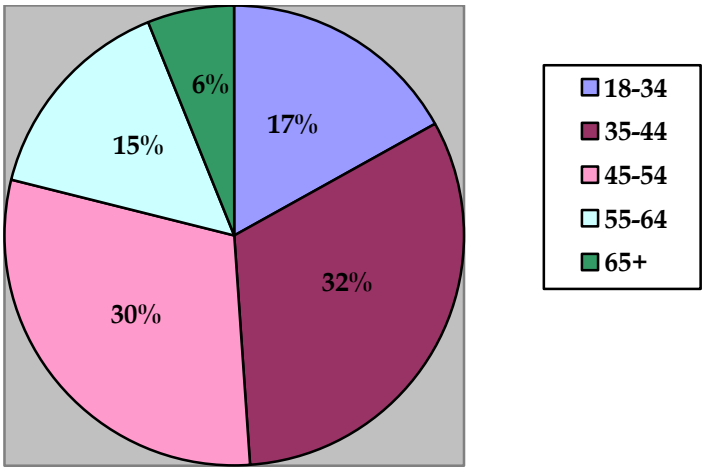


Sources: 2000 US Census Bureau and NFMC Program Reported Data

Age

Reported clients receiving counseling through the NFMC Program are on average 46 years of age. Sixty-two percent (62%) of clients were between the ages of 35 and 54, and one in five clients (20%) was over the age of 55.

Figure 4.7: Age



Source: NFMC Program Reported Data

Primary Reason for Default

More than 40% of homeowners seeking NFMC Program counseling report the reason they have defaulted on their mortgage as a reduction in or loss of income. This could indicate flawed underwriting, as homeowners become unable to pay their mortgage if even a small change in their income occurs. Nine percent (9%) report they are in default because their loan payment has increased. Other reasons for default are medical issues, poor budget management skills, increase in expense, going through a divorce or separation, death of a family member or failed business venture.

Table 4.4: Primary Reason for Default

Primary Reason for Default	Percent
Reduction in Income	26%
Loss of Income	15%
Increase in Loan Payment	9%
Medical Issues	8%
Poor Budget Management Skills	8%
Increase in Expense	4%
Divorce/Separation	4%
Death of Family Member	2%
Business Venture Failed	2%
Other	24%

Source: NFMC Program Reported Data

Among the 43,093 clients reporting reduction in or loss of income as the primary reason for default, state-by-state analysis (which includes territories) ranks Puerto Rico, Delaware, Iowa, Idaho and Arizona as the

five states with the most NFMC Program clients reporting this reason. A full listing is available in Appendix G.

Table 4.5: Top 5 States with NFMC Program Clients Listing Reduction In or Loss Of Income as Primary Reason for Default

State or Territory	Percent	Clients
Puerto Rico	65%	340
Delaware	53%	287
Iowa	51%	366
Idaho	50%	74
Arizona	49%	1,467

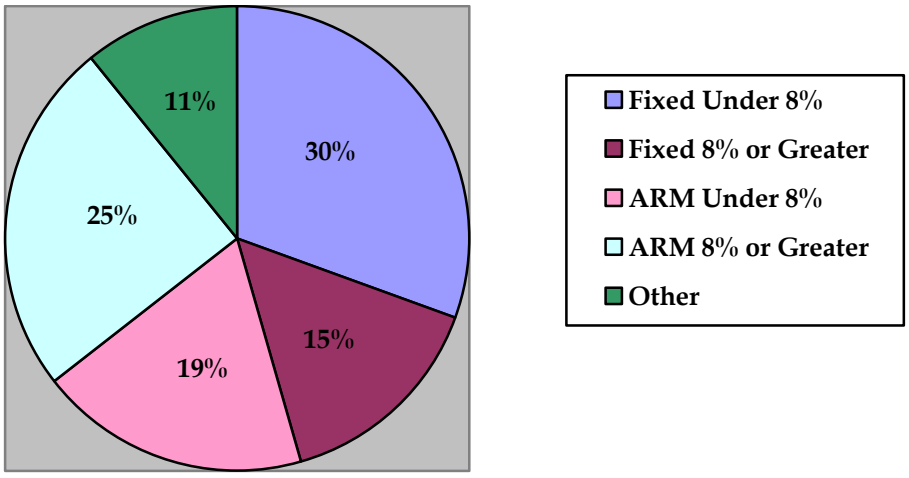
Source: NFMC Program Reported Data

Loan Information

Loan Type

The NFMC Program was created to address the high number of homeowners holding subprime mortgages who were defaulting or in danger of defaulting on those mortgages. Of the 105,071 clients who received counseling services by NFMC Program Grantees, 44% reported holding adjustable-rate mortgages (ARMs), while 45% reported holding fixed-rate mortgages.

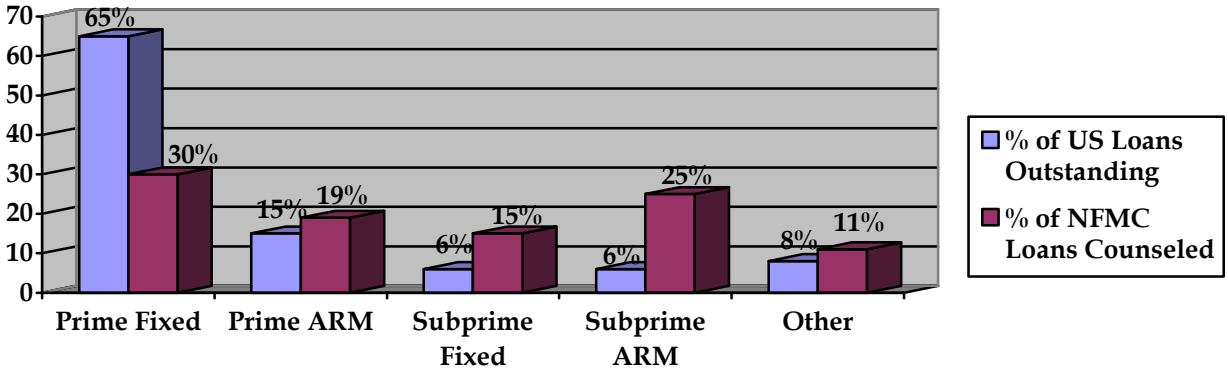
Figure 4.8: Loan Type



Source: NFMC Program Reported Data

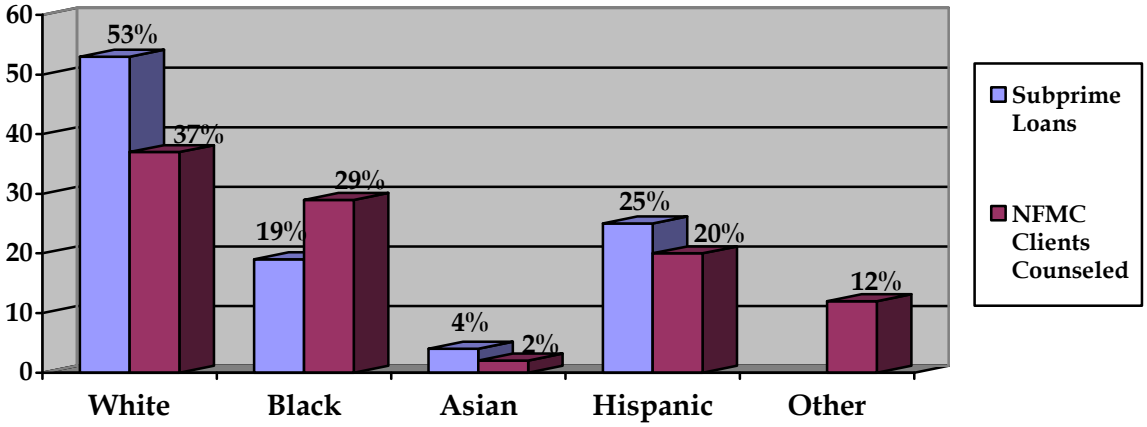
However, only 22% of mortgages nationwide are ARMs, while 72% are fixed-rate mortgages. A substantial number of both categories reported their interest rate is above 8%, with more ARM mortgage-holders reporting this to be the case. The NFMC Program uses an 8% interest rate as a proxy to indicate subprime loans.

Figure 4.9: Percentage of All U.S. Loans Outstanding by Type of Loan, Compared to Loans Held by NFMC Program Clients



Sources: Mortgage Bankers' Association National Delinquency Survey, June 2008, and NFMC Program Reported Data

Figure 4.10: Percentage of Originated Subprime Loans by Race/Ethnicity Compared to NFMC Program Clients



Sources: NeighborWorks analysis of Home Mortgage Disclosure Act 2006 data and NFMC Program Reported Data
NOTE: HMDA data classify homeowners by one of the four ethnicities listed in the chart. NFMC Program data also include "other" ethnicities.

When conducting a state-by-state analysis of reported loan types, four states had at least half of their NFMC Program clients reporting interest rates at or above 8% (both ARMs and fixed-rate mortgages). Missouri ranks highest, with 53% of all NFMC Program clients reporting fixed-rate and ARM mortgages at 8% or greater, followed by Tennessee, Iowa, Mississippi and Texas. A full state listing can be found in Appendix G.

Table 4.6: Top 5 States with NFMC Program Clients Holding Subprime Mortgages

State or Territory	Percent
Missouri	53%
Tennessee	52%
Iowa	51%
Mississippi	50%
Texas	49%

Source: NFMC Program Reported Data

Loan Status at Intake

Half of all homeowners (50%) receiving counseling services reported being no more than 60 days late on their mortgage upon first contact with an NFMC Program Grantee. Twenty-eight percent (28%) of reported NFMC Program clients are current on their mortgage at intake. However, more than one in five (22%) is over 120 days delinquent.

Table 4.7: Loan Status at Intake

Loan Status	Percent
Current	28%
30-60 Days Late	22%
61-90 Days Late	19%
91-120 Days Late	9%
121+ Days Late	22%

Source: NFMC Program Reported Data

Of the reported clients by race and ethnicity, Asians were more likely than any other reported clients by ethnicity to be current on their mortgage at the time of intake with an NFMC Program Grantee – 41% reported being current. Analysis determined that the relationship between an NFMC Program client's loan status at intake and their ethnicity was weak. This suggests an NFMC Program clients' ethnicity alone had a small effect on their loan status at counseling intake.

There is not much difference between income brackets and client loan status. The majority of NFMC Program clients reported earning between $20,000 and $60,000, and these clients' loan status at intake is relatively evenly distributed. Those earning under $40,000 are more likely to be delinquent. Overall, the less a client earns, the higher the likelihood they are delinquent, and the higher the likelihood they are further behind on their mortgage payments.

Table 4.8: Income Compared to Loan Status at Intake

Loan Status	Under $20,000	$20,000-40,000	$40,000-$60,000	$60,000-$80,000	$80,000-$100,000	Over $100,000
Current	21%	24%	30%	35%	39%	39%
30-60 Days	23%	23%	21%	21%	20%	22%
61-90 Days	21%	20%	17%	16%	15%	13%
91-120 Days	11%	11%	9%	7%	6%	7%
121+ Days Late	25%	22%	22%	21%	20%	19%

Source: NFMC Program Reported Data

Washington, DC, by far surpassed all other states and territories with the majority of clients current on their mortgage at intake (55%), followed by South Dakota, Nevada, California and Maryland. A full state listing is available in Appendix G.

Table 4.9: Top 5 States with NFMC Program Clients Current on Mortgages

State or Territory	Percent	Number
District of Columbia	55%	294
South Dakota	47%	114
Nevada	45%	608
California	44%	7,128
Maryland	43%	2,581

Source: NFMC Program Reported Data

At the other end of the spectrum, Puerto Rico emerged among all reported states and territories with the highest percentage of NFMC Program clients (45%) who are over 120 days delinquent. Maine followed, with 36% of its clients over 120 days delinquent. A full state listing is available in Appendix G.

Table 4.10: Top 5 States with NFMC Program Clients Over 120 Days Late on Mortgage

State or Territory	Percent	Number
Puerto Rico	45%	233
Maine	36%	110
Iowa	34%	239
Minnesota	33%	1,143
Oklahoma	32%	103

Source: NFMC Program Reported Data

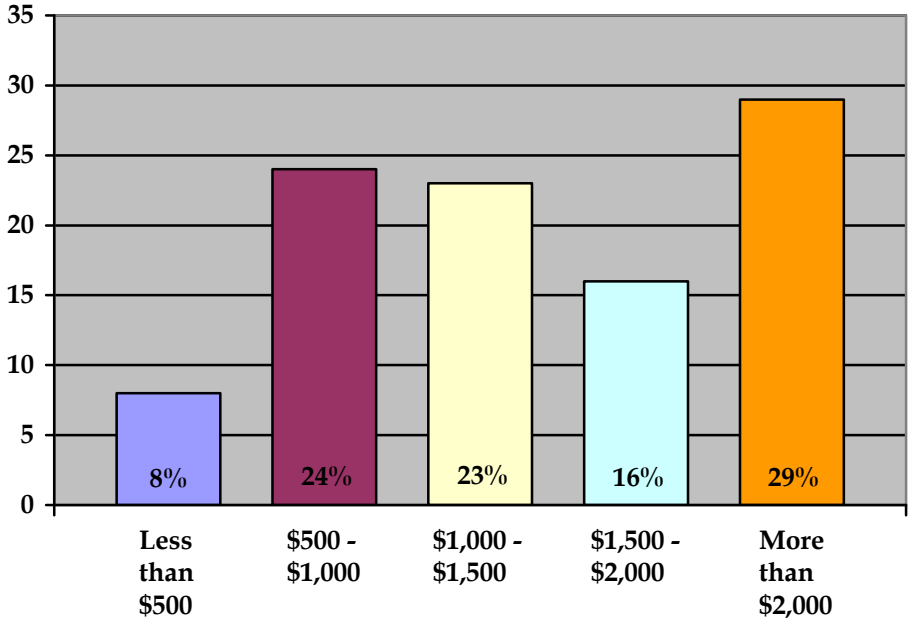
Analysis was conducted to determine the relationship between NFMC Program clients' loan status at intake and their loan type, but the relationship between these variables is weak. This suggests that an NFMC Program clients' loan type (prime or subprime) has a small effect on their loan status at intake. NFMC Program clients that reported being over 60 days past due on their mortgage were almost evenly

split between prime and subprime loans. However, the majority of NFMC Program clients who reported being current on their mortgage or between 30 and 60 days past due had prime loans.

Housing Cost Burden

In addition to reported loan type, clients' monthly payments on the principal, interest, property tax, and insurance (PITI) of their mortgage was assessed at counseling intake. On average, the total reported monthly PITI was $1,988, and the median was $1,393. Close to 30% of clients paid more than $2,000 per month in PITI (Figure 4.11).

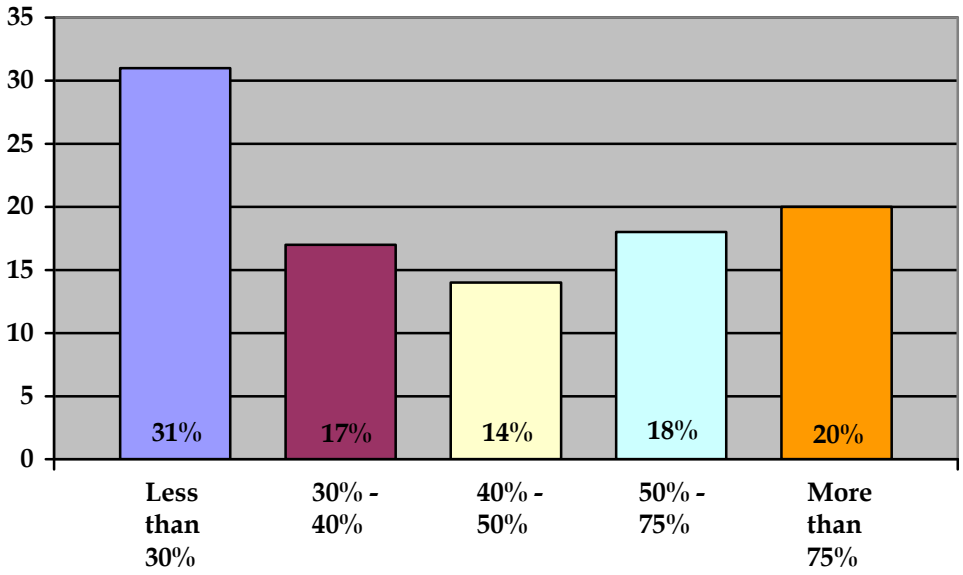
Figure 4.11: Percentage of NFMC Program Clients by Monthly PITI Payment Amount



Source: NFMC Program Reported Data
Note: Extreme outliers removed from PITI. Total of .05% cases trimmed from highest and lowest values.

With over 40% of NFMC Program clients reporting the primary reason for their mortgage default or delinquency was a reduction in or loss of income, further analysis of mortgage affordability was conducted. Roughly 52% of NFMC Program clients are paying more than 40% of their income toward housing costs. Twenty percent (20%) are paying more than 75% of their income on housing costs.

Figure 4.12: Percentage of NFMC Program Clients by Percentage of Income Paid to PITI



Source: NFMC Program Reported Data
Note: Extreme outliers removed from PITI. Total of .05% cases trimmed from highest and lowest values.

State-by-state analysis shows that Grantees in 20 states had reported that more than 20% of their NFMC Program clients pay more than 75% on housing costs. The state of Washington reported the highest percentage of clients (34%) with PITI costing them more than 75% of monthly income. New York, Hawaii, California and Florida rounded out the top 5. A full state listing can be found in Appendix G.

Table 4.11: Top 5 States with NFMC Program Clients Paying More Than 75% of Income to PITI

State or Territory	Percent	Number
Washington	34%	214
New York	30%	917
Hawaii	29%	20
California	28%	4,612
Florida	28%	2,144

Source: NFMC Program Reported Data

Seven states had the majority of their NFMC Program clients report paying less than 30% of their income on housing costs but still facing foreclosure. South Dakota had 62% of clients paying less than 30% of their income to PITI, and Mississippi, Wyoming, North Dakota and Oklahoma rounded out the top five for clients with low PITI payments. The full state listing can be found in Appendix G.

Table 4.12: Top 5 States with NFMC Program Clients Paying Less Than 30% of Income to PITI

State or Territory	Percent	Number
South Dakota	62%	139
Mississippi	59%	459
Wyoming	59%	26
North Dakota	58%	22
Oklahoma	54%	175

Source: NFMC Program Reported Data

Geographic Information

As mandated by the legislation, NeighborWorks, as administrator of the NFMC Program, was required to award at least $50 million in foreclosure mitigation funds to targeted areas of greatest need, defined as states and areas with high rates of defaults and foreclosures primarily in the subprime market. The NFMC Program targeted 192 Metropolitan Statistical Areas (MSAs) and 29 micropolitan rural areas of states as areas of greatest need. Of the total $130,438,408 million awarded, the NFMC Program awarded 86% of foreclosure mitigation counseling units to these areas.

As of September 15, 2008, the NFMC Program has delivered 100,579, or 89%, of the total units of counseling to date to areas of greatest need. Of this total, over 93,000 units of counseling have been delivered to MSAs and over 7,000 units have been delivered to rural areas of states. Over $20 million has been expended within NFMC Program targeted areas of greatest need. The remaining 11% of delivered counseling units has been provided in MSAs and rural areas of states of non-greatest need; over 11,000 units of counseling have been delivered to MSAs of non-greatest need, while over 1,800 units have been delivered to rural areas of states of non-greatest need. Tables 4.13 and 4.14 below show the top 15 MSAs of greatest need and the top 10 rural areas of states by delivered units. (See Appendix G for full listings of MSAs and rural areas of states and their counseling units delivered, and see Appendices D and E for full listing of NFMC Program targeted areas of greatest and non-greatest need.)

Table 4.13: Top 15 MSAs of Greatest Need

Metropolitan Statistical Area	Counseling Units Delivered
Washington-Arlington-Alexandria, DC-VA-MD-WV	6,822
Chicago-Naperville-Joliet, IL-IN-WI	4,463
Los Angeles-Long Beach-Santa Ana, CA	4,399
New York-Northern New Jersey-Long Island, NY-NJ-PA	3,877
Atlanta-Sandy Springs-Marietta, GA	3,821
Riverside-San Bernardino-Ontario, CA	3,548
Miami-Fort Lauderdale-Pompano Beach, FL	3,100
Minneapolis-St. Paul-Bloomington, MN-WI	2,724
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,529
Detroit-Warren-Livonia, MI	2,504
Phoenix-Mesa-Scottsdale, AZ	2,420
Denver-Aurora, CO	2,345
Boston-Cambridge-Quincy, MA-NH	2,323
San Francisco-Oakland-Fremont, CA	2,000
Cleveland-Elyria-Mentor, OH	1,920

Source: NFMC Program Reported Data

Table 4.14: Top 10 Rural Areas of States of Greatest Need

State	Counseling Units Delivered
Georgia	769
Ohio	723
North Carolina	609
Minnesota	564
Michigan	447
California	376
Mississippi	312
South Carolina	308
Iowa	264
Maryland	217

Source: NFMC Program Reported Data

State-by-state analysis shows that California had the most reported NFMC Program clients, with 15% of all production occurring in the state. Florida followed with 8% of all reported units. Ohio (7%), Maryland (6%) and Georgia (5%) rounded out the top 5 states.

Table 4.15: Top 5 States by Percentage of Units Delivered

State or Territory	Percent	Number
California	15%	17,273
Florida	8%	8,528
Ohio	7%	8,011
Maryland	6%	6,673
Georgia	5%	5,866

Counseling Outcomes

Grantees report outcomes when they upload a client's information. However, they are required to provide a much more in-depth analysis of outcomes at aggregate levels in their quarterly reports. The analysis below is based on information received from Grantees through their August 1st quarterly reports and supplemented to the extent possible with reported data through September 15, 2008.

Based on information available as of September 15, 2008, of the total reported 105,071 clients receiving counseling through the NFMC Program, the most prevalent outcome reported was that the client is still in counseling. The program is still in its early stages, and it is understandable that many clients will require long-term assistance and counseling to remediate their financial situation, especially given that counselors are reporting that servicers take a while to respond to requests for work-outs. More than one in five clients (22%) is still receiving counseling. Many other clients have been able to initiate a forbearance or repayment plan with their servicer, or had their mortgage modified. There are still numerous clients who were referred to another social or legal assistance agency for additional assistance or who still experienced foreclosure. The reported outcomes are both positive and negative, and as the NFMC Program continues to be a resource to homeowners facing foreclosure, information on outcomes over time will prove to be valuable. The final Urban Institute Report, which will be compiled in June 2009, will contain additional information regarding foreclosure counseling and its ability to curtail foreclosures.

Table 4.16: Reported Outcomes

Outcome	Clients	Percent
Currently receiving foreclosure prevention/budget counseling	21,930	22%
Initiated forbearance agreement/repayment plan	8,797	8%
Counseled and referred to another social service or emergency assistance agency	8,602	8%
Mortgage modified	4,986	5%
Pre-foreclosure sale	3,645	3%
Brought mortgage current	3,001	3%
Bankruptcy	1,719	2%
Withdrew from counseling	1,530	1%
Counseled and referred for legal assistance	1,416	1%
Mortgage foreclosed	1,242	1%
Entered debt management plan	898	1%
Sold property/chose alternative housing solution	653	1%
Mortgage refinanced	493	0%
Executed a deed-in-lieu	136	0%
Obtained partial claim loan from FHA lender	86	0%
Received second mortgage	53	0%
Other	10,593	10%
Ended counseling after Level One – outcome unknown	35,291	34%
Total	**105,071**	

Source: NFMC Program Reported Data

Counseling Successes and Challenges

As part of the first quarter reports, NFMC Program Grantees were asked to identify key successful counseling strategies and challenges they encountered while helping clients avoid foreclosure. Grantees could list any success and challenge they wanted, leading to numerous responses. The successful strategies Grantees reported centered on outreach, client preparation, counseling processes and services, and communication with servicers. The Grantees reported facing challenges when communicating with servicers, obtaining workable mortgage restructurings for borrowers, borrower resources, and reporting.

Successful Strategies

Outreach

Grantees emphasized that reaching borrowers early—before they were 60 days delinquent—often increased the likelihood of avoiding foreclosure. They reported proactively reaching out to borrowers through:

- employers;
- faith communities;
- foreclosure fairs;
- flyers and postcards;
- door-to-door visits; and
- cable access television and other press coverage.

Client Preparation

Many Grantees reported client preparation was a successful strategy, both before and during counseling. The more prevalent examples of successful strategies in this area were:

- setting realistic expectations with clients;
- conducting group orientations or workshops before one-on-one meetings;
- requiring clients to bring all documentation to their first meetings; and
- using the Internet to provide preliminary information to clients and counselors to allow for triage.

Counseling Processes and Services

Grantees outlined a number of counseling processes and services which increased the likelihood of successful outcomes, including:

- having counselors available evenings and weekends or at all times;
- requiring clients to create a crisis and/or long-term budget;
- contacting the servicer with the client present;
- escalating difficult cases to more experienced counselors or legal assistance; and
- providing rescue funds that will catch client up on their mortgage. (Note: no NFMC Program funds are used for this purpose, as by statute NFMC Program funds *cannot be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.* When this strategy is employed, other funds are designated for this purpose.)

Communication with Servicers

Finally, Grantees outlined a number of strategies to create more efficient communication and negotiations with servicers. Grantees highlighted persistence as the most important factor to increase the likelihood of positive outcomes. Other strategies included:

- using the HOPE NOW list of loss mitigation department phone numbers;
- analyzing refinancing plans provided by servicers to ensure borrower feasibility; and
- following up with the servicer within 24 to 48 hours to ensure they had received electronically-transmitted documents.

Challenges

Overall, Grantees reported the most common challenges they encountered were obtaining a timely response from servicers (18%), with responses taking between 45 and 60 days on average. They also reported challenges of borrowers not following through with counselors (12%), and borrowers obtaining loans that were not affordable in the first place (7%).

Efficient and Timely Communication with Servicers

Grantees stated that the most significant challenges they encountered while trying to reach out to a servicer on behalf of homeowners were:

- obtaining a response from servicers routinely took from 45 days to more than 60 days;
- the loss mitigation departments of servicers seemed to be understaffed and overworked;
- documentation faxed or mailed to servicers was lost repeatedly and counselors had to send documentation multiple times; and
- counselors were connected to a different representative each time they called who proposed different solutions and requirements.

Obtaining Workable Mortgage Restructurings for Borrowers

Grantees also reported a number of challenges when they attempted to obtain a work-out from servicers, most notably:

- loan modifications, forbearance and principal write-downs were offered less frequently than repayment plans;
- servicers generally had a limited understanding of Pooling and Servicing Agreement (PSA) requirements which lengthened the time to obtain a decision about borrowers' options;
- the refinance plans offered by servicers were not affordable to borrowers; and
- there was a lack of PSA incentives for servicers to refinance mortgages.

Borrower Resources

When referring to challenges facing the homeowners they counseled, Grantees reported that borrowers are facing resource hardships (e.g., time, knowledge, financial resources) including:

- lack of borrower follow-through with counselors;
- job losses;
- rising gas and food prices;
- falling housing values leaving borrowers "upside down";
- borrowers obtaining loans that were not affordable in the first place; and
- a general lack of knowledge about mortgage products and loan terms.

Reporting

A significant number of Grantees also cited challenges with reporting for the NFMC Program. These challenges included:

- too much information required on each borrower;
- time requirements too great; and

- difficulty in initial set-up of computerized reporting systems.

(Note: the NFMC Program has worked to reduce the reporting burden by making six reporting fields optional beginning with the second quarter reports.)

The information gathered from NFMC Program Grantees is certain to be valuable to their peers, and NeighborWorks will be launching a Grantee website shortly to provide a venue for foreclosure counselors participating in the program to share information and best practices.

Client Stories

Grantees were asked to provide information on clients they had counseled who were willing to share their foreclosure experiences. Below are examples of homeowners who have been counseled through the National Foreclosure Mitigation Counseling Program.

Michelle and Bob Shedden, West Jordan, Utah

Bob and Michelle Shedden's mortgage problems began the moment they sat down at the settlement table in 2007.

Expecting an adjustable rate mortgage of approximately $3,500 a month at an interest rate of 7%, they were shocked to learn that the monthly payments on their $411,000 four-bedroom house — financed through the builder's mortgage company — would be nearly $4,900 a month at double the interest rate.

"We were told not to worry about it," Michelle said. "In six months, we could automatically refinance, and my husband's credit would be cleaned up. We were told to sign or lose our $24,000 down payment."

Fearful of losing the $24,000, the Sheddens – then renters who had been married for nearly three years – signed the settlement papers.

For six months they struggled to pay the mortgage, depleting their savings to handle the extra interest they hadn't expected to pay. Before the December 1 payment was due, they sought help from their mortgage company and waited weeks for an assistance packet that never arrived.

"It was really hard," Michelle explained. "We had a baby on the way. All of our savings were gone. We couldn't buy furniture. We couldn't buy diapers. You don't know if tomorrow, you're going to have a house."

On December 14, their first baby was born. Michelle left her job as a call center supervisor for maternity leave. Bob, who works 10 months a year selling vacation packages on commission, was off in December as well. With no savings, no income and no word from their lender, they fell behind in their payments. Foreclosure was scheduled for July 2, 2008.

Desperate to save their home, the Sheddens heard about a local housing counseling agency in the news and went to the agency for help. Financial counselors there referred the couple to NeighborWorks Salt Lake, an NFMC Program Grantee. The impact was immediate.

"All of a sudden, things started moving. NeighborWorks called the mortgage company, sent them all the necessary information and stopped the foreclosure," Michelle said.

After a three-month forbearance, the Sheddens' mortgage payment was reduced to a fixed rate of 7.75%, approximately $3,500 a month, the biggest decrease in interest the servicer's employee had seen. Their past due amount was absorbed into the loan.

Both Bob and Michelle are back at work and are doing much better. The money they saved from the lower interest rate allowed them to pay off bills and rebuild their reserves.

"We still have our house," Michelle said with relief. "I wanted this to be the house where we stayed and raised a family."

Fred, Tuscaloosa, Alabama

Fred, a disabled veteran with two tours of duty in Vietnam, knows something about fighting for his beliefs. In 2007, what he believed in was homeownership. But a relative's terminal illness nearly cost him the first house he has ever owned.

Fred and his wife, Irene, are the primary caregivers of five grandchildren. They bought their 1,880-square foot, three-bedroom house in July 2007, with a 30-year, FHA fixed-rate mortgage with an interest rate below 8%. Fred receives a pension from the state of Alabama, 100% disability benefits, and Social Security benefits. Irene also receives Social Security benefits. Their combined income enabled them to pay household expenses, as well as a monthly mortgage of $1,331.

When his sister-in-law was diagnosed with terminal cancer, Fred began a two-hour drive each week from Tuscaloosa to Montgomery to assist in her care. The commutes, which lasted several weeks, grew expensive. To pay their bills, Fred was "hitting Paul and missing Pete."

By December they were two months behind on their mortgage payments. The mortgage company began sending warning letters and twice sent an appraiser to look at the property.

"I felt the heat," Fred said.

He took the first steps to avoid foreclosure. He began researching his options on the Internet and visited Community Service Programs (CSP) of West Alabama, Inc., an NFMC Program Grantee, where he got the help of Barbara Smith, a case management and outreach assistant. Smith called Fred's mortgage company and advocated on his behalf. She helped him set up a manageable budget. At the end of August 2008, Fred made the last of six required monthly payments of $1,762 to bring his account up-to-date.

Fred credits his fighting spirit and CSP for helping him save his house.

"My self-esteem is back," he said. "I spent many sleepless nights worrying. But that won't happen again."

Lois Staves, Fort Washington, Maryland

For most of her life, Lois Staves worked hard – she was a residential counselor at a home for women placed in drug rehabilitation – and paid her bills on time.

But then glaucoma surgeries left her legally blind and unable to work. For a while, she managed to make ends meet on disability benefits alone. "Everything was okay until my taxes went up," said Lois. When the tax assessment on her home increased, she was unable to keep up on her fixed income. **With just six months left on her 30-year mortgage**, she became delinquent.

"Each month I had to wait until the next disability payment came in, and I fell behind. I could only pay what I was getting per month, so I was always a month in arrears." Her lender called repeatedly to ask for payments she just couldn't make. They told her foreclosure was imminent. For more than 29 years, she had made every payment on time. She never refinanced. Now she was on the brink of losing it all.

Then Lois heard an ad on the radio that gave the phone number for a HUD hotline. She called and was referred to United Communities Against Poverty (UCAP), a HomeFree-USA affiliated agency and NFMC Program Sub-grantee. In late April 2008, she went to the UCAP offices and explained her situation. In June, UCAP used their consumer rescue fund to pay three months' mortgage payments on Lois' behalf to her lender. "That allowed me to save enough money to catch up," said Lois. She is now back on track and in three more months her mortgage will be paid off.

Lois believes there should be more programs for people facing foreclosure, especially for people on fixed incomes. "For us, there's no overtime, nothing else you can do but wait for that money. And the bills – energy bills, food bills – keep going up and up and up, but your income stays fixed."

"It would have been a disaster to lose a house within six months of having it paid for," she said. "Every other organization I went to for help told me to pay in advance for them to refinance. It was a great relief to have that assistance and not have to pay up front," she said. For Lois, UCAP was "a lifesaver".

Rita Beals, Rossville, Georgia

When Rita Beals and her husband divorced, her financial situation began to fall apart. More than half her income was going to pay the mortgage alone, and with all her other bills and raising her 18-month-old

son, she could no longer keep up. In March 2008 her mortgage company alerted her that they were going to foreclose.

She called the 888-995-HOPE hotline number for the Homeownership Preservation Foundation, an NFMC Program Grantee. "Phyllis took down my information and helped me get in touch with my mortgage company," said Rita. "Any time I tried to call the mortgage company, they said I had to do things that were basically impossible. Because she was with the foundation they actually listened to her."

Rita said that Phyllis gave her feasible options: short sale, deed in lieu of foreclosure, or trying to get a lower monthly payment. "Phyllis was absolutely amazing and wonderful," said Rita. "She would stay late at work until we got to talk to the lender. She went over and beyond what she had to do, and she made sure the mortgage company listened to me."

The mortgage company was not willing to lower the payment, so Rita elected for a short sale and put the house on the market in August 2008. After 30 days on the market, the house has not sold, so Rita is opting for a deed in lieu of foreclosure. "It won't sell for the amount that the lender wants," she said. "I'm giving the house back."

Rita and her son are going to move in with her parents for a while so she can save up for an apartment. Even though she is unable to keep the house, Rita is relieved.

"This has been a really tough time and an extremely hard decision," said Rita. "But thanks to Phyllis' help, I'm able to breathe again."

Ricki Perkins, Lorain, Ohio

Ricki Perkins was faced with the choice of having a roof over his head or the roof of his 100-year-old house on his head.

Bad storms in 2005 and 2006 destroyed his roof, causing water leaks and damage to the top rooms of the 43-year-old foundry worker's two-story house, as well as to the dining room and a porch.

The insurance money he received to cover the damages was about $2,000, which was not enough to fix everything. Ricki tried to repair the damage on his own and in his own time. To pay for repairs, he stopped paying his adjustable-rate mortgage that had an interest rate of **12.38%**.

In 2007, he contacted his servicer to make arrangements for repayment but was unsuccessful.

"I was under a lot of stress," Ricki said. Before the roof damage, he said he paid his mortgage on time. "They knew my history. They should have tried to work with me instead of slamming the door on me."

In December 2007, his house was foreclosed and sold for $20,000. It was bought by a mortgage company where a friend was employed, and the company let him stay in the house while he reworked his finances.

Ricki visited several Internet sites for help. One of the companies referred him to Neighborhood Housing Services (NHS) of Greater Cleveland, Inc., an NFMC Program Grantee.

"Walking in their door, I didn't think they would help me," Ricki admitted. "But they explained the different programs that were available to me. They were straightforward and right to the point. I had a lot of faith after visiting them."

The company who bought his house returned it to him when Ricki applied for and received state rescue funds that brought his mortgage up to date. NHS paid $3,000 toward that amount. His ARM was reduced to a fixed rate of 8%. As of Sept. 1, 2008, his mortgage payment is $863 a month.

Ricki intends to leave his house to his children. He is still making repairs and "doing the best I can".

Murl and Lori, Bloomfield, Iowa

Murl and Lori are suffering in secret. No one, not even close family members, knows that they are on the brink of losing the family home.

Lori's parents built the house in 1961 on 25 acres of land. It is the house where Lori has lived most of her life, the house where Murl and Lori want to raise their own two children, the house they want to keep in the family.

Their problems began in 2007, when they agreed to buy Lori's childhood home from her elderly parents. They moved in with her parents, sharing the house for five months before Lori's parents moved into a new house closer to town. During that time, Murl and Lori tried to pay off bills and build up their credit before applying for a loan.

The deal they wanted was for 100% financing with no money down. But the day before closing — which was delayed twice — they were told they needed more money. Closing fees, insurance, taxes and an appraisal deficit added up to more money than they had in the bank. They had to borrow from a friend.

"When you start out in the hole, it puts you behind in everything," Murl said.

The mortgage they received was fixed at close to 8%. But they were only able to make two payments before falling behind. Murl commutes 70 miles each day to his job at a foundry. Lori drives several miles to her job in home care. Rising fuel prices forced them to pay $150 a week for gasoline, putting them in further financial straits.

"Once I missed the first two payments, they said I'd have to have it all up front," Murl said. The terms of the loan stated that the interest rate would increase when a payment was missed. Murl and Lori owed nearly $7,000. They received foreclosure papers on May 29, 2008.

Murl called a hotline sponsored by United Neighbors of Davenport, Iowa, an organization that receives NFMC Program funding through the Iowa Finance Authority. He was told to fax his financial documents in order to stop the foreclosure. In the meantime, he received a postcard in the mail from a California-

based company guaranteeing to save his house. Thinking the company was affiliated with United Neighbors, Murl completed the card and mailed it in. The $800 fee was deducted from his checking account, putting him in a deeper hole. Although United Neighbors helped him recover the $800, the mix-up caused delays which affected the foreclosure petition and put him in default. Iowa Legal Aid is helping Murl file a delay of sale, and their counselor is optimistic they will achieve a loan modification to keep their home.

Murl said he's willing to give up gas and electricity before he loses his wife's childhood home.

"You can always live in the dark," he said, "but you can't live outside. It would be a day from hell to tell her folks that we lost the house."

Ignacia Hernandez, Mesilla Park, New Mexico

Ignacia Hernandez suffers from chronic asthma which requires hospitalization at least three to four times a month.

In 2007, a severe attack, which Ignacia said was brought on by a mold infestation in her mobile home, rendered her unable to work. Rains in the state of New Mexico in 2006 were so rampant that the governor declared a state of emergency. The rains damaged Ignacia's ceiling, living room and other parts of her house. Her home insurance was cancelled, and she received no assistance from FEMA. Since June, she has lived in her bedroom.

Because of her illness and frequent hospitalizations, Ignacia fell two months behind on her fixed-rate loan that carried an interest rate of **more than 20%**. Her family tried to help her with payments, but she "was always behind" — owing a past-due amount of $4,000. That is when she said her servicer started harassing her.

"They made threatening phone calls. They sent a tow truck to pick up my mobile home and my car," she said. "I was so desperate and anxious, I was having suicidal thoughts."

Through conversations with various people, Ignacia learned about Tierra del Sol Housing Corporation, an NFMC Program Grantee.

"I took in my paperwork. They worked pretty fast. They paid off $3,300 from the $4,000. They refinanced my loan and did some repairs on my home. I'm very grateful for that help. It took me out of a situation where I didn't have a dollar left. Everything I had was going to my health," she said.

Ignacia's new loan has a lower interest rate of 6%. Her monthly payments are $360. She receives $840 a month in social security.

Ignacia's doctor has not released her for work, but the fact that she is no longer being harassed has given her peace of mind.

"I'll be able to have a decent type of living," she said.

Olga, Bakersfield, California

Olga is the sole supporter of her five children, ages two to 15. She was doing fine until her brother, who had lived with them, decided to move out in May 2007. She quickly started to fall behind on her

mortgage. "It was just myself and my five children," Olga said. "Sometimes I sent in what I could but not the whole amount."

In November 2007 the lender told her she was in default. In December they wouldn't take her payment anymore. Olga was getting a lot of mail from agencies that said they could help. She called one, and they charged her $800 and did nothing to help her. By February 2008, she was in foreclosure, and a sale date had been set.

"I was scared; I have five children," said Olga. "Not knowing what was going to happen, and the thought of having to pay more, I was stressing. I wondered how I was going to make it. It was awful."

Then a friend heard about Self-Help Enterprises, a NeighborWorks organization and NFMC Program Grantee, on the morning news, and she told Olga that they might be able to help. Olga called right away. "They told me I didn't have to pay them anything, and they would help me as much as they could," she said.

"They did everything," said Olga. "They contacted my mortgage company and provided information they needed when they needed it. Melissa was in constant contact with me. I knew everything that was going on." Melissa worked out a loan modification and got the lender to lower Olga's interest rate from **11.4% to 5.25%**, lowering her monthly payment significantly.

Originally, Olga was to pay $1,165 a month to repay what she owed, but with the lower interest rate, her mortgage is $657 a month. She has to pay extra to make up what she owes, but still her monthly payment is just $822.

"The experience was awful, but Melissa knew exactly what was going on," said Olga. "She let me know what the options were and she made it easier because I knew someone was really working for me."

Cesar Cedeno, Jr., Fitchburg, Massachusetts

To make ends meet, Cesar Cedeno, Jr., a truck driver, worked as much overtime as he could. But when business slowed down, overtime was no longer an option, and he started making his mortgage payments late.

To make matters worse, his wife, Elsy, who worked as a daycare provider in their home, became ill and was unable to work. "We focused on other bills, and not the mortgage," Cesar explains.

When they received notice that the lender planned to foreclose, they tried to work something out. "I tried to work with the mortgage lender myself," he said. "But they gave me a hard time. They didn't want to hear it."

A friend of Cesar's had recently been in the same situation, and he told Cesar to call the Homeownership Preservation Foundation, an NFMC Program Grantee. "He told me to call right away, and not to wait," Cesar said. He called and was referred to Twin Cities Community Development Corp., an NFMC Program Grantee, where he worked with Brenda Piccard Muniz.

"The counselor was great, very helpful," said Cesar. "She worked out a solution for us. We weren't able to work with the lender, but getting help from someone in the middle actually helps." After speaking with Brenda, the lender agreed to a loan modification. Elsy recovered from her illness, and Brenda suggested she get a job right away so they could include her income in the loan modification. She got a job at Wal-Mart.

Things are now looking up for the Cedenos. In addition to Elsy's employment, Cesar is once again able to work overtime, and their mortgage is current. Cesar said they learned to make paying the mortgage a priority.

To others who may be facing foreclosure, Cesar said, "The help is there. Don't be scared or embarrassed. Let them help you."

Highlights from the Urban Institute Report

The Urban Institute provided NeighborWorks with their first interim report in October 2008, which contained information on its evaluation of the NFMC Program structure and award determination process, its analysis of the data submitted by Grantees on or before August 1, 2008 covering the time period March 1 – June 30, 2008, and findings from "reconnaissance interviews" with housing industry professionals, NFMC Program Grantees, and homeowners. Urban Institute will be providing similar reports throughout the duration of the NFMC Program, and will also provide further analyses as more data become available.

The full report can be found in the Appendix, but key findings include:

Proposal process evaluation

- Analysis of the application scores indicate that reviewers adhered to a set of objective criteria and applied these criteria in a consistent manner when judging applications.
- The differences between applicants' requested funding and their actual award indicates that NW America used a systematic and objective process when deciding on an award amount.
- Analysis of awarded counseling units indicates that NW America used an objective and systematic process when deciding on the number of counseling units to fund for a particular applicant.

Production and quarterly report analysis (NOTE: These numbers vary from the Counseling Efforts section as they only analyze production from March 1 through June 30, 2008 whereas the Counseling Efforts section analyzes production from March 1 through September 15, 2008)

- NFMC program grantees significantly increased their counseling capacity during the first four months of the program, with total retraining, hiring, and additional training for counselors involving 5,886 staff.
- NFMC program grantees provided over 71,000 counseling units to at-risk homeowners during the first reporting quarter (March through June 2008). Three-quarters of these units were at a very basic level, defined as "level 1" counseling.
- In the first quarterly reporting period, grantee organizations, on average, counseled 17.5 percent of the total counseling units expected to be provided over the course of the entire program, which runs from March 2008 through December 31, 2008. NW America will allow grantees to request extensions, up to June 30, 2009, for those that need more time to meet their counseling goals.
- About 64 percent of all counseling units represented clients who were racial or ethnic minorities. Twenty-eight percent (28%) of counseling units were non-Hispanic black and 20% were Hispanic. Non-Hispanic black and Hispanic homeowners are more likely to have a high cost home purchase loan than non-Hispanic white homeowners.
- Clients using the NFMC program represented a broad range of income levels, particularly for households with incomes under $100,000. Only 3% of households counseled by NFMC program grantees had annual incomes above $100,000. More than half of all counseling was provided to clients below 80 percent of HUD area median income.

- The largest share of counseling units (14.7%) were provided to homeowners in California, followed by Florida (7.3%) and Ohio (7.2%), states which have been the most affected by the foreclosure crisis. The metropolitan areas with the largest shares of counseling units were Chicago, Los Angeles, and Atlanta.
- One quarter of counseling units were provided to clients who were 121 days or more behind on their mortgage, but another quarter were provided to homeowners who were current with their mortgage payments, suggesting that at least some homeowners are proactively seeking assistance when they anticipate difficulties paying their mortgage.
- Almost half (45%) of counseling units were provided to clients with an adjustable rate mortgage (ARM), with 27% having an ARM with an interest rate that was 8 percent or higher at intake. Forty-three percent (43%) had a fixed-rate loan, with 15% having fixed-rate mortgages with interest rates at 8% or higher. The remaining 12% counseling units had another type of loan.
- Of the counseling units with known preliminary outcomes in the first reporting quarter, 34% were currently still receiving foreclosure prevention and budget counseling at the time of reporting. Twelve percent (12%) of counseling units had initiated a forbearance agreement or repayment plan, while 8% had their mortgage modified and another 5% had brought their mortgage current. Only 2% had their mortgage foreclosed upon during the first reporting quarter. The remaining 40% of counseling units had another outcome, including a pre-foreclosure sale, a refinanced mortgage or a referral to other legal or social assistance agency.
- Clients who were more overdue on their mortgage payments were more likely to have negative outcomes and were more likely to end up in foreclosure. Eleven percent (11%) of level 2 and 3 counseling units for clients 91 to 120 days late had negative outcomes, including 5% resulting in foreclosure, while 15% of counseling units for clients more than 120 days past due on their mortgage had negative outcomes, including 8% resulting in foreclosure.

Early reconnaissance interviews (UI interviewed a variety of expert observers and stakeholders about the issues involved in mortgage foreclosure mitigation counseling. The primary goal was to identify important factors affecting outcomes, which will then be further analyzed during their evaluation.)

- Our early reconnaissance interviewees defined two types of successful outcomes for counseled homeowners: avoiding foreclosure by enabling borrowers to stay in their homes with mortgage payments that are affordable to them on a sustained basis; or, if that is not feasible, a lesser success of helping them to minimize the burdens of losing their homes, generally by avoiding actual foreclosure.
- Success in enabling people to stay in homes is perceived to be a much less frequent counseling outcome than avoiding foreclosure, especially with payments borrowers can likely sustain over the long haul. Moreover, counseling's impact is limited by factors outside its control. Many borrowers are offered repayment plans that are not sustainable in the long run, leaving them unable to meet regular monthly payments. The likelihood of borrowers being able to remain in their homes is significantly raised where third party financial assistance, such as a second mortgage, is available.
- Most borrowers coming in for counseling suffer from one or more of three principal problems: inability to afford the mortgages they agreed to from the outset, loss of job or reduced income, and resets of interest rates on adjustable rate mortgages.

- Counseling agencies have fairly consistent overall approaches to counseling, including major steps and tasks in the process. Primary differences involve the mix of modes of counseling (i.e., providing counseling by phone, in groups, or individually) and whether assistance runs all the way through default resolution.
- Respondents do not see large variations in outcomes for borrowers across housing markets. Geographic differences are observed to depend more on state regulations and public policies, and the types of loans and lending practices concentrated in differing markets. Borrower financial circumstances, including falling income and unusual costs (often medical), loan affordability at outset, and loan-to-value ratios have more impact. The use of exotic loans, notably Option ARMs, also has strong implications for successful outcomes.
- Primary obstacles to successful foreclosure prevention and mitigation are of three types:
    - Difficulties in the contact and process of transmission of information among servicers, borrowers, and counselors.
    - Related limitations of capacity of servicers, counselors, and borrowers to fully and promptly carry out their respective roles.
    - Constraints by servicers, and lender and investor counterparts, in willingness to make loan modifications yielding mortgage payments borrowers can sustain.
- At least partial solutions in each of these areas have been developed, piloted, or proposed, including on-line and standardized mechanisms for counselor-to-servicer information interchange, more common and wholesale approaches to loan modification, and third-party financing and financial assistance.

Appendix A: Legislation

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $119,800,000, of which

$5,000,000 shall be for a multi-family rental housing program.

For an additional amount, $180,000,000 shall be made available until expended to the Neighborhood Reinvestment Corporation for mortgage foreclosure mitigation activities, under the following terms and conditions:

(1) The Neighborhood Reinvestment Corporation ("NRC"), shall make grants to counseling intermediaries approved by the Department of Housing and Urban Development (HUD) or the NRC (with match to be determined by the NRC based on affordability and the economic conditions of an area; a match also may be waived by the NRC based on the aforementioned conditions) to provide mortgage foreclosure mitigation assistance primarily to states and areas with high rates of defaults and foreclosures primarily in the sub prime housing market to help eliminate the default and foreclosure of mortgages of owner-occupied single-family homes that are at risk of such foreclosure. Other than areas with high rates of defaults and foreclosures, grants may also be provided to approved counseling intermediaries based on a geographic analysis of the Nation by the NRC which determines where there is a prevalence of sub prime mortgages that are risky

and likely to fail, including any trends for mortgages that are likely to default and face foreclosure. A State Housing Finance Agency may also be eligible where the State Housing Finance Agency meets all the requirements under this paragraph. A HUD- or NRC-approved counseling intermediary shall meet certain mortgage foreclosure mitigation assistance counseling requirements, as determined by the NRC, and shall be approved by HUD or the NRC as meeting these requirements;

(2) Mortgage foreclosure mitigation assistance shall only be made available to homeowners of owner-occupied homes with mortgages in default or in danger of default. These mortgages shall likely be subject to a foreclosure action and homeowners will be provided such assistance that shall consist of activities that are likely to prevent foreclosures and result in the long-term affordability of the mortgage retained pursuant to such activity or another positive outcome for the homeowner. No funds made available under this paragraph may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments;

(3) The use of Mortgage Foreclosure Mitigation Assistance by approved counseling intermediaries and State Housing Finance Agencies shall involve a reasonable analysis of the borrower's financial situation, an evaluation of the current value of the property that is subject to the mortgage, counseling regarding the assumption of the mortgage by another non-federal party, counseling regarding the possible purchase of the mortgage by a non-federal third party, counseling and advice of all likely restructuring and refinancing strategies or the approval of a work-out strategy by all interested parties;

(4) NRC shall award $50,000,000 in mortgage foreclosure mitigation grants for States and areas with the greatest needs within 60 days of enactment. Additional funds may be awarded once the NRC certifies that HUD- or NRC-approved counseling intermediaries and State Housing Finance Agencies have the need for additional funds in states and areas with high rates of mortgage foreclosures, defaults, or related activities and the expertise to use these funds effectively. The NRC may provide up to fifteen percent of the total funds under this paragraph to its own charter members with expertise in foreclosure prevention counseling, subject to a certifi-

cation by the NRC that the procedures for selection do not consist of any procedures or activities that could be construed as an unacceptable conflict of interest or have the appearance of impropriety;

(5) NRC- or HUD-approved counseling entities and State Housing Finance Agencies receiving funds under this paragraph shall have demonstrated experience in successfully working with financial institutions as well as borrowers facing default, delinquency and foreclosure as well as documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans (including post mortgage foreclosure mitigation counseling), loan workout agreements and loan modification agreements;

(6) Of the total amount made available under this paragraph, up to $5,000,000 may be made available to build the mortgage foreclosure and default mitigation counseling capacity of counseling intermediaries through NRC training courses with HUD- or NRC-approved counseling intermediaries and their partners, except that private financial institutions that participate in NRC training shall pay market rates for such training;

(7) Of the total amount made available under this paragraph, up to 4 percent may be used for associated administrative expenses for the NRC to carry-out activities provided under this section;

(8) Mortgage foreclosure mitigation assistance may include a budget for outreach and advertising, as determined by the NRC; and

(9) The NRC shall report bi-annually to the House and Senate Committees on Appropriations as well as the Senate Banking Committee and House Financial Services Committee on its efforts to mitigate mortgage default. Such reports shall identify successful strategies and methods for preserving homeownership and the long-term affordability of at-risk mortgages and shall include recommended efforts that will or likely can assist in the success of this program as well as an analysis of any policy and procedures that failed to result in successful mortgage foreclosure mitigation. The report shall include an analysis of the details and use of any post mitigation counseling of assisted borrowers designed to ensure the continued long-term affordability of the mortgages which were the subject of the mortgage foreclosure mitigation assistance.

Appendix B: Funding Announcement

National Foreclosure Mitigation Counseling Program
Final Funding Announcement

January 25, 2008

National Foreclosure Mitigation Counseling Program

Final Funding Announcement

January 25, 2008

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National Foreclosure Mitigation Counseling Program

Final Funding Announcement

January 25, 2008

Purpose of Funding

In response to the nationwide subprime foreclosure crisis, Congress approved and President George W. Bush signed legislation authorizing $180 million for a National Foreclosure Mitigation Counseling (NFMC) Program. The legislation was signed on December 26, 2007. Congress selected NeighborWorks® America (as authorized by the Neighborhood Reinvestment Corporation Act, 42 U.S.C. 8101-8107) to administer the National Foreclosure Mitigation Counseling Program, and directed that funds be prioritized for use in "areas of greatest need". These are defined as areas experiencing a high rate of subprime lending, delinquent loans, and foreclosure starts (see Exhibit 1 for a list of these areas nationwide). Of the $180 million appropriated, at least $167.8 million will be awarded through a competitive grant process. NeighborWorks® America will set aside $37.8 million of this amount for subsequent grants and makes $130 million in funding available through this Funding Announcement. Of this $130 million, at least $66.3 million will be targeted to the areas of greatest need.

This is a one-time appropriation designed to support a rapid expansion of foreclosure intervention counseling capacity on a short-term basis by HUD-approved Housing Counseling Intermediaries and State Housing Finance Agencies (HFAs). Because this is a one-time appropriation, funds will be targeted to Applicants with Demonstrated Experience in foreclosure intervention and loss mitigation counseling. Grantees are advised not to add permanent counseling capacity with these funds unless they can support the positions with other revenues once the funds are expended. National Foreclosure Mitigation Counseling Program funds will be available until they are fully expended, with a projected end date of December 31, 2008.

Grantees will use the funds to provide mortgage foreclosure intervention and loss mitigation counseling assistance primarily in states and areas with high rates of defaults and foreclosures. The target clients are owner-occupants of single-family (one to four unit) properties that obtained subprime loans, are delinquent on their mortgages, and are at risk of default and foreclosure. Secondarily, grants may also be awarded to organizations serving areas where there is a prevalence of subprime mortgages that are at risk of becoming delinquent and entering default. As a lower priority, grants may be made to organizations serving other areas where there is a demonstrated need.

The program recognizes that a variety of strategies may be used to intervene in a default and prevent foreclosure. Eligible Applicants must have the ability to deliver foreclosure counseling activities such as an analysis of the client's financial situation; an evaluation of the current value of the home that is subject to the mortgage; and a review of options such as the assumption of the mortgage by another non-federal party, the purchase of the mortgage by a non-federal third party, other restructuring and refinancing strategies, or the approval of a workout strategy by all interested parties. While the goal is to help homeowners retain their homes with a mortgage they can afford, in some instances the only way to successfully cure a default may be to sell the home. HUD-Approved Intermediaries and state HFAs must demonstrate the capacity to serve as an intermediary, including capacity to distribute funds, communicate

with Sub-grantees or Branches, collect requisite data, and monitor quality and performance of each Sub-grantee or Branch.

It is expected that eligible Applicants will make every effort to receive reimbursement for counseling services from other sources to increase the sustainability of these services. National Foreclosure Mitigation Counseling Program funds are not meant to replace current or future fee-for-service arrangements between counseling agencies and servicers, lenders, or other interested parties.

The intent of the NFMC funding is to expand counseling opportunities available to American families facing foreclosure. It is not expected that counseling agencies will collect fees from multiple sources to fund the same counseling client with respect to their foreclosure mitigation needs. However, it is recognized that the full cost of providing foreclosure mitigation counseling to a client may exceed the Level 1, Level 2, and Level 3 rates detailed in this Funding Announcement beginning on page 9. If a counseling agency receives fee payment from another source for the same client that it is reporting to NFMC, the total fees should not exceed an additional 50% beyond the NFMC level (i.e., for Level 1, total fees collected from all sources should not exceed $225; total fees collected for Level 2 cannot exceed $300; and total fees for Level 3 cannot exceed $525). If additional fees are collected beyond the NFMC Levels 1, 2, and 3, documentation should be kept by the agency to justify those fees and be reviewed by the Intermediary or HFA. Philanthropic grants that generally support the counseling program are not considered fees. Fees for other services provided to the same client beyond foreclosure mitigation (such as mental health, bankruptcy, tenant counseling, etc) would not be included in this cap. Additionally, funds received from the HUD Housing Counseling program should not be used to underwrite the same counseling services provided to the same clients counseled under this program.

NeighborWorks® America will train foreclosure counselors across the country through a combination of weeklong training sessions at NeighborWorks® Training Institutes, regional multi-course foreclosure counseling courses, place-based trainings in partnership with HUD-approved Housing Counseling Agencies and State HFAs, and the development of an on-line *Foreclosure Basics* e-learning course. Scholarships will be made available to defray the cost of training.

Details about the National Foreclosure Mitigation Counseling Program, including the legislative language that governed the program development and frequently asked questions about the application and funding process, can be found at www.nw.org/nfmc. NeighborWorks® reserves the right to make exceptions to the guidelines set forth in this Funding Announcement under extraordinary circumstances.

Any questions about this program should be directed to 202-220-6314 or nfmc@nw.org.

Funding Available

This Funding Announcement makes available up to $130 million in grant funds, with a minimum of $50 million to be awarded by February 24, 2008 in areas of greatest need. Depending on the demand for funding and the strength of applications received, NeighborWorks® America may elect to award the entire $130 million in this initial round. If necessary, in order to fully allocate funds by December 31, 2008, NeighborWorks® America may elect to hold a second funding round later in the year.

There is no minimum or maximum application amount. Depending on total demand for available funding, NeighborWorks® America reserves the right to establish award limits during the grant review and award process. NeighborWorks® America also reserves the right to award Applicants less than their full funding request. Award decisions will be based upon on a number of considerations, including (without

limitation): (1) the recommendations and scores of grant reviewers with particular attention to the Applicant's demonstrated experience and capacity to deliver counseling services and/or manage multiple Sub-grantees and Branches (including performance and compliance under previous HUD Housing Counseling grants); (2) the reasonableness of Applicant's counseling goals; (3) geographic diversity; (4) coverage in areas of greatest need; and (5) total demand for funding from all Applicants. In making award decisions, NeighborWorks® America may rely on information not contained in Applicant's submitted application, including but not limited to Applicants' previously-submitted HUD Housing Counseling Agency Activity Reports (HUD 9902s), findings from HUD Housing Counseling performance reviews, financial audit reviews, and other available relevant information.

As noted in paragraph 1 of this Funding Announcement, $37.8 million of the $167.8 million minimum available for grants will be set aside to provide subsequent grants. NeighborWorks® America will add to these funds any award money recaptured from Grantees that have not made significant progress on their goals within an identified timeframe. Possible uses of these funds may be (without limitation) to make additional funds available to Grantees that meet or exceed their goals of clients counseled or to provide flexibility to respond to an area of the country experiencing a higher than projected demand for delinquency and foreclosure intervention counseling later in the year. Additional information about fund recapture, and the capitalization and use of the set aside funds, will be published before June 30, 2008.

A minimum of $140.8 million of the grant funds will be awarded to HUD-approved Housing Counseling Intermediaries and to State HFAs. Up to $27 million will be awarded directly to housing counseling agencies (HCAs) that are chartered members of the NeighborWorks® network. These groups are specifically named as eligible Applicants in the authorizing legislation.

Definitions

1. **Affiliate.** An Affiliate is a separately incorporated or organized Housing Counseling Agency connected with an Intermediary or State HFA for the purposes of its housing counseling program. To be eligible for a sub-grant an Affiliate must be: (1) Duly organized and existing as a nonprofit or public entity, (2) in good standing under the laws of the state of its organization, and (3) authorized to do business in the states where it proposes to provide housing counseling services.
2. **Applicant.** ''Applicant'' refers to a HUD-approved housing counseling Intermediary or State HFA, or NeighborWorks® chartered members that are HUD-approved housing counseling agencies (HCA).
3. **Branch.** ''Branch'' or ''Branch Office'' refers to an Applicant's organizational and subordinate unit that is not separately incorporated or organized. A Branch or Branch Office must be in good standing under the laws of the state where it is authorized to do business and where it proposes to provide housing counseling services. A Branch or Branch Office cannot be an Applicant, Affiliate or Sub-grantee.
4. **Demonstrated Experience.** "Demonstrated Experience" refers to an Applicant's successful and recent track record in providing foreclosure intervention counseling services. Demonstrated Experience must be shown in order to qualify for funding. To qualify as having Demonstrated Experience, an Applicant must certify that it (and, if applicable, each of its Sub-grantees or Branches that will receive funding) has:

    A. worked successfully with financial institutions and servicers, and with clients facing default, delinquency, and foreclosure; AND

B. documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans (including post mortgage foreclosure mitigation counseling), loan workout agreements, and loan modification agreements; AND

C. certified that one of the following is true for EACH Sub-grantee, Branch, or NeighborWorks® Organization that will receive NFMC funding either directly or through an Intermediary or HFA:
   1) Applicant provided foreclosure intervention counseling services that included documented Action Plans to at least 50 people during the past year or 20 people during the most recent quarter; OR

   2) 75 percent or more of Applicant's service area is rural (see below for definitions), and the Applicant provided foreclosure intervention counseling services which included documented Action Plans to at least 25 people during the past year or 10 people during the most recent quarter OR

   3) Applicant has provided foreclosure counseling services which include documented Action Plans to at least 12 people during the past year AND has at least one comprehensively trained and qualified foreclosure counselor on staff

If the supervisor or counselors who achieved the outcomes in 4.C., above, are no longer on staff, Applicants must explain how Branches or Sub-grantees will achieve goals related to this grant, including how they will recruit and train new staff. NeighborWorks® America reserves the right to ask Grantees to provide documentation of their Demonstrated Experience and the Demonstrated Experience of any Sub-grantees or Branches as a condition of the award or at any point during the grant period or subsequent evaluation period.

Rural Definitions: When qualifying as "rural" for 4(c)(2) above, organizations must use one of the following three acceptable definitions:

A) USDA Rural Development Definition as outlined in 7CFR 3550.10: A rural area is:

(1) Open country which is not part of or associated with an urban area.

(2) Any town, village, city, or place, including the immediate adjacent densely settled area, which is not part of or associated with an urban area and which:

(a) Has a population not in excess of 10,000 if it is rural in character; or

(b) Has a population in excess of 10,000 but not in excess of 20,000, is not contained within a Metropolitan Statistical Area, and has a serious lack of mortgage credit for low- and moderate-income households as determined by the Secretary of Agriculture and the Secretary of HUD.

(3) An area classified as a rural area prior to October 1, 1990, (even if within a Metropolitan Statistical Area), with a population exceeding 10,000, but not in excess of 25,000, which is rural in character, and has a serious lack of mortgage credit for low- and moderate-income families. This is effective through receipt of census data for the year 2000.

B) Any micropolitan area (defined as having population greater than 10,000 but less than 50,000 people)

C) Any county identified using Isserman typology that is designated as rural or mixed rural

Isserman typology map is included as Exhibit 2.

5. **Grantee**. ‘‘Grantee’’ refers to the Intermediaries, State HFAs, or housing counseling agencies that receive awards under this National Foreclosure Mitigation Counseling Program Funding Announcement.

6. **Intermediary**. ‘‘Intermediary’’ refers to a HUD-approved national or regional organization that provides housing counseling services through its Branches or Affiliates. Intermediaries must have received HUD-approval on or before February 8, 2008 (the application due date) to be considered for funding.

7. **Housing Counseling Agency (HCA)**. For the purposes of this Funding Announcement, an HCA is a local Housing Counseling Agency that is a chartered member of NeighborWorks® America. These HCAs may apply for National Foreclosure Mitigation Counseling funds directly. All other local housing counseling organizations must apply through an Intermediary or State HFA.

8. **State Housing Finance Agency (HFA)**. A state HFA is the unique public body, agency, or instrumentality created by a specific act of a state legislature and empowered to finance activities designed to provide housing and related facilities and services, for example through land acquisition, construction or rehabilitation, throughout a state. The term “state” includes the fifty states, Puerto Rico, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands.

9. **Sub-grantee.** ‘‘Sub-grantee’’ refers to an organization to which the Grantee awards a sub-grant, and which is accountable to the Grantee for the use of the funds provided. A Sub-grantee may be separately incorporated or organized, but connected with an Intermediary or State HFA for purposes of responding to this Funding Announcement. Intermediaries and HFAs will be held responsible for ensuring that all Sub-grantees and Branches adhere to the standards set forth in this Funding Announcement and agree to oversee the quality of services and adequacy of record keeping for each.

   All Sub-grantees and Branches must be identified in the Grantee’s application, and Grantees must furnish a listing of Sub-grantees which includes the organization name, address, contact person name, e-mail, and telephone before initial grant disbursement will be made. Grantees may amend their Sub-grantee list after awards are made by submitting a written request to NeighborWorks® and such amendment will be approved at NeighborWorks® America’s sole discretion.

Funding Time Frame

While it is possible that all available funds will be awarded in this initial round, NeighborWorks® America reserves the right to conduct a second funding round if necessary. For this initial round, the schedule will be as follows:

January 15-16, 2008	Bidders’ conferences with eligible Applicants (offered twice to facilitate participation).
January 25, 2008	Applications available in the GrantWorks online application system.
February 8, 2008	Applications deadline 8 PM EST. Applications accepted electronically through GrantWorks only. No late applications will be accepted under any circumstances.
February 9 –23, 2008	Applications reviewed, ranked, and award decisions made
February 24, 2008	Grant award letters and grant agreements distributed. Award announcements posted on www.nw.org/nfmc.

March 1, 2008	Initial disbursements sent to Grantees upon receipt of executed grant agreements and all required start-up documentation. NeighborWorks® America reserves the right to reduce or de-obligate the award if the grant agreement is not signed and delivered within 20 days of the grant award.
April 9, 2008	Last day for Applicants to request debriefing meeting with NeighborWorks® America. All such request must be received by NeighborWorks® in writing by 5pm EST on this day.
March 1, 2008 – December 31, 2008	Throughout the grant period, client-level production reports are due as draw requests are made. Draws are not tied to quarterly reporting; however, Grantees must be current with their quarterly reports in order for draws to occur, and must demonstrate match proportional to the draw.
On or before June 30, 2008	Guidelines issued for fund recapture and for use of reserved/recaptured funds.
August 1, 2008	First quarterly report required – reporting period from time of receipt of initial disbursement to June 30, 2008.
August 15, 2008	First fund reallocation decisions are made. NeighborWorks® America may recapture funds from Grantees that have not made significant progress in meeting goals established in their grant agreements.
November 1, 2008	Second quarterly report required – reporting period July 1, 2008 to September 30, 2008.
November 15, 2008	Second fund reallocation decisions are made. NeighborWorks® America may recapture funds from Grantees that have not made significant progress in meeting goals established in their grant agreements.
December 31, 2008	End of the initial grant period. All funds awarded under the initial grant round must be expended or will be subject to recapture.
February 1, 2009	Third (and final) quarterly report required – reporting period October 1, 2008 – December 31, 2008.
February 27, 2009	Grantees' final programmatic report due.
Ongoing until June 30, 2010	Grantees must comply with program evaluation requests.

Eligible Applicants

There are two categories of eligible Applicants, as follows:

1) **Intermediaries** that have been approved as Housing Counseling Intermediaries by HUD on or before February 8, 2008 (the application due date), and **State Housing Finance Agencies (State HFAs).** Both HUD-approved intermediaries and State HFAs must have Demonstrated Experience in delivering foreclosure intervention and loss mitigation counseling services (see Definitions, #4.)

These Applicants' foreclosure intervention counselors must **not** be loss mitigation/servicing staff working on behalf of a lender or mortgage finance program.

State HFA Applicants must submit evidence of their statutory authority to operate as a state HFA, to serve the entire state, and to apply for and subsequently use any funds received. Only one HFA per state shall receive an award through this program.

Applicants in this category will (a) apply for funds on behalf of a network of local housing counseling agencies that will deliver the delinquency and foreclosure intervention counseling services,(b) distribute grant funds to its own Branches that will deliver the services, or (c) provide direct foreclosure intervention counseling.

Although the legislation allows NeighborWorks® America to independently certify Housing Counseling Intermediaries, NeighborWorks® has elected not to do so and instead refers interested parties to HUD for approval. Potential Applicants who are not currently HUD-approved should visit http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm to learn about eligibility requirements and the approval process. (Please note that approval typically takes about two months and thus it may not be possible to complete the process in time to take advantage of this initial funding round.) Intermediaries must receive HUD-approval on or before February 8, 2008 at 8:00 PM EST (the application due date) to be eligible to receive an award during this funding round.

HUD-Approved Intermediaries and state HFAs must demonstrate the capacity to serve as an intermediary, including capacity to distribute funds, communicate with Sub-grantees or Branches, collect requisite data, and monitor quality, outcomes, and performance of each Sub-grantee or Branch.

Sub-grantees of Intermediaries and State HFAs are not required to be HUD-approved housing counseling agencies. However, intermediaries or State HFAs that award sub-grants to counseling agencies that are not HUD-approved must assure that the Sub-grantees meet or exceed the standards required for HUD approval. A current list of State HFAs and HUD-approved Housing Counseling Intermediaries approved as of the date of this Funding Announcement can be found in Exhibit 3.

Intermediaries and State HFAs are permitted to add or remove Sub-grantees during the grant period with proper written notice and approval. However, they must formally request this of NeighborWorks® America. Adding Affiliates or Branches will not be accompanied by an automatic increase in the grant award. However, foreclosure counseling sessions completed by the added Sub-grantees can be counted towards the Applicants' goals, and the new Sub-grantees can also be included in applications for the set aside funds or a second round of funding should one occur.

2) **Existing chartered members of NeighborWorks® America that are housing counseling agencies (HCAs),** and that have Demonstrated Experience in delivering foreclosure intervention and loss mitigation services. HCAs that are not members of the NeighborWorks® network cannot apply directly but must instead apply through an Intermediary or State HFA as described in 1), above.

A note about affiliations with multiple intermediaries and state HFAs.

Housing counseling organizations, State HFAs, and HUD-Approved Housing Counseling Intermediaries may elect to participate in this program through affiliation with multiple intermediaries and HFAs, but they must justify why this is critical in order to meet the demand for foreclosure prevention counseling in their service area. They must also demonstrate their capacity to track and report activity under multiple applications. In particular, they will have to demonstrate capacity to report client-level data with unique identifiers (including but not limited to client name, address, loan number and lender – see Exhibit 4) to

prevent duplication of billing for the same client. They must also disclose their intent to apply under multiple applications to all intermediaries or State HFAs with which they are Affiliated, and supply a breakdown of projected counseling sessions to be conducted under each application in writing.

Eligible Activities

No funds made available under the National Foreclosure Mitigation Counseling Program may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.

There are three categories of eligible activities: (1.) Counseling; (2.) Program-Related Support; and (3.) Operational Oversight (for Intermediaries and State HFAs only.) These are defined in greater detail below. While Applicants are encouraged to apply for what they believe they can use, NeighborWorks® America reserves the right to award less than the amount Applicants request. When reductions in Counseling awards occur, proportional reductions in recommended Program-Related Support and Operational Oversight awards will be made as well.

1) Counseling- *All Applicants (HFAs, Intermediaries, and NWOs) may apply for this.*

Counseling can include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will take longer to resolve. Recognizing this, NeighborWorks® America has developed a three-tiered structure for defining and estimating the cost of counseling activity, as described below. For the purposes of projecting counseling budgets, the value of Level One counseling has been set at $150, Level Two at $200, and Level Three at $350. Level Three activities combine those offered under Levels One and Two. **The maximum that may be drawn per individual counseling client is $350. NeighborWorks® America will not allow duplicate billing for the same client at each counseling level.**

"Level One" Counseling: To qualify for a level one payment ($150), a counseling agency will be required to complete all four of the following steps:

1. Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. The National Industry Foreclosure Counseling Standards provide guidance on what should be included in an Intake Form (See Exhibit 5 of this document and www.nw.org/nfmc). It is recommended, but not required, that contact information for one additional person is collected at intake in the event that client moves or is otherwise unable to be reached following initial intake.

2. Organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a.) submit client-level information to the data collection system for this grant, (b.) open files to be reviewed for program monitoring and compliance purposes, and (c.) pull credit record for purposes of program evaluation two additional times between intake and June 30, 2010 and authorization to conduct follow-up with client related to program evaluation. Organization must also allow client access to its privacy policy statement. NeighborWorks® will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form.

3. Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income.

4. Organization must develop a written Action Plan for follow up activities to be taken by the client and review this Action Plan with the client. The National Industry Foreclosure Counseling provide guidance on what should be included in an Action Plan (See Exhibit 5 and www.nw.org/nfmc).

When billing for Level 1 activities, all 4 of these completed documents must be in client file: intake, authorization form, budget, Action Plan. Intermediaries and HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.

"**Level Two" Counseling**:

To qualify for a level two payment ($200), a counseling agency will be required to complete the following four steps:

1. Engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (credit report), monthly expenses (monthly bills and banks statements) and spending patterns, and realistic opportunities for income (tax returns and pay stubs).

2. If not already on file, organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow agency to (a.) submit client-level information to the data collection system for this grant, (b.) open files to be reviewed for program monitoring and compliance purposes, and (c.) pull credit record for purposes of program evaluation two additional times between intake and June 30, 2010 and authorization to conduct follow-up with client related to program evaluation. Organization must also allow client access to its privacy policy statement. NeighborWorks® will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form.

3. Steps to obtain a solution outlined in the written Action Plan are taken and documented using counseling notes that indicate date counseling occurred. This could include but is not limited to the following:

    a. Draft and submit to the servicer a hardship letter that describes for the servicer the situation of the client, reason for delinquency, factors that should be considered when developing a workout plan, and an estimate of the housing cost the client can afford to pay.
    b. Documented attempt to contact the servicer or lender and, if a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program. NeighborWorks® will endeavor to post e-mail contact information for servicers who have made such available on the www.nw.org/nfmc web page so documentation of attempts to reach servicers is easily captured.
    c. Complete and submit application for local resource options including refinance programs or rescue funds.
    d. Assist in situations where client elects to pursue sale options.

4. Close-out documentation is completed. For purposes of this grant, "close-out documentation" refers to the documentation of steps taken in #3 above in order to report this client as having received Level 2 counseling. All files need to contain reason for close out and, if applicable, any documentation demonstrating solution. If steps 1 – 3 above have been taken and the client has not

contacted the agency for three consecutive months, the file can be marked inactive and the agency can submit that client's data in its next draw request.

When billing for Level 2 activities, all of these completed documents must be in client file: authorization form, verified budget, documentation of steps taken based upon Action Plan, and close-out documentation. Intermediaries and HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.

"Level Three" Counseling:

Level 3 counseling can be billed ($350) when all necessary documentation for Levels 1 and 2 are completed in succession by the same agency. *Intermediaries and HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.*

To develop their Counseling budget, Applicants will multiply the projected number of Level One, Two, and/or Three counseling sessions by the appropriate figure ($150, $200 or $350, respectively). **(Note: the maximum that may be billed per individual counseling client is $350. NeighborWorks® America will not allow duplicate billing for the same client at each counseling level.)**

Example: An LCHA Applicant projects that it will deliver 200 Level One Counseling sessions, and 125 Level Three Counseling sessions. The maximum Counseling award the LCHA may request is $73,750 (200 x $150 = $30,000; and 125 x $350 = $43,750).

2) Program-Related Support-*All Applicants (HFAs, Intermediaries& HCAs) may apply for this.*

Applicants can apply for an amount up to 20 percent of their counseling request for Program-Related Support. A plan for use of these funds, **including the estimated costs of major line-item budget items,** must be included with the application and it is expected that these funds shall be used to increase foreclosure program efficiencies. State HFAs and intermediaries must pass through the full 20 percent to their Sub-grantees or Branches, ***unless*** they justify how retaining a portion of this support will have a timely and positive impact on the capacity of local Sub-grantees to conduct foreclosure mitigation counseling. If such a plan is submitted and justified, no more than 50 percent of the funds allocated under this section can be held at the Intermediary or State HFA level. These funds are not intended to be administrative fees; rather, they are meant primarily to support direct costs associated, as much as possible, with increasing the effectiveness and efficiency of Sub-grantees or Branches' ability to provide quality foreclosure counseling. Eligible uses of Program-Related Support are:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time and sessions with clients seeking help with situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
- Outreach to delinquent clients, especially in areas of greatest need. The earlier a delinquent homeowner reaches out for assistance, the more probable the success. Outreach strategies to encourage delinquent homeowners in their communities to come for assistance well before the foreclosure notice is received are encouraged.
- Group orientation and education sessions to help use counseling time more effectively. Registering attendees, preparing for and delivering these sessions are all eligible uses.

- Infrastructure development and communication.
- Improving Applicant capacity and infrastructure for tracking and reporting data.
- Costs related to hiring, orienting, and training new counseling staff.
- Purchasing or leasing equipment and software for new counselors.
- Collecting data and preparing quarterly reports and draw requests.
- Quality control of the counseling function.

Applicants may contract out part or all of the activities proposed under Program-Related Support, but they will be asked to demonstrate that their subcontractors have the required experience and expertise.

Example: A State HFA applies for a $3.5 million Counseling award. The HFA may also apply for up to $700,000 in Program-Related Support. At least $350,000 (50 percent of the $700,000) must be passed through to the local Sub-grantees or Branches identified in the application.

3) Operational Oversight *Only Intermediaries and State HFAs may apply for this funding*

Intermediaries and HFAs may request funding for operational oversight which would cover any quality control, day-to-day oversight and management of this grant award, and any improvements to systems and infrastructure required.

These requests must be limited to 7 percent of the first $2.5 million requested under the Counseling category (or $175,000). After the first $2.5 million in Counseling funds requested, the allowable percentage decreases to 5 percent.

Example: An Intermediary applies for $5 million under the Counseling category. The request for Operational Oversight funds is limited to $300,000 ($175,000, or 7 percent of the first $2.5 million in Counseling funds, plus $125,000, or 5 percent of the second $2.5 million in Counseling funds.)

Match Requirement

Award recipients must match the funding they receive from the National Foreclosure Mitigation Counseling Program. Recognizing the limits of time and financial resources, match requirements are defined as follows:

- Applicants must provide a 20 percent match for $500,000 or less in funding received from the National Foreclosure Mitigation Counseling Program. For funding in excess of $500,000 the required match rate drops to 10 percent. For example, an Applicant applying for $1 million in funds would be required to demonstrate a match of $150,000 in cash and/or in-kind resources.
- Match can be cash or in-kind (e.g., staff time, office space, volunteer time, donated equipment, etc.).

- In-kind valuation will be considered consistent with requirements for other federal grant programs. Guidance is posted at www.nw.org/nfmc.
- Applicant match must be related to Applicants' foreclosure mitigation program. This program **must** include foreclosure intervention counseling, but may also include such activities as triage, outreach, or mortgage workout funding (both grants and loans), plus any administrative or overhead expenses associated with the program.
- Match need not be new resources generated for this grant program, but must be related to foreclosure counseling rather than the Applicant's general housing counseling program.
- Other federal funds may not be counted toward match requirements. Examples of federal funds ineligible for use as match include (but are not limited to) other HUD Housing Counseling funds, HOME Funds, and grants awarded by NeighborWorks® America to its chartered members from Congressionally appropriated dollars.
- Examples of funds that are eligible for match include (but are not limited to): fees received from servicers or lenders for providing foreclosure counseling to clients not counted under this program; funds received to capitalize mortgage rescue funds; Community Development Block Grant (CDBG) funds; foundation and corporate grants received for operating a foreclosure counseling and mitigation program; municipal, county, or state grants for operating a foreclosure counseling and mitigation program (as long as the funds do not have a federal source); contract income; and unrestricted funds or net assets dedicated towards the foreclosure program.
- The match "window," or period within which the match must be expended or raised, extends from January 1, 2008 to December 31, 2008. Any expenditures related to the Applicants' foreclosure mitigation program that occur between January 1, 2008 and the date award funds are received are eligible to be counted toward the match.
- Applicants need not have all the match committed at the time of application, but can include funds they expect to raise during the year and any funds they have expended since January 1, 2008. Once grant funds are awarded, draws will be contingent upon Grantees' ability to demonstrate at least the amount of match proportional to the draw amount, including the initial disbursement, has been committed or expended.
- The match requirement may be waived for counseling delivered in areas where either the local poverty rate or the local unemployment rate is greater than 150 percent of the national rate. When requesting waivers, Applicants must use data that is no older than 2005. Applicants can find unemployment rates from the Bureau of Labor Statistics at www.bls.gov/lau/#data and poverty rates from the U.S. Census Bureau at www.census.gov/hhes/www/saipe/county.html.

  Waivers will be granted on a county-by-county basis for counties that have rates of poverty or unemployment greater than 150% of the national rate. In the event that a service area is ***smaller*** than the county, applicants may apply for a match waiver for the SMALLER geographic area. The applicant must have a physical presence (such as an office) in the area for which the waiver is requested and must state their estimated counseling volume in that area. Match waiver decisions will consider the volume of counseling expected by the applicant in that county or area compared to their Total Counseling Goals. Waivers will be granted proportionately and will be detailed in the Grant Agreement. If you are requesting a match waiver for a service area smaller than county level, you must fill out the excel spreadsheet titled "Match Waiver Request – smaller than County Level" under the "For All Eligible Applicants" section of www.nw.org/nfmc and e-mail it to nfmc@nw.org before 8PM EST on February 8, 2008.

Draw Schedule

The draw schedule is designed to provide Applicants with sufficient up-front funds to strengthen their counseling capacity, while linking future draws to achievement of counseling goals. **NeighborWorks® America reserves the right to adjust individual Grantees' draw schedules and amounts if funds are being expended more slowly than projected.** Grantees will receive 35 percent of the Counseling award and 35 percent of the Operational Oversight award, as well as 70 percent of the Program-Related Support award following execution of the grant agreement and related start-up documents.

When Grantees can demonstrate that they have counseled 25 percent of the total number of clients they project they will serve under the full grant, they can request a second draw. This draw will be equal to 30 percent of the Counseling award, 30 percent of the Operational Oversight award and 15 percent of the Program-Related Support award.

When Grantees can demonstrate that they have counseled a total of 60 percent of the total number of clients they project they will serve under the full grant, they can request a third draw. This draw will be equal to 30 percent of the Counseling award, 30 percent of the Operational Oversight awards and the remaining 15 percent of the Program Related Support award.

The final 5 percent of the Counseling award and Operational Oversight award can be drawn after Grantees have achieved 100 percent of their production goal. Half (2.5 percent) will be disbursed upon completion of the final report and half (2.5 percent) upon completion of all the organization's obligations related to the program evaluation.

The benefit of this draw schedule is that it can occur more rapidly than a set quarterly schedule in the event that Grantees experience (and respond to) high counseling demand. It is tied to production, not to the calendar. However, after the first draw, Grantees will not be permitted to make additional draws unless they are current on their quarterly programmatic and expenditure reports and can demonstrate proportionate match funds have been expended or committed.

As part of the application, Applicants will be required to submit a workplan projecting counseling goals. Depending on the amount of funds they receive, Applicants may need to amend these goals following grant award, and these new goals will be included in their grant agreement. If, in NeighborWorks® America's sole determination, Grantees do not show substantial progress towards meeting their counseling goals in their reports filed at the end of each quarter, NeighborWorks® America reserves the right to recapture or de-obligate funds. Such funds will be added to the $37.8 million set-aside for subsequent awards, noted in paragraph one of this Funding Announcement. Among other uses, set-aside funds may be used to provide additional funding to emerging areas of greatest need, and to high-performing Grantees that fully draw down their initial award before December 31, 2008.

DRAW SCHEDULE EXAMPLE

Example: A State HFA is awarded a grant of $3.425 million. $2.7 million is awarded in Counseling funds (based on a projected 6,000 Level One counseling sessions, 2,000 Level Two counseling sessions, and 4,000 Level Three counseling sessions). The HFA is awarded $540,000 in Program-Related Support, and $185,000 for Operational Oversight. The draw schedule would be as follows:

Draw 1 total: $1,387,750:

$945,000 (35% x $2.7 million) (Counseling)
$ 64,750 (35% x $185,000) (Operational Oversight)
$378,000 (70% x $540,000) (Program-Related Support)

Draw 2 total: $946,500:

$810,000 (30% x $2.7 million) (Counseling)
$ 55,500 (30% x $185,000) (Operational Oversight)
$ 81,000 (15% x $540,000) (Program-Related Support)

Draw 2 requires that the HFA demonstrate it has met 25% of total counseling goals (1,500 clients at Level 1; 500 clients at Level 2; and 1,000 clients at Level 3)
In addition, the HFA must complete any quarterly reports that are due before the draw can occur and show evidence of proportional match funds expended or committed.

Draw 3 total: $946,500:

$810,000 (30% x $2.7 million) (Counseling)
$ 55,500 (30% x $185,000) (Operational Oversight)
$ 81,000 (15% x $540,000) (Program-Related Support)

Draw 3 requires that the HFA demonstrate it has met 60% of total counseling goals (3,600 clients at Level 1; 1,200 clients at Level 2; and 2,400 clients at Level 3) ***In addition,*** the HFA must complete any quarterly reports that are due before the draw can occur and show evidence of proportional match funds expended or committed.

Final Draws: The HFA must achieve projected production goals. Half of the remaining $144,250 ($72,125) will be disbursed after final report is completed and the remainder ($72,125) will be disbursed after organization has completed its obligations related to the program evaluation.

Strengthening Capacity of Housing Counseling Agencies

If, after an initial review of applications, NeighborWorks® determines that there is insufficient geographic coverage represented by the recommended Grantees, NeighborWorks® shall have the right to grant funding in accordance with this section. These funds would allow Applicants to either open new Branches or to enter into agreements with Sub-grantees or Branches that do not currently have foreclosure counseling operations under the following conditions:

1. Sub-grantees or Branches have a strong track record of providing homeownership counseling services (not necessarily foreclosure counseling services) as demonstrated by having a homeownership counseling line of business in operation for more than three years and having counseled at least 50 homebuyers in the last year (25 for rural areas)

2. Such Sub-grantees or Branches would have at least one counselor trained and able to provide quality counseling services within 90 days of grant award. Funds would not be disbursed until proof of such training was demonstrated.

3. Applicant understands that the grant period ends December 31, 2008 and, therefore, permanent foreclosure counseling capacity cannot be supported with these funds.

In the application, Applicants will describe its foreclosure prevention program start-up plan, which includes counselor training and deployment timeframe and expected date of grant disbursement and, if applicable, will demonstrate the organization's track record of providing oversight to a network of foreclosure counseling Affiliates.

In such cases, the same Program-Related Support and operational oversight ratios and draw schedule that apply to overall award would also apply here. If NeighborWorks® elects to make these awards, they would be contingent upon the submission and favorable review of a program start-up budget and other supporting documentation.

Other Program Requirements

- Applicants must agree to have clients reported under this program sign an authorization form or have other legally-permissible client authorization on record that will allow agency to (a.) submit client-level information to the data collection system for this grant, (b.) open files to be reviewed for program monitoring and compliance purposes, and (c.) pull credit record for purposes of program evaluation two additional times between intake and June 30, 2010 and authorization to conduct follow-up with client related to program evaluation. Organization must also allow client access to its privacy policy statement. The National Foreclosure Mitigation Counseling Program will provide template language for such an authorization form which can be used at the option of the Grantee.
- Applicants must be in good standing under the laws of the state in which they operate.
- Applicants must be authorized to do business in the states where they propose to provide counseling services.
- State HFA Applicants must have statutory authority to serve the entire state. No more than one HFA per state will receive an award.
- Counseling offices and services must be accessible to persons with disabilities, as well as to homeowners needing translation services (depending on market area).

- To ensure no financial barriers would prohibit clients from receiving foreclosure mitigation counseling services, Applicants and their Sub-grantees and Branches agree not to charge fees (service fees, membership fees or otherwise) to clients in exchange for foreclosure counseling services.
- If Intermediaries or State HFAs are including non-HUD-approved housing counseling agencies as Sub-grantees under this Funding Announcement, they must certify that the these Sub-grantees meet or exceed HUD's housing counseling approval requirements and will monitor to ensure this is true.
- HUD-Approved Intermediaries and state HFAs must demonstrate the capacity to serve as an intermediary, including capacity to distribute funds, communicate with Sub-grantees or Branches, collect requisite data, and monitor quality, performance, and outcomes of each Sub-grantee or Branch. Each Intermediary or HFA is responsible for ensuring their Sub-grantees or Branches meet quality counseling standards and must maintain on file in its offices (a.) any multiple applicant disclosure letters received by Sub-grantees or Branches that are applying through multiple intermediaries and/or HFAs and (b.) signed certification forms from page 1 of the Grant Application for each of its Sub-grantees.
- Intermediaries and State HFAs must certify they can disburse funds received within 14 calendar days to their Sub-grantees or Branches. If counselors at Branch offices are employees of the Applicant corporation, a separate account does not need to be established for each Branch, but Grantee should be able to demonstrate in quarterly reports that the funds were allocated and expended at the Branches indicated in their original application. Otherwise, quarterly reports should clearly demonstrate that the Grantee has disbursed funds in accordance with this provision.
- Intermediaries and State HFAs that have received Housing Counseling grants from HUD in the past must be in good standing with HUD.
- Applicants must demonstrate capacity to obtain, track, and report household level data, including (without limitation) name, address, loan number, and the originating financial institution. This is essential to avoid payment for duplicate counseling services provided to the same client. Exhibit 4 lists data points that will be collected with each draw request. Applicants must also have the capacity to collect, aggregate and report overall program and production data (similar to the HUD 9902).
- It is preferable that Applicants currently employ one of three client data management systems: CounselorMax, Home Counselor Online, or Nstep. If Applicants are not using one of these three, they must be using a system that can supply required client level and aggregate data.
- NeighborWorks® America will not permit discrimination by Grantees against clients on the basis of their gender, race, color, religion, national origin, ancestry, creed, pregnancy, marital or parental status, familial status, sexual orientation, or physical, mental, emotional or learning disability.
- Applicants must have completed an independent audit within six months of the completion of their most recent fiscal year, and must submit their most recent audit with their application. Audits should be less than two years old. Chartered members of the NeighborWorks® network already have their audits on file with the Organizational Assessment Division and are therefore not required to submit again for this funding opportunity.

Post-Award Requirements

- Grantees must certify that they will adhere to the National Industry Standards Code of Ethics and Conduct, and, as appropriate for the level(s) of counseling they plan to provide, offer the Minimum Standard Activities for Foreclosure Intervention and Default Counseling (see Exhibit 5)

- Grantees must provide client level data with each draw request. Draw requests will also be contingent upon Grantees demonstrating they have raised or expended match proportional to the next draw amount and are current with quarterly reporting.
- Quarterly Reports:
    - Quarterly reports must be filed on aggregate activity towards overall goals established under the grant award as will be specified in the Grant Agreement. While draw requests can occur outside of the quarterly report schedule identified in this Funding Announcement, Grantees must be up-to-date on quarterly reporting in order to obtain the next draw. Quarterly reports will include (but not be limited to) progress against aggregate counseling goals, provision of client level data, and tracking of expenditures to date.
    - Reports will also include a narrative section on overall program activities, on successes and challenges encountered in helping clients avoid foreclosure or mitigate losses, and efforts to ensure the affordability of mortgages when clients retain their homes.
    - All Grantees will maintain a separate budget for their foreclosure program, and all National Foreclosure Mitigation Counseling funding will be used to fund Grantees' foreclosure counseling program and related expenses. Intermediaries and HFAs are responsible for monitoring the expenditure reports of its Sub-grantees or Branches. Each quarter, all Grantees will report on expenditure of NFMC funds. Intermediaries and HFAs will report in the aggregate for its Sub-grantees or Branches but should collect and maintain on file expenditure reports from Sub-grantees and Branches and be able to furnish such during the course of the National Foreclosure Mitigation Counseling program's planned quality control and compliance measures.
- Grantees must also comply with a separate evaluation of National Foreclosure Mitigation Counseling Program activity and client outcomes, which may occur up to June 30, 2010.
- Grantees must comply with third-party quality control and compliance measures which may include site visits, file audits, and other measures to ensure compliance with requirements set forth in this Funding Announcement and terms of the Grant Agreement.

All award decisions are final; however, if Applicants request a debriefing meeting within 45 days of award announcements, NeighborWorks® shall grant a meeting to discuss Applicant's application.

Application Summary

The application must be completed online, using NeighborWorks® America's GrantWorks system. No paper applications will be accepted. The application will utilize short answer sections, charts, and templates to help expedite the application process.

The full application will be made available on GrantWorks between January 25, 2008 and January 30, 2008, and will be due February 8, 2008, at 8:00PM EST. No late applications will be accepted under any circumstance. The rating factors are summarized below. **Please note this is not the actual application, but is intended to provide potential Applicants with the type of information they will be asked to supply**.

More guidance on point allocations will be published on www.nw.org/nfmc on or before January 25, 2008.

While every effort has been made to write application questions clearly, NeighborWorks® America reserves the right to not score questions if responses indicate they were highly confusing to Applicants, and as a result were not helpful for scoring purposes.

Application Rating Factors

More specific information about how applications will be evaluated will be posted to www.nw.org/nfmc on or before January 30, 2008.

Factor 1: Capacity of Applicant and Relevant Staff

If applicable, Applicants will be required to provide a list of their proposed Sub-grantees or Branches.

Applicants will be asked to describe their experience operating a foreclosure intervention counseling program, the number of trained foreclosure counselors on staff, and their success in building partnerships. Applicants planning to sub-grant funds to Affiliates or Branches must maintain on file the names and titles of Sub-grantees' foreclosure counselors, their training, certifications (and sources of certification), education, and relevant experience. The number of bi-lingual staff will also be requested, as well as information on the accessibility of the offices and services to people with disabilities. In evaluating this factor, NeighborWorks® will consider information such as Organizational Health Assessment Rating of its chartered members.

Any housing counseling agencies, whether or not they are NeighborWorks® charter members, State HFAs or HUD-Approved Intermediaries that plan to participate in applications with more than one Intermediary or State HFA must justify why this is critical in order to meet the demand for foreclosure prevention counseling in their service area(s). They must also demonstrate their capacity to track and report activity under multiple applications, including their capacity to report client-level data with unique identifiers to prevent duplication of billing for the same client. Finally, they will have to attach a copy of a letter sent to all Intermediary/State HFAs with which they are applying, detailing the breakdown of their housing counseling goals.

Intermediary and State HFA Applicants will have to provide a list of the local Sub-grantees or Branches that are included in their application, their physical addresses, and their proposed service area. They should describe their past experience in managing housing counseling programs.

Factor 2: Areas of Greatest Need

Applicants will identify proposed service areas, including any that are MSAs and rural states that are defined as areas of greatest need (see Exhibit 4).

Applicants wishing to provide counseling in places other than areas of greatest need must provide evidence of current and projected foreclosure problems in their proposed service area(s), such as foreclosure starts, delinquency data, subprime lending patterns, or other relevant data. They should also discuss what percentage of their activity will likely occur in areas of greatest need.

Factor 3: Scope of Proposed Counseling Services

Applicants will be asked to indicate the number of Level One, Level Two, and Level Three counseling sessions they (or their Branches or Sub-grantees) have provided during Quarter 1, FFY 07 (Oct 1, 2006 – Dec 31, 2006); Quarter 2, FFY 07 (Jan 1, 2007 – March 31, 2007); Quarter 3, FFY 07 (April 1, 2007 – June 30, 2007); Quarter 4, FFY 07 (July 1, 2007 – Sept. 30, 2007) and Quarter 1,

FFY 08 (October 1, 2007 – Dec 31, 2007) (a table will be supplied). In evaluating this report, NeighborWorks® America reserves the right to review Applicants' HUD Housing Counseling Agency Activity Report (HUD-9902) submissions for the same time periods.

Applicants must also identify "New Goals" for the period from March 1, 2008 – December 31, 2008, for Level One, Level Two, and Level Three counseling delivered both within and outside of areas of greatest need. New goals are defined as realistic goals for the number of additional people that *could reasonably* be counseled, if Applicants received additional funding from the National Foreclosure Mitigation Counseling Program, over and above what would be expected based on historical performance. Applications will be scored both on the reasonableness of their goals and the projected impact.

Intermediaries and state HFA Applicants must identify which Sub-grantees will do Level One, Level Two, or Level Three counseling, or some of each, and how they will ensure they have the capacity to track and report the types of counseling provided.

Intermediaries and state HFA Applicants will also have to describe their strategies for supporting and assisting their Sub-grantees, especially if they elect to retain half of the Program-Related Support rather than passing the full amount through to their Sub-grantees. Intermediaries and state HFA Applicants must also describe their projected activities under Operational Oversight.

Applicants will also be asked to identify how many foreclosure mitigation counselors they have on staff currently, as well as the number they anticipate having on April 1, July 1, and October 1 in order to respond to projected demand for counseling services. Applicants should be prepared to describe their proposed strategy for recruiting, orienting, training and compensating any new staff hired under this program, especially in light of the fact that the funds are time-limited and will likely be used to hire contract employees.

Factor 4: Match

- Applicants will complete a table that will identify both the amount of funds requested from the National Foreclosure Mitigation Counseling Program, as well as the amount of in-kind and cash match they are providing. Applicants serving counties of high poverty or high unemployment may request a waiver for the match. When requesting waivers, Applicants must use data that is no older than 2005. Applicants can find unemployment rates from the U.S. Department of Labor, Bureau of Labor Statistics at http://www.bls.gov/lau/#data and poverty rates from the U.S. Census Bureau at http://www.census.gov/hhes/www/saipe/county.html.

  Waivers will be granted on a county-by-county basis for counties that have rates of poverty or unemployment greater than 150% of the national rate. In the event that a service area is ***smaller*** than the county, applicants may apply for a match waiver for the SMALLER geographic area. The applicant must have a physical presence (such as an office) in the area for which the waiver is requested and must state their estimated counseling volume in that area. Match waiver decisions will consider the volume of counseling expected by the applicant in that county or area compared to their Total Counseling Goals. Waivers will be granted proportionately and will be detailed in the Grant Agreement. If you are requesting a match waiver for a service area smaller than county level, you must fill out the excel spreadsheet titled "Match Waiver Request – smaller than County Level" under the "For All Eligible Applicants" section of www.nw.org/nfmc and e-mail it to nfmc@nw.org before 8PM EST on February 8, 2008.

  Indirect costs are factored into the Level One, Level Two, and Level Three Counseling fees and into the Program-Related and Operational Oversight funding and will not be separately evaluated or awarded.

Factor 5: Measuring Results and Program Evaluation

Applicants will be asked to specify the client management system to be used by each of its Sub-grantees: CounselorMax , Home Counselor Online, or Nstep. If they do not use one of these three, they should identify the system they do use and certify that it can perform required data tracking and reporting, both on the individual client and on an aggregate basis. To the maximum extent possible, NeighborWorks® America will use the same program outcomes housing counseling agencies already track and report for the HUD Housing Counseling Agency Activity Report (HUD 9902) form for quarterly reporting. Intermediaries and State HFAs must certify that they have the ability to aggregate data and submit reports on a quarterly basis.

Applicants will be asked to supply a workplan for the period March 1, 2008 to December 31, 2008 that identifies key action steps, timeline, and counseling production goals.

Applicants will also be asked to certify their willingness to participate in ongoing quality control and program evaluation, extending until June 30, 2010.

Exhibit 1: Areas of Greatest Need

Four criteria were used to determine areas of greatest need:

1. Number of subprime delinquent loans (30-90 days)
2. Percent of subprime loans delinquent (30-90 days)
3. Percent of subprime loans in foreclosure process or REO
4. Percent of all loans that are subprime.

Metropolitan and micropolitan areas were separately ranked in each of the four categories. Every metropolitan area that was in the top quintile for at least one of these criteria was considered an area of greatest need, a total of 192 metro areas. For rural areas, states where half or more of the micropolitan areas met at least one criterion were considered areas of greatest need; 29 of the 48 states with rural areas were so designated.

The database from which criteria 1, 2, and 3 above were drawn consisted of LoanPerformance.com data provided through the Board of Governors of the Federal Reserve. This database is a snapshot of all securitized subprime (B & C paper) and Alt-A loans from 357 metropolitan and 588 micropolitan areas as of September 30, 2007. These data take into account owner-occupancy.

Home Mortgage Disclosure Act (HMDA) data were used for the fourth criteria to determine the portion of loans in an area that were considered "high cost" or "subprime". High cost loans are defined as loans whose rates are three or more percentage points higher than a benchmark rate; these loans are what are typically referred to as "subprime." Each metropolitan area was ranked by the percentage of owner-occupied home loans for any purpose that was subprime. For rural areas, the data were taken from the counties that comprise the micropolitan area.

MSAs defined as areas of greatest need:

Anniston-Oxford, AL	AL
Birmingham-Hoover, AL	AL
Decatur, AL	AL
Dothan, AL	AL
Gadsden, AL	AL
Mobile, AL	AL
Montgomery, AL	AL
Tuscaloosa, AL	AL
Phoenix-Mesa-Scottsdale, AZ	AZ
Tucson, AZ	AZ
Jonesboro, AR	AR
Pine Bluff, AR	AR
Bakersfield, CA	CA
El Centro, CA	CA
Fresno, CA	CA
Hanford-Corcoran, CA	CA
Los Angeles-Long Beach-Santa Ana, CA	CA
Madera, CA	CA
Merced, CA	CA
Modesto, CA	CA
Oxnard-Thousand Oaks-Ventura, CA	CA

Riverside-San Bernardino-Ontario, CA	CA
Sacramento--Arden-Arcade--Roseville, CA	CA
San Diego-Carlsbad-San Marcos, CA	CA
San Francisco-Oakland-Fremont, CA	CA
San Jose-Sunnyvale-Santa Clara, CA	CA
Stockton, CA	CA
Vallejo-Fairfield, CA	CA
Visalia-Porterville, CA	CA
Yuba City, CA	CA
Denver-Aurora, CO	CO
Greeley, CO	CO
Pueblo, CO	CO
Bridgeport-Stamford-Norwalk, CT	CT
Hartford-West Hartford-East Hartford, CT	CT
New Haven-Milford, CT	CT
Washington-Arlington-Alexandria, DC-VA-MD-WV	DC-VA-MD-WV
Cape Coral-Fort Myers, FL	FL
Deltona-Daytona Beach-Ormond Beach, FL	FL
Jacksonville, FL	FL
Miami-Fort Lauderdale-Pompano Beach, FL	FL
Naples-Marco Island, FL	FL
Ocala, FL	FL
Orlando-Kissimmee, FL	FL
Palm Bay-Melbourne-Titusville, FL	FL
Port St. Lucie, FL	FL
Punta Gorda, FL	FL
Sarasota-Bradenton-Venice, FL	FL
Tampa-St. Petersburg-Clearwater, FL	FL
Albany, GA	GA
Atlanta-Sandy Springs-Marietta, GA	GA
Dalton, GA	GA
Macon, GA	GA
Savannah, GA	GA
Valdosta, GA	GA
Warner Robins, GA	GA
Columbus, GA-AL	GA-AL
Augusta-Richmond County, GA-SC	GA-SC
Danville, IL	IL
Decatur, IL	IL
Kankakee-Bradley, IL	IL
Rockford, IL	IL
Chicago-Naperville-Joliet, IL-IN-WI	IL-IN-WI
Anderson, IN	IN
Elkhart-Goshen, IN	IN
Fort Wayne, IN	IN
Indianapolis-Carmel, IN	IN
Kokomo, IN	IN
Lafayette, IN	IN
Muncie, IN	IN
Terre Haute, IN	IN
Evansville, IN-KY	IN-KY

South Bend-Mishawaka, IN-MI	IN-MI
Ames, IA	IA
Des Moines-West Des Moines, IA	IA
Dubuque, IA	IA
Davenport-Moline-Rock Island, IA-IL	IA-IL
Sioux City, IA-NE-SD	IA-NE-SD
Louisville/Jefferson County, KY-IN	KY-IN
Alexandria, LA	LA
Baton Rouge, LA	LA
Lake Charles, LA	LA
Monroe, LA	LA
New Orleans-Metairie-Kenner, LA	LA
Shreveport-Bossier City, LA	LA
Bangor, ME	ME
Lewiston-Auburn, ME	ME
Baltimore-Towson, MD	MD
Salisbury, MD	MD
Barnstable Town, MA	MA
Pittsfield, MA	MA
Springfield, MA	MA
Worcester, MA	MA
Boston-Cambridge-Quincy, MA-NH	MA-NH
Ann Arbor, MI	MI
Battle Creek, MI	MI
Bay City, MI	MI
Detroit-Warren-Livonia, MI	MI
Flint, MI	MI
Grand Rapids-Wyoming, MI	MI
Holland-Grand Haven, MI	MI
Jackson, MI	MI
Kalamazoo-Portage, MI	MI
Lansing-East Lansing, MI	MI
Monroe, MI	MI
Muskegon-Norton Shores, MI	MI
Niles-Benton Harbor, MI	MI
Saginaw-Saginaw Township North, MI	MI
Rochester, MN	MN
St. Cloud, MN	MN
Minneapolis-St. Paul-Bloomington, MN-WI	MN-WI
Hattiesburg, MS	MS
Jackson, MS	MS
Pascagoula, MS	MS
Joplin, MO	MO
St. Louis, MO-IL	MO-IL
Kansas City, MO-KS	MO-KS
St. Joseph, MO-KS	MO-KS
Omaha-Council Bluffs, NE-IA	NE-IA
Las Vegas-Paradise, NV	NV
Vineland-Millville-Bridgeton, NJ	NJ
Poughkeepsie-Newburgh-Middletown, NY	NY
New York-Northern New Jersey-Long Island, NY-NJ-	NY-NJ

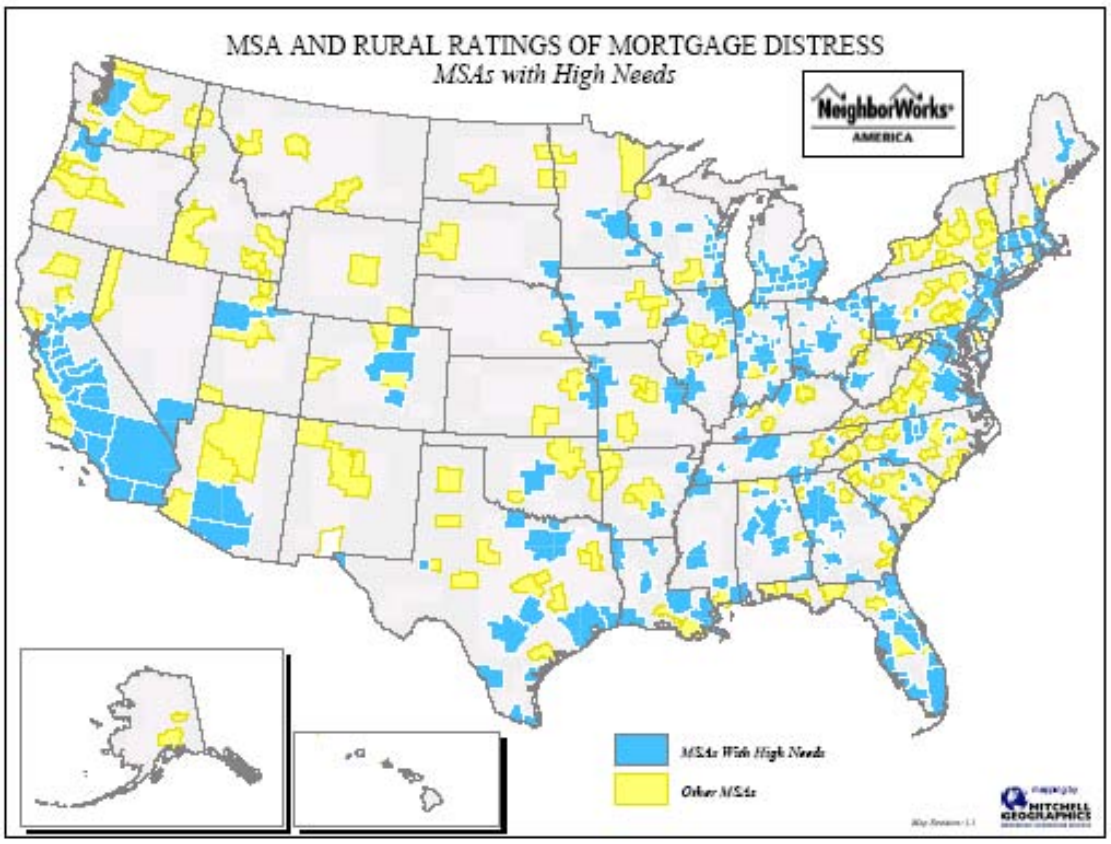
Burlington, NC	NC
Durham, NC	NC
Goldsboro, NC	NC
Greensboro-High Point, NC	NC
Rocky Mount, NC	NC
Charlotte-Gastonia-Concord, NC-SC	NC-SC
Akron, OH	OH
Canton-Massillon, OH	OH
Cleveland-Elyria-Mentor, OH	OH
Columbus, OH	OH
Dayton, OH	OH
Lima, OH	OH
Mansfield, OH	OH
Sandusky, OH	OH
Springfield, OH	OH
Toledo, OH	OH
Cincinnati-Middletown, OH-KY-IN	OH-KY-IN
Youngstown-Warren-Boardman, OH-PA	OH-PA
Oklahoma City, OK	OK
Portland-Vancouver-Beaverton, OR-WA	OR-WA
Altoona, PA	PA
Erie, PA	PA
Pittsburgh, PA	PA
Allentown-Bethlehem-Easton, PA-NJ	PA-NJ
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	PA-NJ-DE-MD
Providence-New Bedford-Fall River, RI-MA	RI-MA
Florence, SC	SC
Spartanburg, SC	SC
Sumter, SC	SC
Sioux Falls, SD	SD
Cleveland, TN	TN
Jackson, TN	TN
Morristown, TN	TN
Nashville-Davidson--Murfreesboro--Franklin, TN	TN
Chattanooga, TN-GA	TN-GA
Clarksville, TN-KY	TN-KY
Memphis, TN-MS-AR	TN-MS-AR
Austin-Round Rock, TX	TX
Beaumont-Port Arthur, TX	TX
Brownsville-Harlingen, TX	TX
Corpus Christi, TX	TX
Dallas-Fort Worth-Arlington, TX	TX
El Paso, TX	TX
Houston-Sugar Land-Baytown, TX	TX
Laredo, TX	TX
McAllen-Edinburg-Mission, TX	TX
Odessa, TX	TX
San Antonio, TX	TX
Sherman-Denison, TX	TX
Texarkana, TX-Texarkana, AR	TX
Wichita Falls, TX	TX

Salt Lake City, UT	UT
Danville, VA	VA
Richmond, VA	VA
Virginia Beach-Norfolk-Newport News, VA-NC	VA-NC
Seattle-Tacoma-Bellevue, WA	WA
Charleston, WV	WV
Huntington-Ashland, WV-KY-OH	WV-KY-OH
Weirton-Steubenville, WV-OH	WV-OH
Appleton, WI	WI
Eau Claire, WI	WI
Fond du Lac, WI	WI
Green Bay, WI	WI
Janesville, WI	WI
Milwaukee-Waukesha-West Allis, WI	WI
Oshkosh-Neenah, WI	WI
Sheboygan, WI	WI
Wausau, WI	WI
La Crosse, WI-MN	WI-MN

States defined as having rural areas of greatest need:

Alabama	Arizona
California	Connecticut
Delaware	Florida
Georgia	Hawaii
Illinois	Iowa
Indiana	Kentucky
Louisiana	Maine
Maryland	Michigan
Minnesota	Mississippi
Nevada	New Hampshire
North Carolina	Ohio
Oklahoma	South Carolina
Tennessee	Texas
Utah	Virginia
Wisconsin	

Map of MSAs defined as areas of greatest need:



Map of states defined as having rural areas of greatest need:

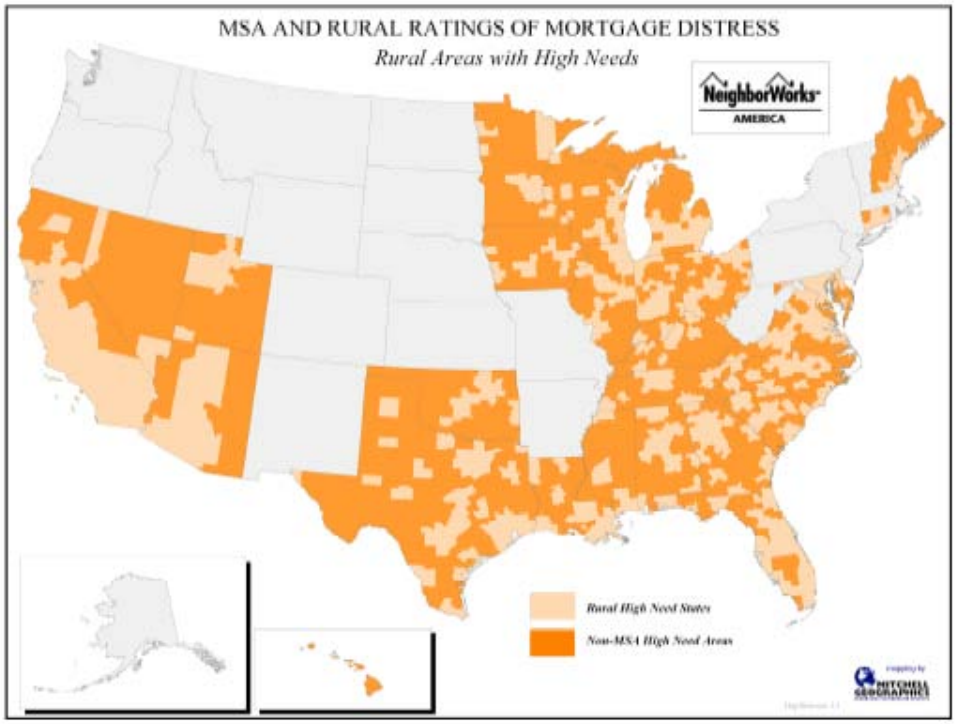


Exhibit 2: Isserman typology designating counties as rural or mixed rural

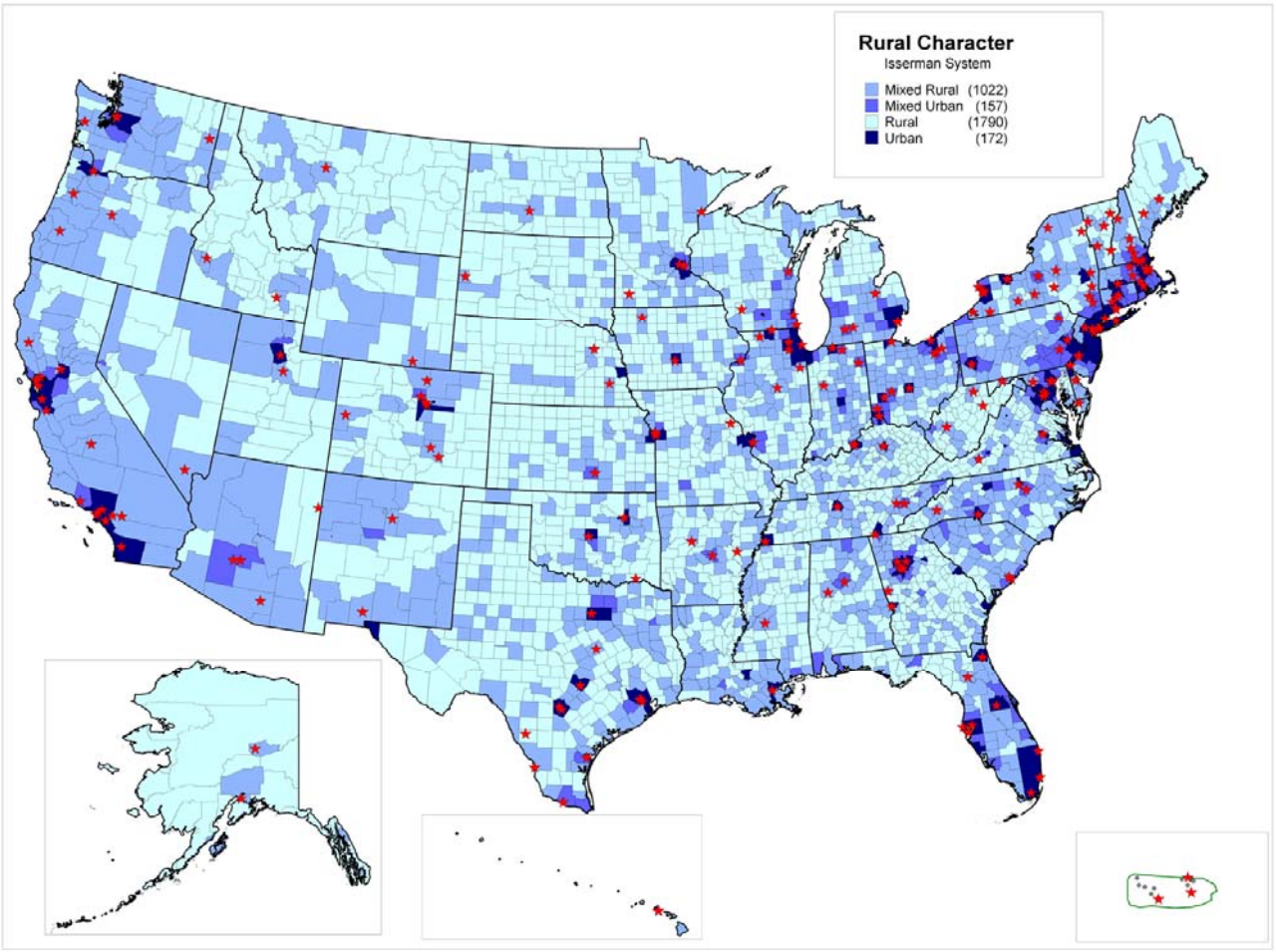


Exhibit 3: HUD-Approved Housing Counseling Intermediaries and State Housing Finance Agencies as of January 25, 2008. Note: These entities are not automatically qualified agencies by virtue of their names appearing on these lists; rather, they are eligible if their names appear on these lists AND they meet the eligibility criteria outlined in this Funding Announcement.

HUD-APPROVED HOUSING COUNSELING INTERMEDIARIES

Agency Name	City	State
AARP	Washington	DC
ACORN HOUSING CORPORATION	Philadelphia	PA
CATHOLIC CHARITIES USA	Alexandria	VA
CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	Boston	MA
HOMEFREE - U S A	Washington	DC
HOMEOWNERSHIP PRESERVATION FOUNDATION	Minneapolis	MN
HOUSING PARTNERSHIP NETWORK	Boston	MA
MISSION OF PEACE	Flint	MI
MISSISSIPPI HOMEBUYER EDUCATION CENTER- INITIATIVE	Jackson	MS
MON VALLEY INITIATIVE	Homestead	PA
MONEY MANAGEMENT INTERNATIONAL INC.	Houston	TX
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS-INVESTMENT DIVISION, INC	Oakland	CA
NATIONAL COUNCIL OF LA RAZA	Washington	DC
NATIONAL COUNCIL ON THE AGING	Washington	DC
NATIONAL CREDIT UNION FOUNDATION	Washington	DC
NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	Silver Spring	MD
NATIONAL URBAN LEAGUE	New York	NY
NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA	Jamaica Plain	MA
NEIGHBORHOOD REINVESTMENT CORPORATION	Washington	DC
RURAL COMMUNITY ASSISTANCE CORPORATION	West Sacramento	CA
STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	New York	NY
WEST TENNESSEE LEGAL SERVICES, INCORPORATED	Jackson	TN

STATE HOUSING FINANCE AGENCIES

Alabama Housing Finance Authority
Alaska Housing Finance Corporation
Arizona Department of Housing/Arizona Housing Finance Authority
Arkansas Development Finance Authority
California Housing Finance Agency
Colorado Housing and Finance Authority
Connecticut Housing Finance Authority
Delaware State Housing Authority
District of Columbia Housing Finance Agency
Florida Housing Finance Corporation
Georgia Department of Community Affairs/Georgia Housing and Finance Authority
Hawaii Housing Finance and Development Corporation

Idaho Housing and Finance Association
Illinois Housing Development Authority
Indiana Housing and Community Development Authority
Iowa Finance Authority
Kansas Housing Resources Corporation
Kentucky Housing Corporation
Louisiana Housing Finance Agency
MaineHousing
Maryland Department of Housing and Community Development
MassHousing
Michigan State Housing Development Authority
Minnesota Housing
Mississippi Home Corporation
Missouri Housing Development Commission
Montana Board of Housing/Housing Division
Nebraska Investment Finance Authority
Nevada Housing Division
New Hampshire Housing Finance Authority
New Jersey Housing and Mortgage Finance Agency
New Mexico Mortgage Finance Authority
New York City Housing Development Corporation
New York State Division of Housing and Community Renewal
New York State Housing Finance Agency/State of New York Mortgage Agency
North Carolina Housing Finance Agency
North Dakota Housing Finance Agency
Ohio Housing Finance Agency
Oklahoma Housing Finance Agency
Oregon Housing and Community Services
Pennsylvania Housing Finance Agency
Puerto Rico Housing Finance Authority
Rhode Island Housing
South Carolina State Housing Finance and Development Authority
South Dakota Housing Development Authority
Tennessee Housing Development Agency
Texas Department of Housing and Community Affairs
Utah Housing Corporation
Vermont Housing Finance Agency
Virgin Islands Housing Finance Authority
Virginia Housing Development Authority
Washington State Housing Finance Commission
West Virginia Housing Development Fund
Wisconsin Housing and Economic Development Authority
Wyoming Community Development Authority

Exhibit 4: Client level data to be submitted with each draw request

The following data points will be collected for each draw request. If, upon implementation of the National Foreclosure Mitigation Counseling program, it is realized that certain data points are problematic or not able to be transferred in the manner they were designed by a significant number of Grantees, we will notify all Grantees and expect such details to be noted in client files rather than submitted electronically.

1. Unique Organization Identification Number (assigned by NFMC)
2. Branch or Sub-grantee Identification Number (assigned by Grantee – could be HUD ID sub-grant number)
3. Client Identification Number (assigned by Grantee)
4. Counseling level
    - Level 1
    - Level 2
    - Level 3
5. Counseling Intake Date
6. Mode of Counseling
    - Phone
    - face to face
    - Internet
    - video conference
    - Other

    } mode of counseling may be collected quarterly instead, decision pending.
7. Clients first name
8. Clients last name
9. Clients Age
10. Clients Race
11. Client's Ethnicity (Hispanic Y/N)
12. Client's Gender
13. Household Type
    - Single adult
    - Female-headed single parent household
    - Male-headed single parent household
    - Married without children
    - Married with children
    - Two or more unrelated adults
    - Other
14. Household Family Income
15. Household Income Level
    - Extremely low: less then 30% of Metropolitan Statistical Area (MSA) Median
    - Very low: = or greater then 30% and less than 50% of Metropolitan Statistical Area (MSA) Median
    - Low; = or greater than 50% and less than 80% of MSA Median
    - Moderate; = or greater than 80% and less then or = 120% of MSA Median
    - Above moderate; higher than 120% of MSA Median
16. Address of Property - do not use PO Box
    - Street Number
    - Street Name
    - City
    - County
    - State
    - Zip
17. Total individual foreclosure counseling)hours received
18. Total group foreclosure education hours taken
19. Name of originating lender (if available)
    - FDIC Number

20 Original Loan Number (if available)

21 Name of Current Servicer

22 Loan number assigned by Current Servicer

23 Credit Score at Intake

24 Source of credit score
- TransUnion
- EquiFax
- Experian
- Tri-merge

Note: this data point is important for program evaluation purposes, but we recognize that not every Applicant routinely pulls credit reports for Level 1 counseling. If that is the case and it would present a hardship for your agency to do so, you may request an exemption from this data point for clients that receive Level 1 counseling only.

25 Total Monthly Payment (PITI) at intake

26 Type of first Loan Product at Intake
- Fixed rate currently under 8%
- Fixed rate currently 8% or greater
- ARM currently under 8%
- ARM currently at 8% or greater
- Hybrid ARM (2/28 or 3/27
- Option ARM
- Other
- Unknown
- Interest only (Y/N)
- FHA or VA fixed rate loan
- FHA or VA ARM
- Privately held (Y/N)

27 If type of loan at intake is an ARM -has the interest rate already reset?
- yes/no

28 Primary reason for default
- Reduction in income
- Poor budget management skills
- Loss of income
- Medical issues
- Increase in Expense
- Divorce/Separation
- Death of Family member
- Business Venture Failed
- Increase in loan payment
- Other

29 Loan Status at First Contact
- Current
- 30 - 60 days late
- 61 - 90 days late
- 91 - 120 days late
- 120+ days late
- Unknown or Unsure

30 Outcome (if known at time of draw request)
- Brought mortgage current
- Mortgage refinanced
- Mortgage modified
- Received second mortgage
- Initiated forbearance agreement/repayment plan
- Executed a deed-in-lieu
- Sold property/chose alternative housing solution
- Pre-foreclosure sale

Mortgage foreclosed

Counseled and referred to another social service or emergency assistance agency

Obtained partial claim loan from FHA lender

Bankruptcy

Entered debt management plan

Counseled and referred for legal assistance

Currently receiving foreclosure prevention/budget counseling
Withdrew from counseling
Other

Exhibit 5: National Industry Foreclosure Counseling Standards

National Industry Standards for Homeownership Counseling – Foreclosure Intervention Specialty

National Industry Foreclosure Counseling Standards

The National Industry Standards for Homeownership Education and Counseling allow organizations and homeownership professionals to demonstrate that all clients receive consistent, quality service in homeownership education and counseling. The standards create a level of consistency in the industry and add to the professionalism of homeownership educators and counselors.

As the link between sustainable homeownership and counseling/education becomes increasingly clear, now more than ever the housing industry recognizes the need to ensure high quality education and counseling for households throughout the country. Seizing on the ever-changing market conditions, in 2005 a National Advisory Council (see Exhibit C for a list of member organizations) collaborated with other industry partners such as homeownership professionals; non-profit executive directors; local, state and national housing counseling organizations; financial institutions, mortgage insurance institutions, GSEs[1] and government entities to develop National Homeownership Industry Standards (including benchmark recommendations) and National Industry Code of Ethics and Conduct for Homeownership Professionals.

Organizations, counselors and educators are encouraged to endorse and adopt the voluntary National Industry Standards and National Industry Code of Ethics and Conduct. These standards are a critical first step in evolving efforts to professionalize and elevate the visibility of the homeownership education and counseling industry.

How to Utilize National Industry Foreclosure Counseling Standards

Organizations Providing Foreclosure Intervention Counseling: Organizations providing services in the highly-specialized area of foreclosure intervention counseling are encouraged to endorse and adopt the National Industry Standards for Homeownership Counseling-Foreclosure Intervention Specialty and sign the National Industry Code of Ethics and Conduct. At a minimum, organizations should integrate the recommended benchmarks from the National Industry Foreclosure Counseling Standards into their everyday business operations. Organizations and individual counselors are encouraged to strive to exceed the benchmarks.

The National Industry Foreclosure Counseling Standards are integral to the National Industry Standards for Homeownership Education and Counseling and the National Industry Code of Ethics and Conduct. The Foreclosure Counseling Standards are integrated into the National Industry Standards for Homeownership Education and Counseling as an added specialty that counseling organizations can adopt, based on service delivery. For example, if an organization provides comprehensive services including pre-purchase education, counseling and foreclosure intervention, they will be encouraged to adopt the standards in all three categories (homeownership education, homeownership counseling, foreclosure counseling). For those organizations that only provide foreclosure intervention counseling, this affords the opportunity to

[1] GSE is an acronym for government-sponsored enterprise.

adopt the National Foreclosure Counseling Standards directly related to that specialty, along with signing the National Industry Code of Ethics and Conduct.

Many organizations that currently provide foreclosure intervention counseling may find their programs meet or exceed the recommended benchmarks for industry standards and can readily adopt these National Industry Standards and National Industry Code of Ethics and Conduct.

For more information on how to demonstrate adoption of the National Industry Standards for Homeownership Counseling-Foreclosure Intervention Specialty and the National Industry Code of Ethics and Conduct, visit www.homeownershipstandards.com.

Purpose of Standards: To ensure consistency in the quality of foreclosure intervention counseling efforts nationwide, and adopt industry best practices.

In order to best serve clients, organizations providing homeownership counseling and individual homeownership counselors providing foreclosure intervention services agree to adopt the following:

Core Operating Standards

1. **Competency**: Possess a strong knowledge in the area of mortgage default and/or foreclosure intervention counseling, specifically relating to the current industry practices of loss mitigation to include loan repayment, forbearance, modification, refinance, loan assumption, short sale, deed-in-lieu, community referrals, and other remedies available to the homeowner to avoid foreclosure. The counselor should understand the structure of the primary and secondary markets, the collection and loss mitigation functions of those entities collecting mortgage payments, financial management and budgeting, and be familiar with state and federal regulations regarding the foreclosure process. The counselor should possess the skills to obtain pertinent client information, analyze financial and property data and draft a comprehensive written Action Plan (see Exhibit B) based on the client's goals outlining the resultant recommendations for foreclosure avoidance or sale.

   Recommended Benchmark: Individuals new to the field of foreclosure intervention counseling should obtain appropriate orientation, introductory level training and prerequisite curricula during the initial 6-months of employment.

   Recommended Benchmark: Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on the job training/coaching/mentoring program for at least 90 days.

2. **Skills**: Exhibit professional communication (written and verbal), organizational, listening, customer service, cultural competency and time management skills. Foreclosure Intervention Counselors must demonstrate a "hands-on" knowledge of the remedies available to the homeowner to avoid foreclosure including negotiation and critical thinking skills, and demonstrate an ability to provide timely crisis counseling to families in need.

3. **Training:** As soon as possible but no later than within 12-months of being hired, Foreclosure Intervention Counselors will obtain minimum training equivalent to no less than 30 hours of facilitated instruction, utilizing a variety of methods including lecture, interactive, demonstration, on-line and case study.

   Recommended Benchmark: Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on the job training/coaching/mentoring program for at least 90 days. To best meet the client's needs in this highly specialized field, facilitated training in foreclosure intervention and default counseling should be completed within six months and no later than one year to obtain the competency and skills listed under the Core Operating Standards.

4. **Certification:** Certification is considered critical in the industry. Subsequent to the requisite training, a comprehensive exam consisting of approximately 100 questions must be administered with a demonstrated proficiency of 80% passing. The exam will cover foreclosure intervention counseling competency content meeting the standards listed under the Core Operating Standards and demonstrated in the related activities identified in Exhibit A herein.

   Recommended Benchmark: Certification should be completed as soon as reasonably possible, but no later than within 18-months of employment.

Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects primarily relative to the core content and delivery of foreclosure intervention and default counseling.

Recommended Benchmark: Professional certification continuing education requirements may meet or exceed this standard.

5. **Foreclosure Intervention Counseling Operations:** Implement effective program operations for foreclosure counseling including techniques, outreach and marketing of services available to the community, partnership building with private sector partners including servicers and lenders, fundraising, customer service, customer tracking, reporting, program evaluation, and program design.

   Recommended Benchmark: These skills can be obtained through training and experience.

6. **Code of Ethics and Conduct Statement:** Sign and adopt the written National Industry Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. **Delivery:** Perform individual, personalized foreclosure intervention and default counseling to clients.

   Recommended Benchmark: Content, delivery and format of the counseling is tailored to meet the needs of the client. Content and delivery should be done so in a culturally competent manner and in the preferred language of the client. Use of a translator or referral to an agency that provides adequate service in the appropriate language is recommended.

   Recommended Benchmark: Clients should be counseled immediately (if possible) particularly when a high degree of certainty that foreclosure is imminent. At a minimum, upon request, clients should receive acknowledgement of inquiry within 48 hours of initial contact. When initial contact is made, clients should be assessed to determine the status of the client's mortgage and client urgency. Those clients that have a high degree of foreclosure should be prioritized for appointments.

   Recommended Benchmark: Foreclosure Intervention Counselors must complete appropriate intake of client information to make proper and timely recommendations to the client to assist in avoiding foreclosure. Counselors must provide a comprehensive written Action Plan (see Exhibit B) to the client summarizing a statement of the problem, steps to be taken by the client, steps to be taken by the counselor, and the timeline necessary to accomplish these tasks.

   Recommended Benchmark: Foreclosure Intervention Counselors should always instruct the client of the importance of making and keeping contact with the lender. Where possible, the counselor should attempt to contact the lender on behalf of the client to assess status and to further inform the lender of the proposed recommendations as specified in the written Action Plan (see Exhibit B).

   Recommended Benchmark: Active, open client files should be closely monitored, with timely follow-up in accordance with the stated Action Plan. When no contact from the client has taken place for 3 consecutive months, the file may be classified as inactive.

   Recommended Benchmark: Where there is no mortgage delinquency, Foreclosure Intervention Counselors should provide basic financial management or credit counseling and encourage further homeownership education as a deterrent to future mortgage default.

   Recommended Benchmark: Client satisfaction surveys are used to evaluate the effectiveness of the counseling.

2. **Expected Counseling Outcome:** Upon completion of foreclosure intervention counseling, clients will understand the various options available to assist them to avoid foreclosure, the need to keep constant communication with their lender, and will have received a written Action Plan (see Exhibit B) outlining the necessary steps to achieve their desired objectives. After counseling, if the client determines that either they cannot afford to keep their home or no longer desire to keep their home, they will receive information relative to each of these options and how this action might have resultant civil and/or tax liability.

   Recommended Benchmark: Foreclosure Intervention Counselor should collect pertinent information as outlined in Exhibit A.

   Recommended Benchmark: Comprehensive, effective delivery should be determined based upon the individual needs of the client to reach their desired outcome. The minimum standard for delivery of individual foreclosure intervention counseling should be at least one session of at least 30-60 minutes, utilizing either face-to-face or telephonic mediums.

3. **Recordkeeping:** Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.)

   Recommended Benchmark: An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), and household income. Additional information to collect from the client is outlined in Exhibit A.

   Recommended Benchmark: Aggregate information for clients should be maintained including total number of persons served and other demographic information.

   Recommended Benchmark: A checklist should be utilized to ensure files are consistently maintained and meet reporting standards and quality assurance.

   Recommended Benchmark: Files should be maintained in secured file cabinets and/or electronically in a secure data system in order to protect client privacy.

   Recommended Benchmark: Files should be maintained for a minimum of three (3) years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded or electronic copies should be deleted.

4. **Reporting:** Utilize an electronic Client Management System for collecting and reporting data.

   Recommended Benchmark: An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application

compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov and refer to HUD's CMS vendor list.

5. **Service Thresholds:** Establish referral networks for individuals and families seeking services that the Foreclosure Intervention Counselor does not provide or possess sufficient competency to adequately and effectively deliver.

   Recommended Benchmark: The Department of Housing and Urban Development (HUD) maintains a list of organizations and corresponding services (www.hud.gov). In addition, legal aid, tax professionals and other state or local agencies that may provide needed services aligned with foreclosure intervention including rescue funds should be sought.

To adopt the National Industry Foreclosure Counseling Standards and the National Industry Code of Ethics and Conduct visit

www.homeownershipstandards.com

For more information and to download a copy of the National Industry Standards for Homeownership Education and Counseling visit www.homeownershipstandards.com or call 1-866-472-9477

Exhibit A

Minimum Standard Activities for Foreclosure Intervention and Default Counseling

1. Perform intake by gathering baseline information from client including:
    a. Client's goals/intent
    b. Reason for delinquency or default
    c. Client's financial situation and possibility of workout
    d. Client's loan type
    e. Home's value/condition
    f. Credit report
    g. Original loan documents, if available
    h. Demographic information (contact information, household size, household income, ethnicity (optional), etc.
2. Assess client's mortgage, payment status and urgency in the delinquency and foreclosure process
3. Develop loss mitigation options
4. Communicate with the servicer*
5. Submit loss mitigation package to servicer*
6. Negotiate with junior lien holders and Homeowners Association*
7. Create written action plan for foreclosure avoidance or client's preference
8. Provide follow up to client
9. Provide client with contact information for additional community services that might be available.

* When Applicable. Foreclosure Counseling can include a range of the activities depending on the client's financial situation and the severity of the mortgage delinquency. Specifically, activities 4, 5 and/or 6 from Exhibit A vary, and may not always be performed for a client.

EXHIBIT B

Foreclosure Intervention Counseling-
Recommended Content for Written Action Plan

Recommended Features of the Action Plan

- State briefly why the homeowner is delinquent or in danger of becoming delinquent, including the involuntary inability to pay, unexpected increase in expenses, decrease in income, loan reset and/or other factor.

- Include an assessment of the property's condition and a discussion and calculation of equity, if any.

- Include a financial assessment that leads to the recommendations for resolving the delinquency (assuming that the client wants to and can afford to keep the house). Otherwise, discuss foreclosure in general, sale of the property, deed in lieu, short sale and possible tax consequences and/or deficiency judgment issues.

- State what steps the homeowner will take to resolve the delinquency and what steps the counselor will take to assist in this process.

- Include other contact information for community referrals which may be able to assist the client.

- Issued within 24 hours of counseling session (and immediately if face-to-face)

Exhibit C

National Advisory Council convened by NCHEC[2]

The National Industry Standards were developed by a broad representation of industry stakeholders comprising the National Advisory Council (facilitated by NCHEC). Companies and organizations include:

Bank of America

Chase

Chrysalis Consulting Group, LLC

Citi

Community Development Corporation of Long Island, Inc.

Consumer Credit Counseling Services of San Francisco

Countrywide Financial Corporation

Fannie Mae

The Housing Partnership Network

Federal Reserve Board

Freddie Mac

Minnesota Housing

Mortgage and Credit Center

Mortgage Guaranty Insurance Corporation (MGIC)

NAREB-National Investment Division (NID)

National Association of Realtors®

National Council of State Housing Finance Agencies

National Council of La Raza (NCLR)

NeighborWorks® America

NHS of Great Falls

University of North Carolina Chapel Hill

U.S. Department of Housing and Urban Development

Wells Fargo

[2] NCHEC is an acronym for the NeighborWorks® Center for Homeownership Education and Counseling

Appendix C: List of Grantees by Award Amount

NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

AWARDEES BY AWARD AMOUNT

February 24, 2008

	Organization	State	Total Awarded Amount
HUD-APPROVED HOUSING COUNSELING INTERMEDIARIES			
1	HOMEOWNERSHIP PRESERVATION FOUNDATION	National	$15,000,000.00
2	NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.	National	$15,000,000.00
3	NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA	National	$15,000,000.00
4	ACORN HOUSING CORPORATION	National	$7,850,939.00
5	HOUSING PARTNERSHIP NETWORK	National	$7,429,993.00
6	MISSION OF PEACE	National	$5,503,646.00
7	HOMEFREE - U S A	National	$2,746,828.00
8	MONEY MANAGEMENT INTERNATIONAL INC.	National	$2,390,422.00
9	NATIONAL COMMUNITY REINVESTMENT COALITION	National	$2,122,615.00
10	NATIONAL COUNCIL OF LA RAZA	National	$2,092,601.00
11	WEST TENNESSEE LEGAL SERVICES, INCORPORATED	National	$1,484,533.00
12	NATIONAL URBAN LEAGUE	National	$1,445,703.00
13	STRUCTURED EMPLOYMENT ECONOMIC DEVELOPMENT CO	National	$1,163,745.00
14	CATHOLIC CHARITIES USA	National	$843,497.00
15	CITIZENS' HOUSING AND PLANNING ASSOCIATION, INC.	National	$249,272.00
16	MISSISSIPPI HOMEBUYER EDUCATION CENTER- INITIATIVE	National	$32,597.00
		SUBTOTALS:	**$80,356,391.00**

	Organization	State	Total Awarded Amount
STATE HOUSING FINANCE AGENCIES			
1	California Housing Finance Agency	CA	$8,016,487.00
2	Minnesota Housing	MN	$4,329,847.00
3	Pennsylvania Housing Finance Agency	PA	$3,485,573.00
4	Ohio Housing Finance Agency	OH	$3,066,394.00
5	North Carolina Housing Finance Agency	NC	$3,033,462.00
6	Illinois Housing Development Authority	IL	$1,572,554.00
7	Colorado Housing and Finance Authority	CO	$1,508,136.00
8	Iowa Finance Authority	IA	$1,503,757.00
9	Arizona Department of Housing/Arizona Housing Finance Authority	AZ	$1,333,069.00
10	Tennessee Housing Development Agency	TN	$1,329,799.00
11	Florida Housing Finance Corporation	FL	$1,015,389.00
12	New Jersey Housing and Mortgage Finance Agency	NJ	$984,523.00
13	Maryland Department of Housing and Community Development	MD	$901,697.00
14	Georgia Department of Community Affairs	GA	$887,004.00
15	State of New York Mortgage Agency/New York State Housing Finance Agency	NY	$747,718.00
16	Missouri Housing Development Commission	MO	$729,851.00
17	Michigan State Housing Development Authority	MI	$661,916.00
18	Indiana Housing and Community Development Authority	IN	$446,429.00
19	Wisconsin Housing and Economic Development Authority	WI	$437,808.00
20	Washington State Housing Finance Commission	WA	$334,911.00
21	Oregon Housing and Community Services	OR	$327,004.00
22	Montana Board of Housing/Housing Division	MT	$277,328.00
23	Virginia Housing Development Authority	VA	$274,402.00
24	New Mexico Mortgage Finance Authority	NM	$262,004.00
25	Rhode Island Housing	RI	$243,777.00
26	Nevada Housing Division	NV	$218,314.00
27	Mississippi Home Corporation	MS	$184,742.00
28	Idaho Housing and Finance Association	ID	$182,455.00
29	Delaware State Housing Authority	DE	$163,565.00
30	Nebraska Investment Finance Authority	NE	$106,691.00
31	South Dakota Housing Development Authority	SD	$52,979.00

NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

AWARDEES BY AWARD AMOUNT

February 24, 2008

	Organization	State	Total Awarded Amount
32	MaineHousing	ME	$44,931.00
		SUBTOTALS:	**$38,664,516.00**
	Organization	**State**	**Total Awarded Amount**
NEIGHBORWORKS ORGANIZATIONS			
1	Los Angeles Neighborhood Housing Services, Inc.	CA	$2,550,026.00
2	Neighborhood Housing Services of Chicago, Inc.	IL	$820,529.00
3	Neighborhood Housing Services of New York City, Inc.	NY	$738,127.00
4	Neighborhood Housing Services of Greater Cleveland, Inc.	OH	$595,626.00
5	Family Services, Inc.	SC	$364,774.00
6	Southwest Solutions	MI	$315,652.00
7	Home Ownership Center of Greater Cincinnati, Inc., The	OH	$247,033.00
8	St. Mary Development Corporation	OH	$237,970.00
9	Neighborhood Housing Services of the Inland Empire, Inc.	CA	$233,405.00
10	Community Housing Development Corporation of North Richmond	CA	$220,559.00
11	The Unity Council	CA	$217,414.00
12	Beyond Housing / Neighborhood Housing Services of St. Louis	MO	$188,902.00
13	Cabrillo Economic Development Corp.	CA	$167,462.00
14	Springfield Neighborhood Housing Services, Inc.	MA	$161,798.00
15	Miami-Dade Neighborhood Housing Services, Inc.	FL	$155,544.00
16	Neighborhood Housing Services of the South Shore, Inc.	MA	$152,852.00
17	Oak Hill Community Development Corp.	MA	$151,852.00
18	North East Community Action Corporation	MO	$142,646.00
19	Neighborhood Housing Services of New Haven, Inc.	CT	$141,943.00
20	Neighborhood of Affordable Housing, Inc.	MA	$141,203.00
21	Community HousingWorks	CA	$136,904.00
22	Richmond (CA) Neighborhood Housing Services, Inc.	CA	$135,796.00
23	Neighborhoods Inc. of Battle Creek	MI	$135,652.00
24	Self-Help Enterprises	CA	$129,346.00
25	NeighborWorks Lincoln	NE	$127,847.00
26	Neighborhood Partnership Housing Services	CA	$119,796.00
27	Colorado Rural Housing Development Corporation	CO	$116,404.00
28	NeighborWorks HomeOwnership Center Sacramento Region	CA	$107,277.00
29	Cobb Housing, Inc.	GA	$101,458.00
30	West Elmwood Housing Development Corp.	RI	$94,503.00
31	Community Development Corporation of Long Island, Inc.	NY	$94,475.00
32	Neighborhood Housing Services of Lackawanna County	PA	$93,176.00
33	NeighborWorks of Pueblo	CO	$91,560.00
34	Community Ventures Corporation	KY	$85,442.00
35	BCL of Texas	TX	$83,201.00
36	Neighborhood Development Services	OH	$79,786.00
37	San Juan Neighborhood Housing Services, Inc.	PR	$77,162.00
38	Neighborhood Housing Services of Kansas City, Inc.	MO	$72,546.00
39	Centro Campesino Farmworker Center, Inc.	FL	$70,222.00
40	Lawrence CommunityWorks, Inc.	MA	$69,625.00
41	Neighborhood Housing Services of Orange County, Inc.	CA	$66,808.00
42	Neighborhood Housing Services of Greater Nashua, Inc.	NH	$65,954.00
43	Kalamazoo Neighborhood Housing Services, Inc.	MI	$64,980.00
44	Pasadena Neighborhood Housing Services, Inc.	CA	$64,907.00
45	Neighborhood Housing Services of Phoenix, Inc.	AZ	$62,965.00
46	Neighborhood Housing Partnership of Greater Springfield, Inc.	OH	$59,965.00
47	Hudson River Housing, Inc.	NY	$58,122.00
48	The Primavera Foundation, Inc	AZ	$54,233.00
49	Brand New Day, Inc.	NJ	$51,490.00

NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

AWARDEES BY AWARD AMOUNT

February 24, 2008

	Organization	State	Total Awarded Amount
50	Marshall Heights Community Development Organization, Inc.	DC	$50,899.00
51	Home HeadQuarters, Inc.	NY	$46,450.00
52	Neighborhood Housing Services of Birmingham, Inc.	AL	$46,140.00
53	Urban Edge Housing Corporation	MA	$45,124.00
54	National Council on Agricultural Life and Labor Research Fund, Inc.	DE	$44,951.00
55	Affordable Housing Education and Development, Inc.	NH	$44,900.00
56	Salisbury Neighborhood Housing Services, Inc.	MD	$43,354.00
57	Corporation to Develop Communities of Tampa	FL	$41,062.00
58	Neighborhood Housing Services of Toledo, Inc.	OH	$39,272.00
59	Neighborhood Finance Corporation	IA	$39,154.00
60	Twin Cities Community Development Corp.	MA	$34,866.00
61	Neighborhood Housing Services of Reading, Inc	PA	$32,864.00
62	Community Housing Services of Wichita/Sedgwick County	KS	$30,442.00
63	NeighborWorks Waco	TX	$30,044.00
64	Neighbor to Neighbor, Inc.	CO	$29,968.00
65	Kennebec Valley Community Action Program Housing Services	ME	$26,155.00
	Organization	**State**	**Total Awarded Amount**
NEIGHBORWORKS ORGANIZATIONS			
66	Coalition for a Better Acre	MA	$25,871.00
67	NeighborWorks Greater Manchester	NH	$24,733.00
68	Housing Resources of Western Colorado	CO	$24,204.00
69	Tierra del Sol Housing Corporation	NM	$22,940.00
70	Salt Lake Neighborhood Housing Services, Inc.	UT	$21,577.00
71	Neighborhood Housing Services of Hamilton, Inc.	OH	$21,082.00
72	Reynoldstown Revitalization Corporation	GA	$18,564.00
73	Community Service Programs of West Alabama, Inc.	AL	$16,076.00
74	Neighborhood Housing & Development Corporation	FL	$14,546.00
75	Troy Rehabilitation & Improvement Program, Inc.	NY	$12,786.00
76	Neighborhood Housing Services of Richmond (VA), Inc.	VA	$12,204.00
77	Neighborhood Housing Services of Oklahoma City, Inc.	OK	$10,216.00
78	West Side Neighborhood Housing Services, Inc.	NY	$10,138.00
79	Housing Assistance Program of Essex County, Inc.	NY	$10,000.00
80	St. Lawrence County Housing Council, Inc.	NY	$10,000.00
81	Tri-County Housing & Community Development Corporation	CO	$10,000.00
82	UNHS NeighborWorks HomeOwnership Center	NY	$10,000.00
		SUBTOTALS:	**$11,417,501.00**
		GRAND TOTALS:	**$130,438,408.00**

Appendix D: List of MSAs of Greatest and Non-Greatest Need

MSAs Defined as Areas of Greatest Need:

Anniston-Oxford, AL
Birmingham-Hoover, AL
Decatur, AL
Dothan, AL
Gadsden, AL
Mobile, AL
Montgomery, AL
Tuscaloosa, AL
Phoenix-Mesa-Scottsdale, AZ
Tucson, AZ
Jonesboro, AR
Pine Bluff, AR
Bakersfield, CA
El Centro, CA
Fresno, CA
Hanford-Corcoran, CA
Los Angeles-Long Beach-Santa Ana, CA
Madera, CA
Merced, CA
Modesto, CA
Oxnard-Thousand Oaks-Ventura, CA
Riverside-San Bernardino-Ontario, CA
Sacramento--Arden-Arcade--Roseville, CA
San Diego-Carlsbad-San Marcos, CA
San Francisco-Oakland-Fremont, CA
San Jose-Sunnyvale-Santa Clara, CA
Stockton, CA
Vallejo-Fairfield, CA
Visalia-Porterville, CA
Yuba City, CA
Denver-Aurora, CO
Greeley, CO
Pueblo, CO
Bridgeport-Stamford-Norwalk, CT
Hartford-West Hartford-East Hartford, CT
New Haven-Milford, CT
Washington-Arlington-Alexandria, DC-VA-MD-WV
Cape Coral-Fort Myers, FL
Deltona-Daytona Beach-Ormond Beach, FL
Jacksonville, FL
Miami-Fort Lauderdale-Pompano Beach, FL
Naples-Marco Island, FL
Ocala, FL
Orlando-Kissimmee, FL
Palm Bay-Melbourne-Titusville, FL
Port St. Lucie, FL
Punta Gorda, FL

Sarasota-Bradenton-Venice, FL
Tampa-St. Petersburg-Clearwater, FL
Albany, GA
Atlanta-Sandy Springs-Marietta, GA
Dalton, GA
Macon, GA
Savannah, GA
Valdosta, GA
Warner Robins, GA
Columbus, GA-AL
Augusta-Richmond County, GA-SC
Danville, IL
Decatur, IL
Kankakee-Bradley, IL
Rockford, IL
Chicago-Naperville-Joliet, IL-IN-WI
Anderson, IN
Elkhart-Goshen, IN
Fort Wayne, IN
Indianapolis-Carmel, IN
Kokomo, IN
Lafayette, IN
Muncie, IN
Terre Haute, IN
Evansville, IN-KY
South Bend-Mishawaka, IN-MI
Ames, IA
Des Moines-West Des Moines, IA
Dubuque, IA
Davenport-Moline-Rock Island, IA-IL
Sioux City, IA-NE-SD
Louisville/Jefferson County, KY-IN
Alexandria, LA
Baton Rouge, LA
Lake Charles, LA
Monroe, LA
New Orleans-Metairie-Kenner, LA
Shreveport-Bossier City, LA
Bangor, ME
Lewiston-Auburn, ME
Baltimore-Towson, MD
Salisbury, MD
Barnstable Town, MA
Pittsfield, MA
Springfield, MA
Worcester, MA
Boston-Cambridge-Quincy, MA-NH
Ann Arbor, MI
Battle Creek, MI
Bay City, MI

Detroit-Warren-Livonia, MI
Flint, MI
Grand Rapids-Wyoming, MI
Holland-Grand Haven, MI
Jackson, MI
Kalamazoo-Portage, MI
Lansing-East Lansing, MI
Monroe, MI
Muskegon-Norton Shores, MI
Niles-Benton Harbor, MI
Saginaw-Saginaw Township North, MI
Rochester, MN
St. Cloud, MN
Minneapolis-St. Paul-Bloomington, MN-WI
Hattiesburg, MS
Jackson, MS
Pascagoula, MS
Joplin, MO
St. Louis, MO-IL
Kansas City, MO-KS
St. Joseph, MO-KS
Omaha-Council Bluffs, NE-IA
Las Vegas-Paradise, NV
Vineland-Millville-Bridgeton, NJ
Poughkeepsie-Newburgh-Middletown, NY
New York-Northern New Jersey-Long Island, NY-
NJ-
Burlington, NC
Durham, NC
Goldsboro, NC
Greensboro-High Point, NC
Rocky Mount, NC
Charlotte-Gastonia-Concord, NC-SC
Akron, OH
Canton-Massillon, OH
Cleveland-Elyria-Mentor, OH
Columbus, OH
Dayton, OH
Lima, OH
Mansfield, OH
Sandusky, OH
Springfield, OH
Toledo, OH
Cincinnati-Middletown, OH-KY-IN
Youngstown-Warren-Boardman, OH-PA
Oklahoma City, OK
Portland-Vancouver-Beaverton, OR-WA
Altoona, PA
Erie, PA
Pittsburgh, PA

Allentown-Bethlehem-Easton, PA-NJ
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Providence-New Bedford-Fall River, RI-MA
Florence, SC
Spartanburg, SC
Sumter, SC
Sioux Falls, SD
Cleveland, TN
Jackson, TN
Morristown, TN
Nashville-Davidson--Murfreesboro--Franklin, TN
Chattanooga, TN-GA
Clarksville, TN-KY
Memphis, TN-MS-AR
Austin-Round Rock, TX
Beaumont-Port Arthur, TX
Brownsville-Harlingen, TX
Corpus Christi, TX
Dallas-Fort Worth-Arlington, TX
El Paso, TX
Houston-Sugar Land-Baytown, TX
Laredo, TX
McAllen-Edinburg-Mission, TX
Odessa, TX
San Antonio, TX
Sherman-Denison, TX
Texarkana, TX-Texarkana, AR
Wichita Falls, TX
Salt Lake City, UT
Danville, VA
Richmond, VA
Virginia Beach-Norfolk-Newport News, VA-NC
Seattle-Tacoma-Bellevue, WA
Charleston, WV
Huntington-Ashland, WV-KY-OH
Weirton-Steubenville, WV-OH
Appleton, WI
Eau Claire, WI
Fond du Lac, WI
Green Bay, WI
Janesville, WI
Milwaukee-Waukesha-West Allis, WI
Oshkosh-Neenah, WI
Sheboygan, WI
Wausau, WI
La Crosse, WI-MN

MSAs Defined as Areas of Non-Greatest Need:

Puerto Rico
Abilene, TX
Albany-Schenectady-Troy, NY
Albuquerque, NM
Amarillo, TX
Anchorage, AK
Anderson, SC
Asheville, NC
Athens-Clarke County, GA
Atlantic City, NJ
Auburn-Opelika, AL
Bellingham, WA
Bend, OR
Billings, MT
Binghamton, NY
Bismarck, ND
Blacksburg-Christiansburg-Radford, VA
Bloomington, IN
Bloomington-Normal, IL
Boise City-Nampa, ID
Boulder, CO
Bowling Green, KY
Bremerton-Silverdale, WA
Brunswick, GA
Buffalo-Niagara Falls, NY
Burlington-South Burlington, VT
Carson City, NV
Casper, WY
Cedar Rapids, IA
Champaign-Urbana, IL
Charleston-North Charleston, SC
Charlottesville, VA
Cheyenne, WY
Chico, CA
Coeur d'Alene, ID
College Station-Bryan, TX
Colorado Springs, CO
Columbia, MO
Columbia, SC
Columbus, IN
Corvallis, OR
Cumberland, MD-WV
Dover, DE
Duluth, MN-WI
Elizabethtown, KY
Elmira, NY
Eugene-Springfield, OR
Fairbanks, AK
Fargo, ND-MN

Farmington, NM
Fayetteville, NC
Fayetteville-Springdale-Rogers, AR-MO
Flagstaff, AZ
Florence-Muscle Shoals, AL
Fort Collins-Loveland, CO
Fort Smith, AR-OK
Fort Walton Beach-Crestview-Destin, FL
Gainesville, FL
Gainesville, GA
Glens Falls, NY
Grand Forks, ND-MN
Grand Junction, CO
Great Falls, MT
Greenville, NC
Greenville-Mauldin-Easley, SC
Gulfport-Biloxi, MS
Hagerstown-Martinsburg, MD-WV
Harrisburg-Carlisle, PA
Harrisonburg, VA
Hickory-Lenoir-Morganton, NC
Hinesville-Fort Stewart, GA
Honolulu, HI
Hot Springs, AR
Houma-Bayou Cane-Thibodaux, LA
Huntsville, AL
Iowa City, IA
Ithaca, NY
Jacksonville, NC
Jefferson City, MO
Johnson City, TN
Johnstown, PA
Kennewick-Richland-Pasco, WA
Killeen-Temple-Fort Hood, TX
Kingsport-Bristol-Bristol, TN-VA
Kingston, NY
Knoxville, TN
Lafayette, LA
Lakeland, FL
Lancaster, PA
Las Cruces, NM
Lawrence, KS
Lawton, OK
Lebanon, PA
Lewiston, ID-WA
Lexington-Fayette, KY
Lincoln, NE
Little Rock-North Little Rock-Conway, AR
Logan, UT-ID
Longview, TX
Longview, WA
Lubbock, TX

Lynchburg, VA
Madison, WI
Manchester-Nashua, NH
Medford, OR
Michigan City-La Porte, IN
Midland, TX
Missoula, MT
Morgantown, WV
Mount Vernon-Anacortes, WA
Myrtle Beach-Conway-North Myrtle Beach, SC
Napa, CA
Norwich-New London, CT
Ocean City, NJ
Ogden-Clearfield, UT
Olympia, WA
Owensboro, KY
Panama City-Lynn Haven, FL
Parkersburg-Marietta-Vienna, WV-OH
Pensacola-Ferry Pass-Brent, FL
Peoria, IL
Pocatello, ID
Portland-South Portland-Biddeford, ME
Prescott, AZ
Provo-Orem, UT
Racine, WI
Raleigh-Cary, NC
Rapid City, SD
Reading, PA
Redding, CA
Reno-Sparks, NV
Roanoke, VA
Rochester, NY
Rome, GA
Salem, OR
Salinas, CA
San Angelo, TX
San Luis Obispo-Paso Robles, CA
Santa Barbara-Santa Maria-Goleta, CA
Santa Cruz-Watsonville, CA
Santa Fe, NM
Santa Rosa-Petaluma, CA
Scranton--Wilkes-Barre, PA
Sebastian-Vero Beach, FL
Spokane, WA
Springfield, IL
Springfield, MO
St. George, UT
State College, PA
Syracuse, NY
Tallahassee, FL
Topeka, KS
Trenton-Ewing, NJ

Tulsa, OK
Tyler, TX
Utica-Rome, NY
Victoria, TX
Waco, TX
Waterloo-Cedar Falls, IA
Wenatchee, WA
Wheeling, WV-OH
Wichita, KS
Williamsport, PA
Wilmington, NC
Winchester, VA-WV
Winston-Salem, NC
Yakima, WA
York-Hanover, PA
Yuma, AZ

Appendix E: List of States with Rural Areas of Greatest and Non-Greatest Need

States Defined as Having Rural Areas of Greatest Need:

Alabama
Arizona
California
Connecticut
Delaware
Florida
Georgia
Hawaii
Illinois
Iowa
Indiana
Kentucky
Louisiana
Maine
Maryland
Michigan
Minnesota
Mississippi
Nevada
New Hampshire
North Carolina
Ohio
Oklahoma
South Carolina
Tennessee
Texas
Utah
Virginia
Wisconsin

States Defined as Having Rural Areas of Non-Greatest Need:

Alaska
Arkansas
Colorado
Guam
Idaho
Kansas
Massachusetts
Missouri
Montana
Nebraska
New Jersey
New Mexico
New York
North Dakota
Oregon
Pennsylvania
Rhode Island
South Dakota
Vermont
Virgin Islands
Washington
West Virginia
Wyoming

Appendix F: Urban Institute
Interim Report without Scoring

National Foreclosure Mitigation Counseling Program Evaluation

Interim Report #1

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EXECUTIVE SUMMARY

The National Foreclosure Mitigation Counseling (NFMC) program is a special federal appropriation, administered by NeighborWorks® (NW) America, that is designed to support a rapid expansion of foreclosure intervention counseling in response to the nationwide subprime foreclosure crisis. As this is a federal appropriation, NW America must inform Congress and other entities of the NFMC program's progress. The Urban Institute (UI) was selected by NW America to undertake a two-year evaluation of the NFMC program.

This first interim report presents preliminary findings from the early stages of the NFMC evaluation. Only a limited number of the evaluation activities have begun, and none of the information presented in this report should be taken as conclusive findings at this stage. Rather, we present here primarily observations based on initial data collection activities, which will inform the further evaluation.

This report summarizes initial observations and findings from the following evaluation activities:

Proposal process evaluation preliminary findings:

- Analysis of the application scores indicate that reviewers adhered to a set of objective criteria and applied these criteria in a consistent manner when judging applications.
- The differences between applicants' requested funding and their actual award indicates that NW America used a systematic and objective process when deciding on an award amount.
- Analysis of awarded counseling units indicates that NW America used an objective and systematic process when deciding on the number of counseling units to fund for a particular applicant.

Production and quarterly report analysis preliminary findings:

- NFMC program grantees significantly increased their counseling capacity during the first four months of the program, with total retraining, hiring, and additional training for counselors involving 5,886 staff.

- NFMC program grantees provided over 71,000 counseling units[1] to at-risk homeowners during the first reporting quarter (March through June 2008). Three-quarters of these units were at a very basic level, defined as "level 1" counseling.
- In the first quarterly reporting period, grantee organizations, on average, counseled 17.5 percent of the total counseling units expected to be provided over the course of the entire program, which runs from March 2008 through December 31, 2008. NW America will allow grantees to request extensions, up to June 30, 2009, for those that need more time to meet their counseling goals.
- About 64 percent of all counseling units represented clients who were racial or ethnic minorities. Twenty-eight (28) percent of counseling units were non-Hispanic black and 20 percent were Hispanic. Non-Hispanic black and Hispanic homeowners are more likely to have a high cost home purchase loan than non-Hispanic white homeowners.
- Clients using the NFMC program represented a broad range of income levels, particularly for households with incomes under $100,000. Only 3 percent of households counseled by NFMC program grantees had annual incomes above $100,000. More than half of all counseling was provided to clients below 80 percent of HUD area median income.
- The largest share of counseling units (14.7 percent) were provided to homeowners in California, followed by Florida (7.3 percent) and Ohio (7.2 percent), states which have been the most affected by the foreclosure crisis. The metropolitan areas with the largest shares of counseling units were Chicago, Los Angeles, and Atlanta.
- One quarter of counseling units were provided to clients who were 121 days or more behind on their mortgage, but another quarter were provided to homeowners who were current with their mortgage payments, suggesting that at least some homeowners are proactively seeking assistance when they anticipate difficulties paying their mortgage.
- Almost half (45 percent) of counseling units were provided to clients with an adjustable rate mortgage (ARM), with 27 percent having an ARM with an interest rate that was 8 percent or higher at intake. Forty-three (43) percent had a fixed-

[1] The term *counseling units* is used here because it is possible for an individual homeowner to counted multiple times if that homeowner receives counseling from more than one NFMC program grantee. Please see the discussion in Chapter III for more details.

rate loan, with 15 percent having fixed-rate mortgages with interest rates at 8 percent or higher. The remaining 12 percent counseling units had another type of loan.

- Of the counseling units with known preliminary outcomes in the first reporting quarter, 34 percent were currently still receiving foreclosure prevention and budget counseling at the time of reporting. Twelve (12) percent of counseling units had initiated a forbearance agreement or repayment plan, while 8 percent had their mortgage modified and another 5 percent had brought their mortgage current. Only 2 percent had their mortgage foreclosed upon during the first reporting quarter. The remaining 40 percent of counseling units had another outcome, including a pre-foreclosure sale, a refinanced mortgage or a referral to other legal or social assistance agency.
- Clients who were more overdue on their mortgage payments were more likely to have negative outcomes and were more likely to end up in foreclosure. Eleven (11) percent of level 2 and 3 counseling units for clients 91 to 120 days late had negative outcomes, including 5 percent resulting in foreclosure, while 15 percent of counseling units for clients more than 120 days past due on their mortgage had negative outcomes, including 8 percent resulting in foreclosure.

Early reconnaissance interviews

- Our early reconnaissance interviewees defined two types of successful outcomes for counseled homeowners: avoiding foreclosure by enabling borrowers to stay in their homes with mortgage payments that are affordable to them on a sustained basis; or, if that is not feasible, a lesser success of helping them to minimize the burdens of losing their homes, generally by avoiding actual foreclosure.[2]
- Success in enabling people to stay in homes is perceived to be a much less frequent counseling outcome than avoiding foreclosure, especially with payments borrowers can likely sustain over the long haul. Moreover, counseling's impact is limited by factors outside its control. Many borrowers are offered repayment plans that are not sustainable in the long run, leaving them unable to meet regular monthly payments. The likelihood of borrowers being able to remain in their homes is significantly raised where third party financial assistance, such as a second mortgage, is available.

[2] It should be noted that this second outcome may be inconsistent with the legislative intent of the NFMC program, which emphasizes, "preserving homeownership and the long-term affordability of at-risk mortgages."

- Most borrowers coming in for counseling suffer from one or more of three principal problems: inability to afford the mortgages they agreed to from the outset, loss of job or reduced income, and resets of interest rates on adjustable rate mortgages.
- Counseling agencies have fairly consistent overall approaches to counseling, including major steps and tasks in the process. Primary differences involve the mix of modes of counseling (i.e., providing counseling by phone, in groups, or individually) and whether assistance runs all the way through default resolution.
- Respondents do not see large variations in outcomes for borrowers across housing markets. Geographic differences are observed to depend more on state regulations and public policies, and the types of loans and lending practices concentrated in differing markets. Borrower financial circumstances, including falling income and unusual costs (often medical), loan affordability at outset, and loan-to-value ratios have more impact. The use of exotic loans, notably Option ARMs, also have strong implications for successful outcomes.
- Primary obstacles to successful foreclosure prevention and mitigation are of three types:
    - Difficulties in the contact and process of transmission of information among servicers, borrowers, and counselors.
    - Related limitations of capacity of servicers, counselors, and borrowers to fully and promptly carry out their respective roles.
    - Constraints by servicers, and lender and investor counterparts, in willingness to make loan modifications yielding mortgage payments borrowers can sustain.

  At least partial solutions in each of these areas have been developed, piloted, or proposed, including on-line and standardized mechanisms for counselor-to-servicer information interchange, more common and wholesale approaches to loan modification, and third-party financing and financial assistance.

I. INTRODUCTION

The National Foreclosure Mitigation Counseling (NFMC) program is a special federal appropriation designed to support a rapid expansion of foreclosure intervention counseling in response to the nationwide subprime foreclosure crisis. NeighborWorks® (NW) America has awarded $130 million through a competitive grant process to eligible organizations with demonstrated experience in foreclosure intervention and loss mitigation counseling and with an ability to provide services in areas with high rates of defaults and foreclosures; and it will soon allocate additional funds. The objective of the NFMC program is to provide counseling to help eliminate the default and foreclosure of mortgages held on owner-occupied, single-family homes.

As this is a federal appropriation, NW America must inform Congress and other entities of the NFMC program's progress. The NFMC legislation requires NW America to report bi-annually to the House and Senate Committees on Appropriations, as well as to the Senate Banking Committee and the Housing Financial Services Committee, on its efforts to mitigate mortgage default. The legislation sets forth the following guidance:

> *Such reports shall identify successful strategies and methods for preserving homeownership and the long-term affordability of at-risk mortgages and shall include recommended efforts that will or likely can assist in the success of this program as well as an analysis of any policy and procedures that failed to result in successful mortgage foreclosure mitigation. The report shall include an analysis of the details and use of any post mitigation counseling of assisted borrowers designed to ensure the continued long-term affordability of the mortgages which were the subject of the mortgage foreclosure mitigation assistance.*

To meet this requirement, NW America has selected the Urban Institute (UI) to conduct an evaluation of the NFMC program. Over the two-year evaluation, UI will research the success and effectiveness of foreclosure counseling efforts, as well as what approaches are most successful in assisting homeowners in difficulty. UI hopes to validate how a counseling agency can contribute to preventing a foreclosure, learn what the best practices are for doing so, and identify what accompanying policies, programs, and conditions need to join counseling to achieve maximum impact. A major objective of the evaluation will be to provide information on a

timely basis that could improve the program and inform a broader audience of policy makers and industry participants about practices that help achieve better outcomes for homeowners.

Purpose of This Report

This first interim report summarizes preliminary findings from activities conducted in the first three months of the NFMC program evaluation. Only a limited number of the evaluation activities (described in the overview of the evaluation strategy, below) have begun, and none of the information presented in this report should be taken as conclusive findings at this stage. Rather, we present here primarily observations based on initial data collection activities, which will inform the further evaluation.

This first interim report provides a summary of recent foreclosure trends, an overview of the evaluation approach and strategy, a preliminary evaluation of the process NW America used to select grantees to participate in the NFMC program, and preliminary analyses based on initial data provided by NW America grantees on counseling services provided in the first quarter of the program and early reconnaissance interviews conducted by members of the UI evaluation team.

Overview of Evaluation Strategy

The two-year NFMC program evaluation will make use of third-party data on loans and mortgage lending; reporting data collected by NW America from grantees; interviews with key informants; and surveys, interviews, and focus groups with grantees and counseled homeowners. UI will carry out the following activities in conducting the evaluation.

Quantitative Analyses. Using loan-level, third-party data, UI will compare outcomes for homeowners who received counseling from NW America grantees to outcomes for homeowners who did not receive grantee services. These data will be used to model program outcomes, such as whether a home goes into foreclosure, and determine the factors that most significantly explain when counseling is most effective.

Reconnaissance Interviews. Interviews will be conducted with a small sample of representatives of various segments of the mortgage and housing industry, including lenders, regulators, U.S. Department of Housing and Urban Development approved housing counseling intermediaries, housing finance agencies, local NW America organizations that received a program grant, researchers who have studied foreclosure prevention issues, consumer groups, and NW America staff. These preliminary interviews will provide an initial overview of the challenges associated with foreclosure mitigation counseling; the potential range of outcomes for counseling and how they are tracked over time; and the types of strategies and practices being employed by counseling agencies. Information collected during the reconnaissance interviews will help guide the data collection and analysis for the rest of the study.

Proposal Process Evaluation. UI will conduct a full study of the processes that NW America used to evaluate the program grant applications and allocate funds. The documented comments and conclusions of external reviewers for the applications will be evaluated. The goal of this analysis is to determine the extent to which the program was implemented and is being administered in a fair, objective, and transparent manner.

Findings about Program's Outputs. Data collected from grantee production uploads and quarterly reports submitted to NW America, which include counts of clients served, levels of service provided, reported outcomes for counseled clients, and other program outputs, will be summarized and analyzed. The narrative portions of the quarterly reports will also be reviewed to highlight common challenges faced, and solutions found, by grantees to assist homeowners.

Web-based Survey of Grantees. A web-based survey will be administered to all grantees and sub-grantees. The survey will be designed to collect information on specific strategies used for outreach and foreclosure mitigation counseling; challenges faced by the grantees and successful strategies that they used to overcome these challenges; the capacity of grantees to conduct foreclosure mitigation counseling before and after receiving their program grant; and the perceptions of grantees regarding NW America's application review and program administration practices.

Case Studies of Grantees. Fifteen grantee counseling agencies will be selected for in-depth case studies. These agencies will be selected based on several important dimensions, such as type of organization, scale of activity, the foreclosure process in their states, and local and state infrastructure to support foreclosure mitigation activities. It is important to note that the purpose of the site visit is not to conduct compliance audits of the grantees. Rather, the intention is to gather information that can inform on best practices in counseling and that will help improve counseling service delivery within the foreclosure mitigation community.

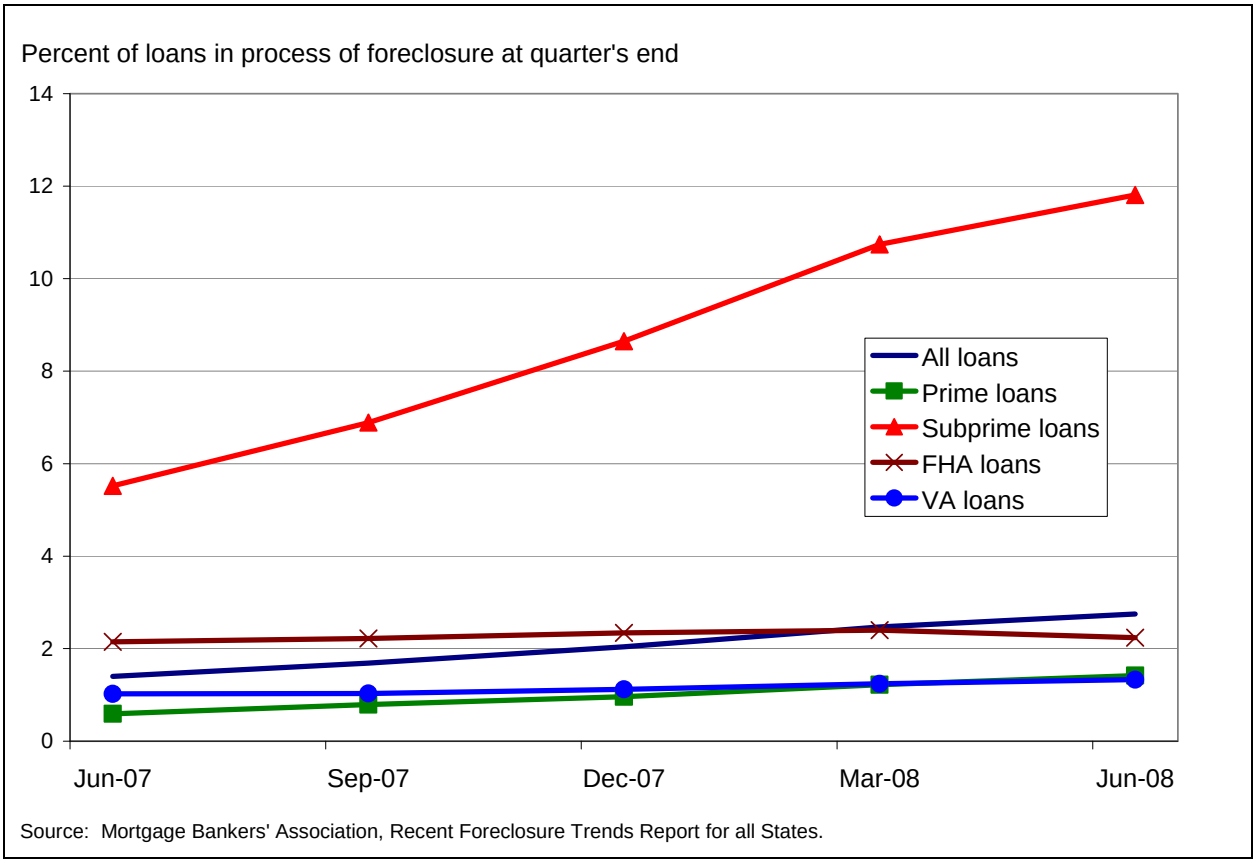
After the 15 agencies are selected, 3 pilot case studies will be conducted to test the interview discussion guides, homeowner focus group discussion guides, and any needed data collection protocols. Each case study will include a two-day site visit by two members of the UI evaluation team and will be designed so as to take up a minimal amount of local staff time. The site visit will include interviews with the organization's executive director, the director of counseling services, and counselors who provide services to clients. Additional interviews may be conducted with local real estate participants and observers who are knowledgeable about market conditions that may affect a grantee's likelihood of achieving successful counseling outcomes. Finally, where possible in selected sites, focus groups or one-on-one interviews will be conducted with homeowners who received counseling services.

The evaluation findings will be provided to NW America through a series of interim and case study reports (of which this is the first), culminating in a final report to be delivered in May 2010.

Recent Foreclosure Trends

The most recent data on foreclosures suggest that the problems affecting American homeowners are not yet over, and that the situation is likely to continue to worsen before it improves. The share of mortgage loans in foreclosure nationally, as reported by the Mortgage Bankers Association (2008), has almost doubled, increasing from 1.4 to 2.8 percent of outstanding loans between the second quarters of 2007 and 2008 (figure 1.1). Subprime loans were much more likely to be in foreclosure than other types of loans. The share of subprime loans in foreclosure increased from 5.5 to 11.8 percent over this same period. Although prime loans are less likely to be in foreclosure than other loan types, the rising incidence of financial problems has begun to affect this segment of the mortgage market, too. Between the second quarters of 2007 and 2008, the share of prime loans in foreclosure more than doubled, rising from 0.6 to 1.4 percent.

Figure 1.1: Quarterly Foreclosure Inventory, United States

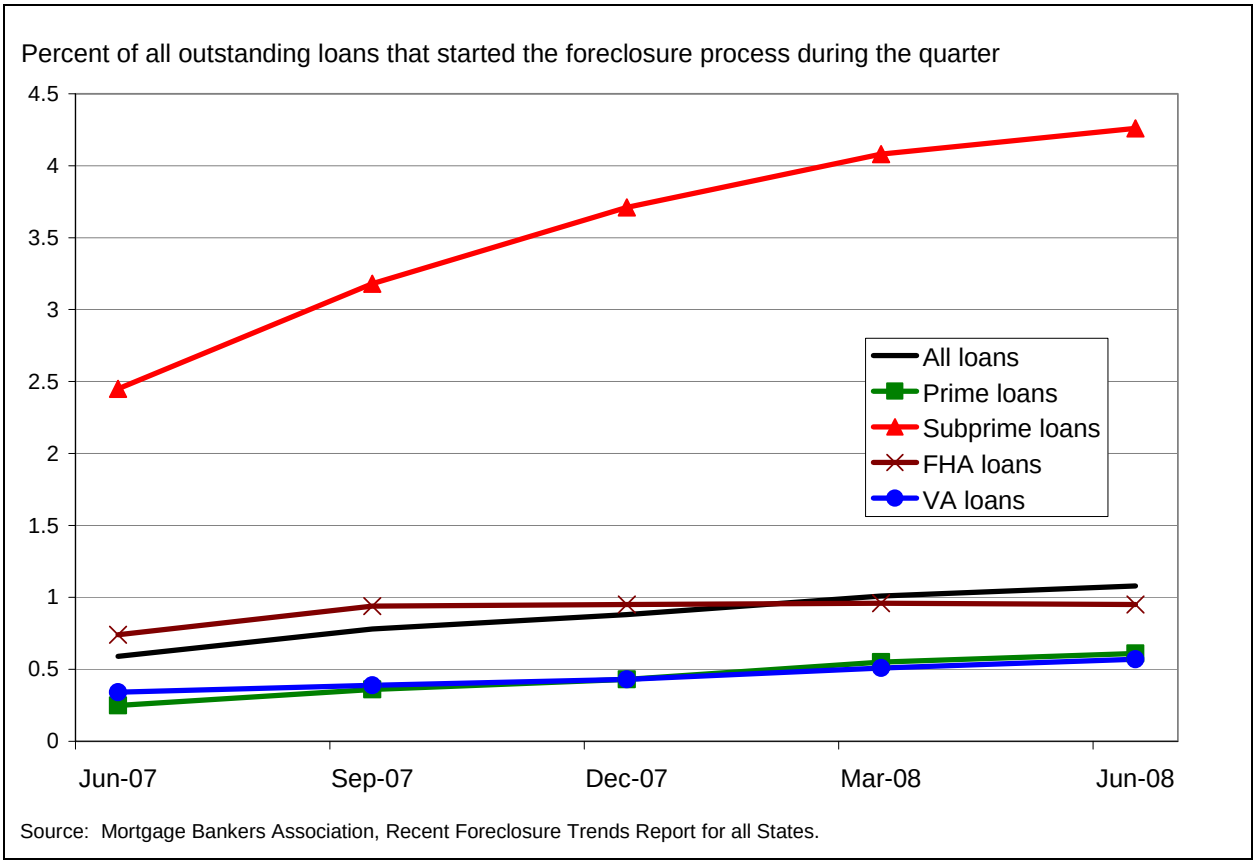


Source: Mortgage Bankers' Association, Recent Foreclosure Trends Report for all States.

In addition to the share of loans currently in foreclosure, the percentage of loans that initiated the foreclosure process each quarter has also been rising. The share of all outstanding

loans that started foreclosure proceedings grew from 0.6 to 1.1 percent between the second quarters of 2007 and 2008 (figure 1.2). As with the foreclosure inventory, the share of foreclosure starts was highest for subprime loans, increasing from 2.5 to 4.3 percent of outstanding loans. Foreclosure starts for prime loans increased as well, however, rising from 0.3 to 0.6 percent of outstanding prime loans over this period. The rise in foreclosure starts suggests that the foreclosure problem is continuing to grow at an increasing rate.

Figure 1.2: Quarterly Foreclosure Starts, United States



The state of Florida had the highest share of loans in foreclosure nationally, with 6.0 percent of mortgages in foreclosure in the second quarter of 2008. This was an increase from 1.4 percent in foreclosure in Florida in the second quarter of 2007. The state with the second highest share of loans in foreclosure in the second quarter of 2008 was Nevada (4.9 percent), followed by Ohio (4.0 percent), and California (3.9 percent). All states experienced an increase in shares of loans in foreclosure during the past year.

Nevada and Florida had the highest rates of foreclosure starts among all states, with 2.2 percent of all outstanding loans in each state beginning the foreclosure process in the second

quarter of 2008. California and Arizona were third and fourth highest, with 1.8 and 1.6 percent, respectively, of outstanding loans starting foreclosure in the second quarter.

II. PRELIMINARY PROPOSAL PROCESS EVALUATION

This preliminary process analysis is a first step of a larger, more detailed process analysis that will be completed in March 2009. The detailed process analysis will determine the extent to which the NFMC program was implemented, and is being administered, in a fair, objective, and transparent manner. There are a number of issues that can be explored in the detailed process analysis and so the purpose of this preliminary process study is to use readily-available data collected by NW America during its application review process to help narrow that study's focus by examining three issues:

1. Are scores for applications consistent with an objective and systematic scoring process?
2. Are there systematic differences in the awards made to grantees when compared to their requested amounts?
3. Award amounts are a function of the number of counseling units that a grantee will complete over the period of the grant. Therefore, there should be systematic relationship between differences in the proposed and awarded grant amounts and the proposed and awarded number of counseling units.

The following section summarizes the NFMC program's application and review process. This summary is followed by our analysis of reviewer scores for all program applications, followed by an analysis of differences between requested grants and actual award amounts and between proposed and awarded counseling units.

Overview of Application and Review Process

The NFMC program was signed into law on December 26, 2007, with a requirement that NW America award the first $50 million within 60 days of the law's enactment with the remaining funds awarded by December 31 , 2008. In January 2008, NW America developed a request for proposals (RFP) that included program requirements and application instructions; the RFP was issued on January 28, 2008. Before issuing the RFP, NW America conducted bidders' conferences on January 15 and January 16, 2008, during which NW America presented information about the NFMC program, described the application procedures, and answered questions from potential applicants. Program applications were submitted electronically to NW America via its GrantWorks on-line system on or before February 8, 2008.

Review Process

NW America had a relatively short period of time to evaluate applications and make funding decisions. Therefore, in addition to its own staff, NW America recruited external reviewers from the U.S. Department of Housing and Urban Development, the U.S. Treasury Department's Community Development Financial Institutions Fund, the Federal Deposit Insurance Corporation, the Federal Reserve, Freddie Mac, and the U.S. Department of Heath and Human Services. Reviewers (both NW America staff and external reviewers) were assigned to teams. Eight three-person teams reviewed 90 applications submitted by NeighborWorks Organizations (NWOs), for an average of about 11 applications per team. Six three-person teams reviewed a total of 53 applications submitted by housing counseling intermediaries and housing finance agencies (HCI/HFAs), an average of about nine applications per team.

The ratio of internal (NW America staff) to external reviewers was 2:1 for evaluation of applications from NWOs and 1:2 for evaluation of applications from HCI/HFAs. Additionally, a NW America staff team lead was assigned to each team to synthesize reviewers' comments, facilitate discussion, and help the team achieve consensus around scoring decisions. The team lead did not score the proposals.

To ensure that applications were scored using the same objective criteria, all team leaders and reviewers were provided a Reviewer's Manual which contained a rubric for scoring and guidelines for determining final award amounts. Team leaders and reviewers all participated in training before they reviewed applications to ensure they understood the rubric, the program design, and the scoring guidelines. Representatives from two of NW America's Board agencies attended these trainings as observers.

Each reviewer scored the applications independently and a team concurrence call was held where reviewers discussed their scores and came to consensus on a recommended funding amount. Representatives from two of NW America Board agencies participated in selected calls as observers.

All applicants (whether a NWO or a HCI/HFA) received numerical scores for three factors: their organizational *capacity*; the *scope* of their proposed counseling services; and whether they had an *electronic client management system* that could be used to track client-level counseling outcomes. In addition to the three scored factors, reviewers determined whether an applicant proposed (1) to provide services in areas of greatest need[3] and (2) to supplement a grant with matching funds. These two factors did not have point values; rather,

[3] NW America identified MSAs and rural areas as those with greatest need using four criteria: 1) number of subprime delinquent loans (30-90 days); 2) percent of subprime loans delinquent (30-90 days); 3) percent of subprime loans in foreclosure process or REO and 4) percent of all loans that are subprime.

reviewers answered “yes” or “no” to the questions within the factors; the answers to these two factors determined an applicant’s eligibility for funding.

Reviewers also determined what was designated in the review process as an *Overall score* based on three questions: [redacted] *(Redacted until all NFMC Program applications review processes – for all rounds of funding – are complete.)*

NWO applicants could earn a total score of 39 points. Factor 1 (applicant capacity) had a maximum of 7 points, Factor 4 (scope of proposed counseling services) was worth 15 points and Factor 6 (presence of an electronic counseling tracking system) was worth 2 points. An NWO applicant, then, could earn a maximum of 24 points from the three scored factors. In addition, an NWO applicant could earn another 15 points from the Other Factors score (Table 2.1).

The scores earned for Factor 1 and Factor 4 are a sum of a number of items within each of those two factors. [redacted] *(Redacted until all NFMC Program applications review processes – for all rounds of funding – are complete.)*

Table 2.1: Factors Used to Score Applications from NeighborWorks Organizations (NWOs)
(Contents of chart redacted until all NFMC Program applications review processes – for all rounds of funding – are complete.)

HCI/HFA applicants could earn a maximum of 45 points, compared to 39 points for NWO applicants. This difference results from each scored factor (not including the Other Factors questions) being worth two more potential points for HCI/HFA applicants as compared to NWO

applicants. The reason for the higher maximum points available for HCI/HFA applicants is that such organizations oftentimes must use sub-grantees and subcontractors to deliver counseling services. Therefore, the scored factors include questions regarding HCI/HFAs' ability to use sub-grantees and subcontractors successfully to deliver high-quality counseling services. Despite greater maximum scores available for the scored factors, HCI/HFA application reviewers, as with NWO applicant reviewers, could award 15 Other Factors points (table 2.2).

Table 2.2: Factors Used to Score Applications from Housing Counseling Intermediaries and Housing Finance Agencies (HCI/HFAs)

(Contents of chart redacted until all NFMC Program applications review processes – for all rounds of funding – are complete.)

Analysis of Application Scores

NW America awarded grants to 130 out of 143 (91 percent) submitted applications; 13 organizations (9 percent) who applied for the NFMC program did not receive funding after their application was scored (table 2.3).

Table 2.3: Summary of Application Review Results

Outcome	Total Applicants	Share of applications
Approved	130	91%
Denied	13	9%
Total	143	100%

Source: Authors' calculations from NW America GrantWorks data.

Although 14 separate reviewer teams (each with three reviewers) scored 143 applications, there is no difference in the outcome for applications submitted by NWOs versus applications submitted by HCI/HFAs: ninety-one percent of both types of applicants received funding (Table 2.4).

Table 2.4: Outcome for Applications by Applicant Type

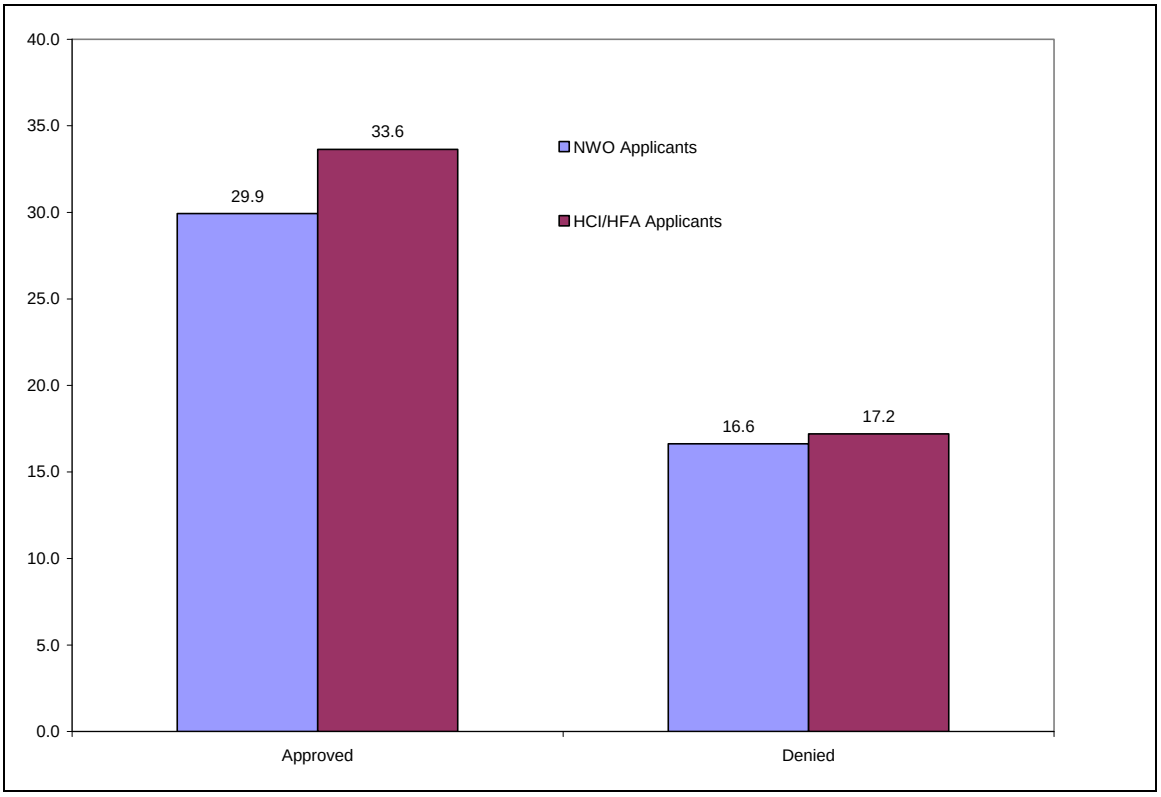
Outcome	NWO Applicants	Share of applications	HCI/HFA Applicants	Share of applications
Approved	82	91%	48	91%
Denied	8	9%	5	9%
Approved	90	100%	53	91%

Source: Authors' calculations from NW America GrantWorks data.

Approve/Deny Analysis

The scoring rubric was designed so that reviewers would award points in a way that could distinguish organizations that had the capacity and experience to implement their proposed level of counseling from organizations that did not. (The focus on an applicant's capacity and experience is consistent with the program's authorizing legislation that required applicants be judged on those two criteria.) As a result, we expected differences in the total scores awarded to applicants that received funding versus those that received no funding. The results of our analysis are consistent with this expectation: there were differences in the mean scores for applications that were awarded funding compared to applications that did not receive program funds. NWO applicants awarded funding received an average score, for the three scored factors and the Other Factors score, of 29.9; the mean score for approved HCI/HFA applicants was 33.6. In contrast, the mean score for NWO applicants not awarded funding was 16.6; for unsuccessful HCI/HFA applicants, the mean score was 17.2 (figure 2.1).

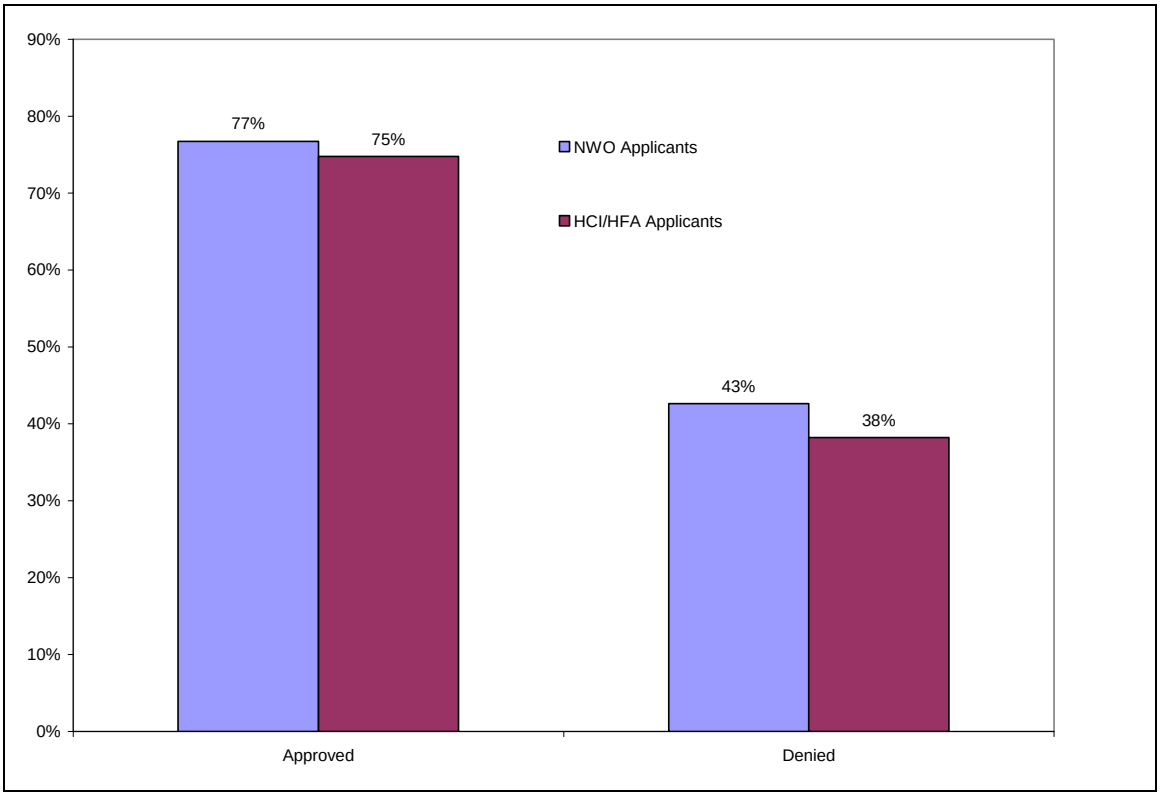
Figure 2.1: Comparison of Mean Scores for Approved and Denied Applications by Applicant Type



Source: Authors' calculations from NW America GrantWorks data.

Because HCI/HFA applicants can receive more points (a total of 45) compared to NWO applicants (a total of 39 points), it is better to compare the share of total points awarded to applicants who received funding compared to those who did not. NWO applicants who received funding received an average of 77 percent of the total 39 points available, just about the same percentage as the mean for approved HCI/HFA applicants (75 percent). Conversely, NWO organizations that did not receive an award received, on average, 43 percent of total possible points. HCI/HFA applicants who did not receive funding, on average, only received 38 percent of the available 45 points, nearly 40 percentage points fewer than approved HCI/HFA applicants (figure 2.2).

Figure 2.2: Comparison of Share of Total Available Scores Awarded for Approved and Denied Applications by Applicant Type



Source: Authors' calculations from NW America GrantWorks data.

What accounted for the scoring differences between approved and denied applications? In case of the NWO applicants, they resulted mainly from higher scores for the factor relating to an applicant's proposed level of counseling and the Other Factors score. There were relatively small differences in the mean score for Factor 1 (the applicant's capacity) and Factor 6 (the applicant's ability to track outcomes electronically) for NWO applicants who received funding and NWO applicants who did not receive funding.

Approved NWO applicants received, on average, a total of 7.9 out of a total possible 9 points (88 percent) for those two factors, compared to 6.5 points, or 72 percent of total points for Factor 1 and Factor 4 for NWO applicants who did not receive funding (table 2.5). There was a larger difference for Factor 4, which measured an applicant's proposed level of counseling. Approved NWO applicants, on average received 4.3 points or 28 percentage points more on their Factor 4 score than did NWO applicants who did not receive funding.

In addition to a relatively large difference in Factor 4, when compared to Factor 1 and Factor 6, there was a large difference in the mean Other Factors score for NWO approved applicants compared to applicants who did not receive funding. On average, funded NWO applicants received 10 points for Other Factors, but only an average of 2 Other Factors points

to NWO applicants who did not receive funding. Organizations that received relatively few Other Factors points, according to reviewers, did not provide sufficient details about their plans to increase their organizational capacity. As a result, reviewers questioned the ability of these organizations to ramp-up their counseling infrastructure and meet their proposed counseling goals.

Table 2.5: Comparative Analysis of Mean Scores, by Factor, for Approved and Denied Applications from NeighborWorks Organizations

	Approved Applications	Share of potential points	Denied Applications	Share of potential points	Difference in share of potential points
Mean Factor 1 score (Capacity)	5.9	84%	4.5	65%	18.7
Mean Factor 4 score (Proposed level of counseling)	12.2	81%	7.9	53%	28.5
Mean Factor 6 score (Electronic tracking system)	2.0	98%	2.0	100%	-1.6
Total without mean Other Factors score	20.0	83%	14.4	60%	23.2
Mean Other Factors score	10.0	67%	2.1	14%	52.7
Total mean score	30.0	77%	16.5	42%	34.5

Source: Authors' calculations from NW America GrantWorks data.
Note: Mean total scores for approved and denied applicants are different from Figure 2.1 due to rounding.

In the case of HCI/HFA applicants, (as with NWOs), the scores reviewers gave for Factor 3 (the scope of proposed services) and the Other Factors score, on average were the key distinguishing items between HCI/HFA organizations that received funding versus those that did not. The difference between the mean score for HCI/HFA applicants who received awards was 33.7, which was 16.5 points more than the 17.2 mean score for such applicants who did not receive funding. The difference between funded and not-funded HCI/HFA applicants mostly results from a 5.3 difference in the mean score for Factor 3 and an 8.2 mean difference in the mean Other Factors score (table 2.6).

Table 2.6: Comparative Analysis of Mean Scores, by Factor, for Approved and Denied Applications from Housing Counseling Intermediaries and Housing Finance Agencies

	Approved Applications	Share of potential points	Denied Applications	Share of potential points	Difference in share of potential points
Mean Factor 1 score (Capacity)	6.8	76%	4.9	54%	21.9
Mean Factor 3 score (Proposed level of counseling)	13.8	81%	8.5	50%	31.6
Mean Factor 5 score (Electronic tracking system)	3.7	93%	2.8	70%	23.4
Total without mean Other Factors score	24.4	81%	16.1	54%	27.6
Mean Other Factors score	9.3	62%	1.1	7%	55.1
Total mean score	33.7	75%	17.2	38%	36.7

Source: Authors' calculations from NW America GrantWorks data.
Note: Mean total scores for approved and denied applicants are different from Figure 2.1 due to rounding.

Approved HCI/HFA applicants, on average received 9.3 Other Factors points while denied applicants received on average only 1.1 points. In general, reviewers awarded relatively few Other Factors points to some HCI/HFA applicants because these organizations did not provide specific plans to increase their capacity so that they could provide the volume of their proposed level of foreclosure counseling services.

Approve/Deny Analysis Between Reviewer Teams (Inter-team Variation)

This section analyzes mean scores for funded and non-funded applications across reviewer teams to determine if reviewers in different teams applied consistent standards when assessing applications. As detailed below, the data suggest that reviewers adhered to a consistent set of criteria when evaluating applications.

There was relatively little variation in the scores across the reviewer teams for applications from NWOs that received funding, compared to applicants who did not receive funding. The mean total score for approved applications ranged from 27 for Team A to a high of 33 for Team D (table 2.7). Four teams reviewed applications from NWO organizations that did not receive funding. The mean score for denied NWO applicants, in each of these teams, was well below approved applications. For example, Team E's denied applicants scored nearly a third less than applicants approved by this team. Team H's denied applicants scored, on average, two thirds less for applications approved by this team. The pattern was the same for the other two reviewer teams that scored NWO applications not receiving funding.

Table 2.7: Mean Scores by Review Team for NeighborWorks Organizations

Review Team	Mean Score for Approved Applications	Mean Score for Denied Applications
A	27.2	n/a
B	29.0	n/a
C	31.6	n/a
D	32.8	15.1
E	28.0	19.2
F	30.1	19.0
G	31.1	n/a
H	29.8	11.0
All Reviewer Teams	**29.9**	**16.6**
No. applicants	82	8

Source: Authors' calculations from NW America GrantWorks data.

In the case of HCI/HCA applicants, the results were similar; there was relatively little variation in the mean scores for approved applications submitted by HCI/HFAs across the six teams that evaluated such applications. The mean total score for approved applications from HCI/HFA organizations was 33.6; the mean for each team that scored these applications ranged from a low of 31 to a high of 36 (table 2.8). This 5-point spread represents 11 percent of the total points available for HCI/HFA applicants.

Four of the six teams that reviewed applications from HCI/HFA organizations scored applications that did not receive funding. Here too, the mean scores for denied applications for each team were at least one third lower than the teams' successful applicants (Table 2.8).

Table 2.8: Mean Scores by Reviewer Team for Housing Counseling Intermediaries and Housing Finance Agencies Applicants

Review Team	Mean Score for Approved Applicants	Mean Score for Denied Applicants
A	32.6	22.7
B	35.1	n/a
C	36.0	18.8
D	31.0	12.7
E	33.3	13.0
F	33.8	n/a
All Reviewer Teams	**33.6**	**17.2**
No. applicants	48	5

Source: Authors' calculations from NW America GrantWorks data.

The relatively small variation across reviewer teams for mean scores of approved and denied applications suggests that each team used a consistent set of scoring criteria when making decisions about a particular applicant. In addition to this small, inter-team variation, there also appeared to be a relatively small amount of *intra-team* variation in scoring

Approve/Deny Analysis Within Reviewer Teams (Intra-team Variation)

Every application was scored by three reviewers; this section analyzes the extent to which scores within a reviewer team were consistent with one another. Among applications submitted by NWOs, there was only a 3-point average difference between the highest and lowest reviewer score for a given application (table 2.9). This difference represented 8 percent of the total 39 points that can be awarded to an NWO applicant. There was a slightly larger average difference (4 points, or 10 percent of total available points for NWO applicants) between the highest and lowest reviewer score for NWO applicants that did not receive funding. This difference was largely a function of one application which had a 9-point difference (or 23 percent of the total available points) between the highest and lowest reviewer scores. This large difference was an exception, however, as most reviewers had relatively similar scores for a given applicant.

Table 2.9: Analysis of Variation in Reviewer Scores within Teams Scoring Applications from NeighborWorks Organizations

	Mean Difference Between Highest and Lowest Scores Within Reviewer Teams	
Review Team	Approved Applicants	Denied Applicants
A	1.9	n/a
B	4.9	n/a
C	0.8	n/a
D	4.8	2.7
E	2.3	3.7
F	4.1	9.0
G	2.6	n/a
H	3.5	3.0
All Reviewer Teams	**3.1**	**3.9**

Source: Authors' calculations from NW America GrantWorks data.

Most HCI/HFA application reviewers had similar scores for a given application: there was an average difference of about 4 points (or 9 percent of total available points) between the highest score and lowest score from reviewers of a given application from an HCI/HFA organization that received funding (table 2.10). There was relatively little variation in this mean difference across the six teams that reviewed HCI/HFA applications. There was hardly any difference (0.8 points, or 2 percent of the total points available) between the highest and lowest score from reviewers of a particular application that did not receive funding.

Table 2.10: Analysis of Variation in Reviewer Scores within Teams Scoring Applications from Housing Counseling Intermediaries and Housing Finance Agencies

	Mean Difference Between Highest and Lowest Scores Within Reviewer Teams	
Review Team	Approved Applicants	Denied Applicants
A	3.4	0.0
B	3.9	n/a
C	2.4	2.0
D	1.3	0.0
E	6.0	0.0
F	5.4	n/a
All Reviewer Teams	3.8	0.8

Source: Authors' calculations from NW America GrantWorks data.

Summary of Scoring Analyses

The analyses of the scores for applications from NWOs and HCI/HFA organizations suggest that reviewers adhered to an objective and consistent method in evaluating applications. The mean total score for approved applications from both types of organizations was at least on third greater than the mean total score for denied applications. There were few differences in the mean total scores for approved and denied applicants across reviewer teams and there were relatively small differences in the scores generated by different reviewers of a given application. Given the consistency in findings for reviewer scores across applicant organization type, reviewer team and individual reviewers, it appears that reviewers used standard and objective methods to determine an applicant's score.

Analysis of Proposed versus Awarded Grants

NW America awarded grants to 130 organizations. These organizations requested, in their proposals, a total of $328 million, which was 2.5 times the available $130 million that NW America had to distribute. The actual awards made to each grantee resulted from a combination of three rounds of reductions from requested award amounts: a first round that reflected the grant amount recommended by reviewers, a second round of reductions that were based on an applicant's score relative to the highest score received by all applicants and a third round of reductions that reduced each grant by 12 percent. In addition, NW America placed a $15 million cap and a $10,000 floor on awards to an individual organization.

On average, actual awards were 40 percent of an applicant's requested grant (table 2.11). There was a difference, though, between the average reduction for NWOs and HCI/HFA

organizations. NWOs proposed, on average, a grant amount of $281,000, which was only 4 percent of the average grant amount proposed by HCI/HFA organizations. The average award made to NWOs ($139,000) is 50 percent of the proposed grant from such organizations. In contrast, the mean award to HCI/HFAs of $2.5 million is 39 percent of the average proposed grant amount from those types of organizations (Table 2.11).

Table 2.11: Comparison of Proposed versus Actual Grants by Applicant Type

Applicant Type	Total proposed grant	Total award	Award as a share of proposed grant	Number of Awards	Mean proposed award	Mean award
HCI/HFA	$305,892,864	$119,020,907	39%	48	$6,372,768	$2,479,602
HCI/HFA excluding *(one large counseling intermediary)*	$208,298,464	$104,020,907	50%	47	$4,431,882	$2,213,211
NWO	23,021,267	$11,417,501	50%	82	280,747	139,238
Total	**$328,914,131**	**$130,438,408**	**40%**	**130**	**$2,530,109**	**$1,003,372**

Source: Authors' calculations from NW America GrantWorks data.

The larger reduction for HCI/HFA organizations compared to NWOs resulted from one applicant, [redacted] *(Intermediary)* that proposed a grant of $97 million, or nearly 75% of all funds available. [redacted] *(Intermediary)* received the maximum award of $15 million, which was 15 percent of the requested amount. The other 47 HCI/HFAs that received an award proposed grants totaling $208 million. These 47 organizations received a total of $104 million of awards, 50 percent of the requested amount. This share is identical to the share of proposed grants received by NWOs. (A full listing of the proposed versus actual award amount for all grantees is provided in appendix A.)

Although, on average, grantees received about 50 percent of their proposed award amount (excluding [redacted] *(Intermediary)*, just under half of the 130 NWO and HCI/HFA grantees received an award that was at least 70 percent of the requested grant amount. In fact, only 38 percent of HCI/HFA applicants and 25 percent of NWO applicants received an award that was below 50 percent of the requested grant (table 2.12).

Table 2.12: Frequency Analysis of Awards as a Share of Proposed Grant by Organization Type

	HCI/HFA		NWO		Total	
Award as a share of proposed amount	Number of applicants	Share of applicants	Number of applicants	Share of applicants	Number of applicants	Share of applicants
Less than 10 percent	0	0%	2	2%	2	2%
Between 10 and 30 percent	8	17%	11	13%	19	15%
Between 30 and 50 percent	10	21%	8	10%	18	14%
Between 50 and 70 percent	10	21%	18	22%	28	22%
Between 70 and 100 percent	20	42%	43	52%	63	48%
Total	**48**	**100%**	**82**	**100%**	**130**	**100%**

Source: Authors' calculations from NW America GrantWorks data.

The reason for this pattern is that applicants who requested relatively small grants received a greater share of their proposed amount. The mean grant requested by HCI/HFA organizations was $6.4 million. However, HCI/HFA applicants that received at least 70 percent of their requested grant proposed an average grant of $1.7 million. Similarly, NWOs that received at least 70 percent of their award amount proposed a mean grant of $159,000, compared to the overall proposed amount among NWOs of $281,000 (table 2.13).

Table 2.13: Comparison of Proposed versus Actual Awards by Share and Organization Type

	HCI/HFA		NWO		Total	
Award as a share of proposed amount	Mean grant requested	Total mean award	Mean grant requested	Total mean award	Mean grant requested	Total mean award
Less than 10 percent	$0	$0	$427,860	$25,639	$427,860	$25,639
Between 10 and 30 percent	$19,061,436	$3,449,322	$501,361	$101,135	$8,316,130	$1,510,898
Between 30 and 50 percent	$5,204,799	$2,314,239	$316,048	$113,193	$3,032,021	$1,335,996
Between 50 and 70 percent	$6,668,074	$3,955,923	$403,643	$222,302	$2,640,940	$1,555,738
Between 70 and 100 percent	$1,733,632	$1,436,236	$159,456	$124,343	$659,194	$540,817
Total	**$6,372,768**	**$2,479,602**	**$280,747**	**$139,238**	**$2,530,109**	**$1,003,372**

Source: Authors' calculations from NW America GrantWorks data.

Analysis of Proposed versus Awarded Counseling Units

NW America funded 466,000 counseling units out of the 1.3 million proposed by applicants. Based on the total counseling units included in post-grant award agreements,

ninety-one (91) percent of these awarded counseling units were in areas of greatest need: this percentage was nearly identical across counseling levels. Note that NW America has reported that 86 percent of awarded counseling units were in areas of greatest need, based on the number of counseling units awarded before grantees had a chance to revise their counseling goals subsequent to receiving an award.

Because grantees receive $150 for every level 1 counseling unit, $200 for every level 2 counseling unit and $350 for every level 3 counseling unit, the differences between proposed awards and actual grants should be similar to differences between the proposed counseling units and awarded counseling units. This is the case: on average, grantees were funded to complete 35 percent of the counseling units that they proposed (table 2.14), compared to 40 percent of the funds awarded (table 2.11).

Note, however that [redacted] *(Intermediary)* proposed to counsel 531,000 people, or 40 percent of the total counseling units proposed by all organizations that received an award. This organization was funded to complete 82,000 counseling units, which is only 15 percent of their proposed volume. On average, the remaining organizations were funded to complete about 50 percent of their proposed counseling volume (table 2.14), which was very similar to the grants awarded as a share of grants requested by organizations that received awards.

Table 2.14: Comparison of Proposed versus Actual Counseling Units Awarded by Applicant Type

Applicant Type	Total Proposed Counseling Units	Total Awarded Counseling Units	Awarded as a share of proposed	Number of Awards	Mean Proposed Level of Counseling	Mean Awarded Counseling Units
HCI/HFA	1,242,047	426,224	34%	48	25,876	8,880
HCI/HFA without *(one large counseling intermediary)*	710,967	344,727	48%	47	15,127	7,335
NWO	80,217	40,119	50%	82	978	489
Total	**1,322,264**	**466,343**	**35%**	**130**	**10,171**	**3,587**

Source: Authors' calculations from NW America GrantWorks data.

Applicants that proposed a relatively small number of counseling units were more likely to have at least 70 percent of their proposed volume funded. (Appendix A includes table A.2, which shows the proposed and awarded counseling levels for each funded applicant.) HCI/HFA organizations that received funding for at least 70 percent of their proposed volume, on average, proposed to complete 6,700 counseling units, compared to an overall average of 26,000 for all HCI/HFA organizations. Similarly, NWOs that received funding to complete at

least 70 percent of their proposed counseling, on average, proposed to complete 584 counseling units, compared to an overall mean for NWOs of nearly 980 units (Table 2.15).

Table 2.15: Comparison of Proposed versus Actual Counseling Units Awarded by Share and Organization Type

	HCI/HFA		NWO		Total	
Award as a share of proposed amount	Total Proposed Counseling Units	Mean Awarded Counseling Units	Total Proposed Counseling Units	Mean Awarded Counseling Units	Total Proposed Counseling Units	Mean Awarded Counseling Units
Less than 10 percent	0	0	1,683	99	1,683	99
Between 10 and 30 percent	95,888	16,831	1,719	356	41,369	7,293
Between 30 and 50 percent	14,375	6,404	1,225	436	8,531	3,752
Between 50 and 70 percent	21,231	12,279	1,320	733	8,212	4,730
Between 70 and 100 percent	6,672	5,573	584	456	2,551	2,109
Total	**25,876**	**8,880**	**978**	**489**	**10,171**	**3,587**

Source: Authors' calculations from NW America GrantWorks data.

Summary of Award Amount and Counseling Unit Analyses

The analyses of the differences between proposed award amounts and counseling units and the actual grants and counseling units funded suggests that NW America used an objective and systematic methodology to generate award amounts. On average, with the exception of one organization ([redacted] *(Intermediary)*) that requested a much larger grant than any other funded applicant, organizations received about half of their requested grant, which funded about the same share of proposed counseling units. Moreover, across both HCI/HFA and NWO applicants, there was a consistent pattern in which applicants who applied for relatively small grants received a greater share of their request, which resulted in the same pattern for counseling units.[4]

[4] During the more detailed process study to follow, we will ask team leaders, reviewers and others who participated in decisions about final award amounts to explain the process they used to determine an applicant's award amount.

III. PRELIMINARY PRODUCTION ANALYSIS

This preliminary production analysis is a descriptive report of client-level and quarterly report data that grantees are required to provide to NW America as a condition of their grant award. These data are intended to help evaluate progress toward overall counseling goals of the NFMC program. The data described here are for the first quarterly reporting period, March 1 to June 30, 2008 and reflect 71,634 counseling units.[5] The term *counseling units* is used because an individual homeowner client may appear more than once in the data if they were counseled at multiple levels or by different grantees. For example, the same client may receive level 1 counseling (preparation of a budget and a written action plan) at one organization and level 2 counseling (taking steps to implement the action plan) at another organization. Additionally, a client may receive level 1 counseling in one reporting period and level 2 counseling in another reporting period from the same organization. Each of these examples would be counted as two counseling units. Furthermore, a single counseling unit might consist of a grantee conducting multiple counseling sessions with the same homeowner.

Our analysis of these preliminary reporting data examines four areas:

1. General information on grantees, including grantee type, number of counseling units provided, intake month, and percent of expected counseling units provided to date.
2. Client demographic data.
3. Client financial status, including loan type and status.
4. Preliminary counseling outcomes reported by grantees.

According to the NFMC program request for proposals, grantees are required to provide client-level data (referred to as *production data*), as well as quarterly reports on aggregate activity towards overall goals established under the grant award. The production data are submitted by the grantee on an ongoing basis through an electronic submission system.[6] Production data consist of a record for each counseling unit provided by the grantee, including information such as the date of the client's initial contact with the grantee (intake), the address

[5] Although the formal reporting period started on March 1, NW America allowed grantees to include eligible counseling activities that occurred as early as January 1, 2008.

[6] The electronic system for reporting production data and quarterly reports was created and is maintained by SocialServe.com, a contractor engaged by NW America.

of the client's home, the characteristics of the client's mortgage loan, the name of the client's lender/loan servicer, and the length time the client has been in default on their loan. Grantees also can report outcomes for each counseling unit, although outcome reporting is not required for all counseling units in the production data.

Every quarter, grantees are required to submit separate, quarterly reports, which in addition to the cumulative production data, contain measures of progress against aggregate counseling goals and summary-level client data, including demographic, financial and loan information. Grantees are also required to provide specific outcome totals for all clients that were not assigned outcomes in the production data, to provide a more complete picture of the outcomes for the counseling units in that quarter . Outcomes assigned in the quarterly report are not attributed to specific clients, however, but rather provided as aggregate totals.

In addition to these quantitative data, the quarterly reports contain a narrative section on overall program activities, successes and challenges encountered in helping clients avoid foreclosure or mitigate losses, and efforts to ensure the affordability of mortgages when clients retain their homes.

NFMC program grantees reported the first quarterly data in early August 2008, which is the data that we analyze in this section. In subsequent reports, we will analyze updated client-level data and have a more in-depth study of the quarterly reports including the data available on NFMC program activities, specific successes and challenges, and efforts to ensure the affordability of mortgages when clients retain their homes.

Grantee Capacity

Through their quarterly reports, grantees provided data about the growth in counseling staff capacity from March through the end of June. While we do not have figures for the base from which organizations started prior to joining the NFMC program, the capacity development nonetheless seems substantial. In aggregate, nearly 2,000 people already employed by the 130 grantees were retrained and reassigned to be foreclosure counselors in the period, an average of 15 per grantee (table 3.1). Over one thousand new foreclosure counselors were hired in the same period, averaging 8 per grantee, and nearly 3,000 existing foreclosure counselors received additional foreclosure-related training in the four month period, or 22 per grantee. Total retraining, hiring, and additional training for counselors involved 5,886 staff.

Most grantees included at least at some level of capacity development as part of their programs. More than three quarters of all grantees retrained and reassigned at least one person to foreclosure counseling and about the same percentage hired at least one new counselor. More than 90 percent provided one or more people with additional training. The average numbers, however, were pushed up by a smaller number of organizations involving

many individuals. The median number for each of people retrained and newly hired was only 2, and the median was 4 receiving additional training. These middle points are well less than the averages, driven up by a few grantees involving hundreds of existing and new workers.

Table 3.1: Foreclosure Counselor Capacity Development

	Existing staff retrained and reassigned to counseling	Newly hired counselors	Counselors provided additional training
Total	1,985	1,035	2,866
Mean	15	8	22
Median	2	2	4
Minimum	0	0	0
Maximum	397	99	448

Source: Authors' calculations from NW America production data.

Grantee Performance

This section analyzes data reported by NFMC program grantees on numbers of counseling units provided to homeowner clients during the first reporting quarter. Of the 71,634 counseling units provided by grantees during the first reporting quarter, about three-quarters of (74 percent) were level 1 counseling, that is, the grantee conducted a client intake process and developed a budget and a written action plan for the client. After level 1 counseling is completed, it is up to the client to follow through with any activities on the action plan. Another 7.2 percent of counseling units received level 2 counseling–the grantee verified the client's budget, took steps to obtain solutions outlined by the action plan and completed close-out documentation. The remaining 19 percent of counseling units received level 3 counseling, which is when level 1 and level 2 counseling are completed in succession by the same grantee. Clients may receive level 1 and level 2 counseling from different grantee organizations; some grantee organizations only perform level 1 counseling and then will refer the client to another NFMC program grantee for level 2 counseling.

Among NFMC program grantees, the 16 housing counseling intermediaries provided 73 percent of the counseling units, while the 32 housing finance agencies provided 18 percent. The 82 NeighborWorks organizations produced less than 10 percent of the counseling units in the first reporting quarter.

One grantee, [redacted] *(intermediary)*, provided nearly 34 percent of all counseling-units in first quarterly reporting period. [redacted] *(intermediary)* only does level 1 counseling and its clients may be referred to other NFMC program grantees for level 2 counseling. As table 3.2 shows, [redacted] *(intermediary)* provided substantially more counseling units than any other grantee. [redacted] *(two intermediaries)* were the grantees

with the second and third highest number of counseling-units, serving roughly 7 percent of all counseling units. Combined, 15 grantees out of the 129 grantees who reported first quarter data, accounted for more than 80 percent of all counseling units. (Data for all grantees can be found in appendix B, table B.1.)

Table 3.2: Top 15 Grantees by Number of Counseling Units Provided, First Reporting Quarter

	Counseling Units Provided	Percent
Intermediary	24,083	33.6
Intermediary	5,217	7.3
Intermediary	5,097	7.1
Intermediary	5,049	7.0
Intermediary	4,680	6.5
HFA	2,594	3.6
Intermediary	2,487	3.5
HFA	1,800	2.5
Intermediary	1,400	2.0
Intermediary	1,399	2.0
HFA	1,222	1.7
HFA	1,213	1.7
Intermediary	998	1.4
HFA	710	1.0
NWO	697	1.0
Remaining Grantees	12,988	18.1
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.

Grantees are measured, in part, by how well they meet their targets. Grantees are expected to counsel a certain number of units over the course of the NFMC program, which is defined in their grant agreement and reported in the quarterly report. In the first quarterly reporting period, grantee organizations, on average, counseled 17.5 percent of the total counseling units expected to be provided over the course of the first round of the program, which runs from March 2008 through December 31, 2008. Therefore, although 40 percent of the program period has passed, less than one-fifth of the production goal has been met. NW America will allow grantees to request extensions, up to June 30, 2009, for those that need more time to meet their counseling goals.

NeighborWorks Organizations counseled more of their expected units, on average, (21 percent) as compared with housing counseling intermediaries (13 percent) and housing finance

agencies (10 percent). Grantees with expected counseling capacity of more than 5,000 units averaged only 12.5 percent. Out of the top performing 15 grantees as measured by the percent of their individual program goals met to-date, nine are smaller grantees and are only expected to serve less than 150 counseling units each over the course of the program (table 3.3). Two large grantees, [redacted] *(intermediary)* (12,660 expected) and [redacted] *(NWO)* (1,081 expected) were also in this top 15. These 15 organizations provided counseling to anywhere from 37 to 83 percent of their expected clients. (Comparisons of expected versus actual counseling units for all grantee organizations can be found in appendix B, table B.2.)

Table 3.3: Top 15 Grantee Organizations by Percent of Expected Counseling Units Provided, First Reporting Quarter

	Counseling Units Provided	Total Expected Counseling Units	Percent of Expected Counseling Units Provided
NWO	20	24	83
NWO	61	80	76
NWO	133	240	55
HFA	390	713	55
NWO	42	79	53
NWO	27	52	52
NWO	24	50	48
NWO	41	87	47
NWO	226	494	46
NWO	454	1,081	42
NWO	18	43	42
Intermediary	5,217	12,660	41
NWO	184	475	39
NWO	21	56	38
NWO	41	111	37

Source: Authors' calculations from NW America Quarterly Report data.
Notes: Counseling units in this table may differ slightly from Table 3.2 because the quarterly report used the number of counseling units after some observations had been removed in the case that a client received multiple levels of counseling at the same grantee and the same branch and reported that client once in the production data at each level.

Service Mode

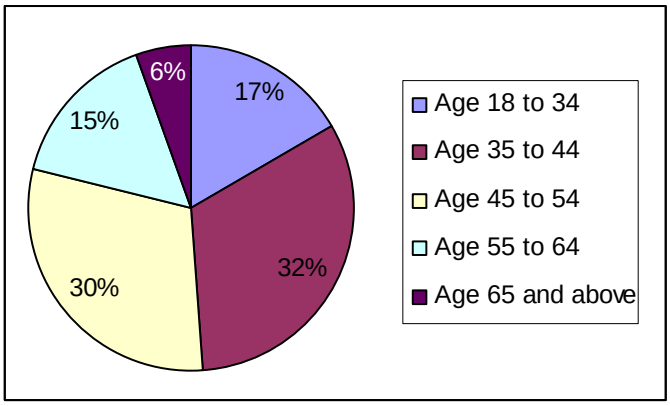
According to the quarterly reports, about 39 percent of counseling units received counseling from a grantee face-to-face, while the majority (56 percent) received counseling over the phone. Less than 5 percent of counseling units received counseling via another method.

Grantees were allowed to report eligible counseling activities conducted as early as January 1, 2008 in their first quarter production data and quarterly reports. Twenty-seven (27) percent of counseling units were delivered between January 1 and March 31, 2008. However, the majority of counseling units (73 percent) were provided between April 1 and June 30, 2008.

Client Demographic Information

More than half of all counseling units were provided to female homeowners (54 percent). As shown in figure 3.1, most counseling units represented clients who were either ages 35 to 44 (32 percent) or ages 45 to 54 (30 percent). Only 17 percent of counseling units represented clients who were under 35 years old and about 21 percent who were at 55 years or older.

Figure 3.1: Age Group of Client as a Percent of Counseling Units, First Reporting Quarter



Source: Authors' calculations from NW America production data.

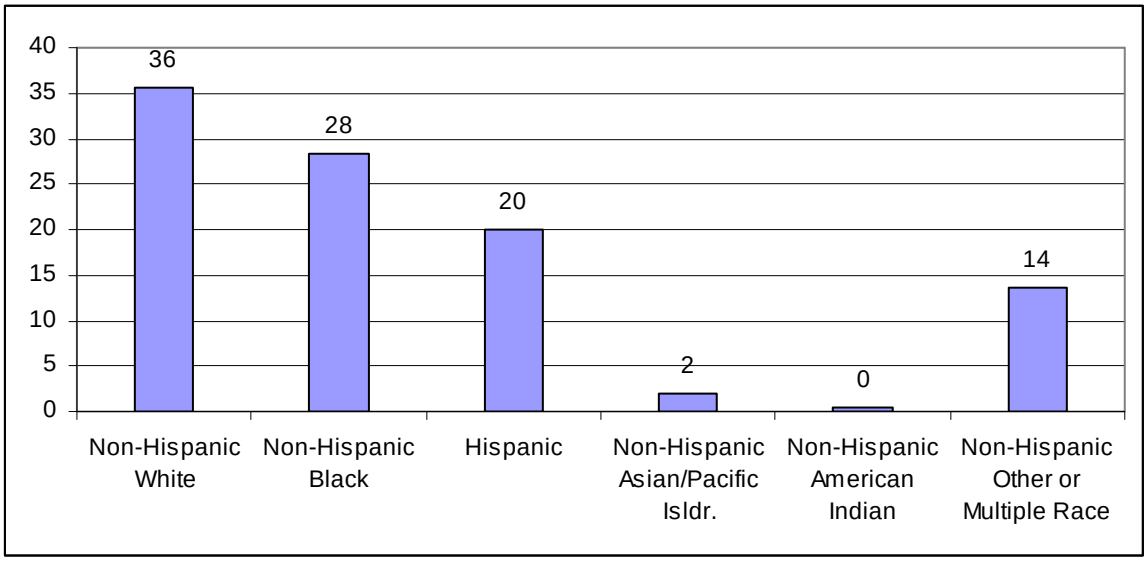
Notes: There were 52,831 reported counseling units with valid age data (age 18 and over).

As figure 3.2 shows, the NFMC program is serving a racially and ethnically diverse range of clients. About 64 percent of all counseling units represented clients who were racial or ethnic minorities. Twenty-eight (28) percent of counseling units were non-Hispanic black and 20 percent were Hispanic. Few clients were non-Hispanic Asian/Pacific Islander or non-Hispanic American Indian—2 percent or less for both groups. An additional 14 percent of counseling units were non-Hispanic and of another race or multiple races.

While we do not have data on how this distribution compares to all homeowners facing foreclosure nationally, we do have data on the racial distribution of high cost loans, which are more likely to go into foreclosure. Across the U.S., non-Hispanic white borrowers accounted for about half of high cost home purchase loans in 2006, while 26 percent of high cost home purchase loans were made to Hispanic borrowers and 18 percent to non-Hispanic black borrowers. Although higher volumes of high-cost mortgages were made to white borrowers, African-American and Hispanic borrowers were more likely to receive such loans. More than

half (54 percent) of home purchase loans made to non-Hispanic black borrowers and 47 percent of home purchase loans made to Hispanic borrowers were high cost, compared with 19 percent of loans made to non-Hispanic white borrowers.[7] Black and Hispanic homeowners tend to be lower income than white homeowners, putting them at greater risk of home loss through foreclosure.

Figure 3.2: Percent of Counseling Units by Client's Race and Ethnicity, First Reporting Quarter



Source: Authors' calculations from NW America production data.

In addition to being racially and ethnically diverse, clients using the NFMC program also represented a broad range of income levels, particularly for households with incomes under $100,000. More than one out of five counseling units had an annual household income under $20,000. Nearly another fifth of counseling units had annual incomes between $20,000 and $35,000. About 22 percent of counseling units had incomes ranging from $35,000 to $50,000 another fifth from $50,000 to $75,000, while 15 percent of counseling units had incomes between $75,000 and $100,000. Only 3 percent of households counseled by NFMC program grantees had annual incomes above $100,000.

[7] This data is collected as part of the Home Mortgage Disclosure Act. "Home purchase loans" refers to conventional, that is not insured by a government program like FHA or VA, first-lien home purchase mortgage originations for owner-occupied 1 to 4 family dwellings and manufactured homes. A high cost loan is one in which the annual percentage rate exceeds the comparable Treasury yield by 3 percentage points or more. Home Mortgage Disclosure Act and Internal Revenue Service data provided with permission by DataPlace™ (http://www.dataplace.org), a product of KnowledgePlex, Inc.

In addition to annual household income levels, the data permit comparisons to the area median income levels for the metropolitan area, which is the method used by the U.S. Department of Housing and Urban Development (HUD) to establish eligibility criteria for many affordable housing programs.[8] According to the production data that grantees submitted, 16 percent of the counseling units had income levels below 30 percent of the 2007 HUD Area Median Family Income levels (AMI), a category that would be considered extremely low income (table 3.4). An additional 15 percent of counseling units were very low income, falling between 30 and 50 percent of AMI. Roughly 24 percent were low income (50 to 80 percent AMI) and 16 percent of counseling units were middle income (80 and 120 percent of AMI). The remaining counseling units (29 percent) represented clients with household incomes above 120 percent of AMI.

Table 3.4: Counseling Units by HUD Area Median Income, First Reporting Quarter

	Counseling Units	Percent
Below 30% of AMI	10,567	16.1
30% to 50% of AMI	9,567	14.5
50% to 80% of AMI	15,950	24.2
80% to 120% of AMI	10,732	16.3
Above 120% of AMI	19,015	28.9
Total	**65,831**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: The property address for 5,803 counseling units either was not located in a metropolitan area or could not be matched to one.

Clients with a wide range of household types also sought counseling from the NFMC program. The two most prominent types were married clients with dependents, who accounted for 28 percent of counseling units, and single adults, who represented 17 percent of counseling units (table 3.5). Female-headed single parent households and married clients without dependents made up about 13 and 11 percent of counseling units, respectively.

[8] The Urban Institute recalculated the Area Median Income (AMI) that was already populated in the production data by grantee organizations. There was concern that it was not calculated consistently across grantees. In the data discussed above the calculation uses the median family income for the metropolitan area provided by HUD but does not take family size into account.

Table 3.5: Household Type, First Reporting Quarter

	Counseling Units	Percent
Married with dependents	20,101	28.1
Single adult	12,323	17.2
Female-headed single parent household	9,601	13.4
Married without dependents	8,094	11.3
Male-headed single parent household	1,981	2.8
Two or more unrelated adults	1,646	2.3
Other	17,888	25.0
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.

The NFMC program has been contacted by clients with properties in every state, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The states with the highest numbers of counseling units correspond with states reporting high levels of foreclosures Nearly 15 percent of all counseling units had property in California, followed by 7.3 percent in Florida and 7.2 percent in Ohio (table 3.6). Georgia and Michigan, states with higher foreclosure rates, are also in the top 15 states based on number of counseling units. These 15 states accounted for almost three-fourths of all counseling units provided by NFMC program grantees.

Table 3.6: Number of Counseling Units by State of Property, First Reporting Quarter

	Counseling Units	Percent
California	10,498	14.7
Florida	5,197	7.3
Ohio	5,129	7.2
Georgia	3,673	5.1
Illinois	3,311	4.6
Minnesota	3,195	4.5
Michigan	3,013	4.2
Maryland	3,002	4.2
Pennsylvania	2,908	4.1
Texas	2,779	3.9
Massachusetts	2,371	3.3
New York	2,192	3.1
Colorado	2,174	3.0
Missouri	1,948	2.7
North Carolina	1,858	2.6
Arizona	1,831	2.6

	Counseling Units	Percent
New Jersey	1,513	2.1
Virginia	1,342	1.9
South Carolina	1,230	1.7
Tennessee	1,104	1.5
Connecticut	918	1.3
Wisconsin	911	1.3
Nevada	884	1.2
Kentucky	787	1.1
Indiana	710	1.0
Rhode Island	703	1.0
Louisiana	562	0.8
Washington	497	0.7
Iowa	476	0.7
Mississippi	468	0.7
Alabama	459	0.6
Puerto Rico	433	0.6
Delaware	431	0.6
Oklahoma	302	0.4
Oregon	262	0.4
New Mexico	257	0.4
New Hampshire	249	0.4
Arkansas	246	0.3
South Dakota	224	0.3
Maine	222	0.3
Kansas	214	0.3
West Virginia	167	0.2
Nebraska	152	0.2
Utah	151	0.2
District of Columbia	137	0.2
Montana	134	0.2
Alaska	129	0.2
Idaho	94	0.1
Hawaii	41	0.1
Vermont	33	0.1
North Dakota	30	0.0
Wyoming	29	0.0
Total	**71,580**	**100.0**

Source: Authors' calculations from NW America production data.

Notes: All states, the District Columbia, Puerto Rico and the U.S. Virgin Islands are identified in the data. This table excludes 54 counseling units whose property address and ZIP code could not be geocoded.

An overwhelming majority of client's properties were located in metropolitan areas (92 percent). The top 15 metropolitan areas where client's properties were located represented over 42 percent of all counseling units provided by NFMC program grantees in the first reporting quarter (table 3.7). The Chicago metropolitan area had nearly 3,000 counseling units (4.2 percent) in the first quarterly reporting period. The Los Angeles, Atlanta, Washington D.C., and New York metropolitan areas were each represented by at least 2.5 percent of all counseling units. (For complete data on all metropolitan areas, see appendix B, table B.3.)

Table 3.7: Top 15 Metropolitan Areas by Number of Counseling Units, First Reporting Quarter

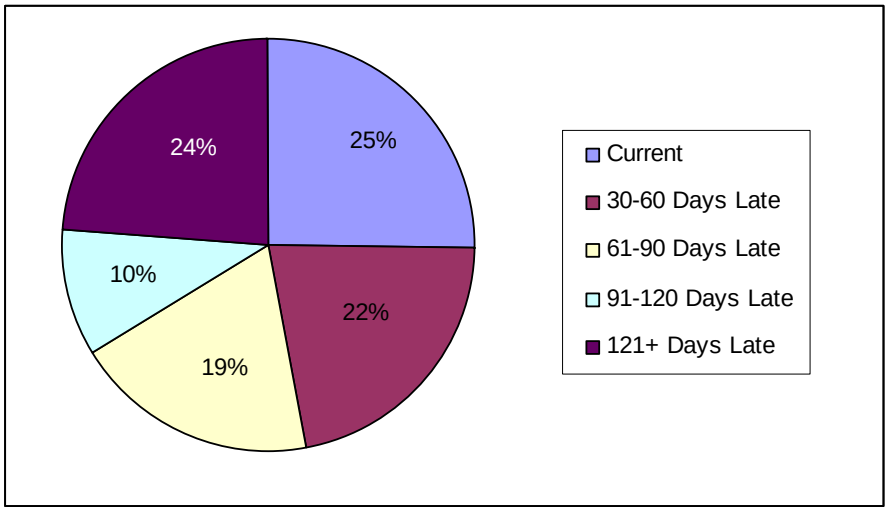
	Counseling Units	Percent
Chicago-Naperville-Joliet, IL-IN-WI MSA	2,982	4.2
Los Angeles-Long Beach-Santa Ana, CA MSA	2,819	3.9
Atlanta-Sandy Springs-Marietta, GA MSA	2,572	3.6
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	2,527	3.5
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	2,497	3.5
Minneapolis-St. Paul-Bloomington, MN-WI MSA	2,444	3.4
Miami-Fort Lauderdale-Miami Beach, FL MSA	1,882	2.6
Riverside-San Bernardino-Ontario, CA MSA	1,865	2.6
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	1,794	2.5
Denver-Aurora, CO MSA	1,659	2.3
Detroit-Warren-Livonia, MI MSA	1,651	2.3
Boston-Cambridge-Quincy, MA-NH MSA	1,571	2.2
Phoenix-Mesa-Scottsdale, AZ MSA	1,375	1.9
Cleveland-Elyria-Mentor, OH MSA	1,312	1.8
San Francisco-Oakland-Fremont, CA MSA	1,271	1.8
Remaining Metropolitan Areas	35,610	49.7
Not in a Metropolitan Area	5,749	8.0
Total	**71,580**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: This table displays only counseling units whose property address and ZIP code could be geocoded; 54 counseling units are missing from the table.

Client Mortgage Characteristics[9]

Almost one out of every four counseling units represented clients already more than 120 days late on their mortgage when they first made contact with the grantee organization (figure 3.3). On the other hand, a quarter of all counseling units were still current on their loan at first contact. About 22 percent were 30 to 60 days late, and the remaining 29 percent of counseling units were between 61 and 120 days behind on their mortgage payments.

Figure 3.3: Loan Status at First Contact, First Reporting Quarter



Source: Authors' calculations from NW America production data.

Adjustable-rate mortgages (ARMs) have an interest rate that adjusts over time, usually following a particular index, such as the London Interbank Offered Rate (LIBOR), which is the rate banks use to lend to other banks. Increases in the interest rate can lead to significant increases in the size of the loan payments for people with this type of mortgage. As a result, ARM loans have been much more likely to go into foreclosure than fixed-rate loans.

Almost half (45 percent) of counseling units were provided to clients with an ARM, with 27 percent having an ARM with an interest rate that was 8 percent or higher at intake. Forty-three (43) percent had a fixed-rate loan, with 15 percent having fixed-rate mortgages with interest rates at 8 percent or higher. An additional 12 percent of counseling units were provided to clients who stated that they had another type of loan.

[9] The "Reporting Requirements Guide" instructed NFMC grantees to provide information in the production data on the "highest impact foreclosure related problem loan" held by the counseled homeowner. The Guide did not provide a further definition or guidance as to what constituted the highest-impact loan.

Table 3.8: Type of First Loan Product at Intake, First Reporting Quarter

	Counseling Units	Percent
Fixed-rate currently under 8%	20,624	28.8
Fixed-rate currently 8% or greater	10,536	14.7
ARM currently under 8%	12,703	17.7
ARM currently at 8% or greater	19,210	26.8
Other	8,561	12.0
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.

Apart from ARMs, another type of loan product more commonly associated with homebuyers in difficulty is interest-only loans. An interest-only loan requires a borrower to make only the interest payments on the principal of the loan. Unless the borrower is able to make additional payments to bring down the principal, this type of loan will not, by itself, increase the borrower's equity in the home. As a result, borrowers with this type of financing may be at a disadvantage when trying to refinance their mortgage, as their available equity may be extremely limited, or even negative (i.e., an upside-down loan).

Of those counseling units provided to clients who had a fixed-rate mortgage with a low interest rate at intake, 2.4 percent had an interest-only loan (table 3.10). The share was slightly higher (2.5 percent) for clients with a fixed-rate mortgage with an interest rate of 8 percent or higher. A much bigger share of clients with lower-interest ARMs had interest-only loans (12.1 percent), while only 1.5 percent with a high-interest rate ARM had an interest-only loan.

About 14 percent of counseling units represented clients with high-interest rate (above 8 percent) ARMs had hybrid ARMs, which typically feature an initial period of time with a fixed interest rate. Sixteen (16) percent of ARMs with interest rates below 8 percent at intake were hybrid. Option ARMs offer borrowers different types of payment structures over the course of the loan. Eight (8) percent of counseling units represented clients with Option ARMs with rates under 8 percent and 7 percent of counseling units were provided to clients with Option ARMs with rates higher than 8 percent.

A large share of counseling units represented clients with ARMs that featured an interest rate reset, which could result in a significant increase in monthly payments for the borrower. Almost a third (31 percent) of counseling units with a ARM under 8 percent interest described their loan as having this feature, and 42 percent of units with higher interest rate ARMs had or will face an interest reset .

Table 3.9: Percent of First Loan Product at Intake by Type and Feature, First Reporting Period

		Percent of Counseling Units with Given Loan Feature by Loan Type and Interest Rate				
Loan Feature	Total Counseling Units	Fixed-rate currently under 8%	Fixed-rate currently 8% or greater	ARM currently under 8%	ARM currently at 8% or greater	Other
Interest-Only Loan	4,632	2.4	2.5	12.1	1.8	1.5
Hybrid ARM	4,845	-	-	16.2	14.4	0.1
Option ARM	2,383	-	-	8.0	6.9	0.5
ARM has Interest Reset	11,863	-	-	30.7	41.5	0.0
FHA- or VA-Insured	6,379	13.8	6.9	4.4	4.7	15.6
Privately-Held	5,940	10.6	11.8	6.1	6.2	6.5

Source: Authors' calculations from NW America production data.
Notes: The loan features in the first column are not mutually exclusive, that is, the same loan may have more than one of these features.

About 9 percent of all counseling units had a loan that was insured by either the Federal Housing Administration (FHA) or the Veterans Administration (VA). The share of FHA- or VA-insured loans was highest among clients with fixed-rate loans under 8 percent interest (14 percent of counseling units with this loan type) and those units that said they had neither a fixed- nor adjustable-rate mortgage (16 percent). Clients with high interest rate fixed rate loans or ARMs were much less likely to be FHA- or VA-insured.

Clients who contacted NFMC grantees for counseling were asked to identify their original lender and current servicer for the primary loan with a possible foreclosure problem. As table 3.10 shows, while nearly half of counseling units were provided to clients who did not or could not name their original lender, 7 percent stated that Countrywide Financial Corporation was the lender, twice as many as for any other lender. Wells Fargo, Citi, and JPMorgan Chase were each listed for about 3 percent of counseling units. The top 15 original lenders accounted for almost 30 percent of all counseling units. (For a complete list of original lenders, see appendix B, table B.4.)

The lenders in table 3.10 correspond reasonably well to the list of top mortgage lenders in the nation (Cecala 2008: 11). Countrywide was the largest mortgage lender by loan volume (dollars) in 2007, followed by Wells Fargo. The third and fourth most mentioned lenders in the NFMC production data, Citi and JPMorgan Chase, were the fourth and fifth largest lenders, respectively, in the nation in 2007. Bank of America, which was only 15th in the NFMC production data, was 6th nationally by loan volume. In contrast, Option One, which was 7th on the NFMC list, was only the 25th largest lender in 2007.

Table 3.10: Top 15 Original Lenders by Number of Counseling Units, First Reporting Quarter

	Counseling Units	Percent
Countrywide Financial Corporation	5,010	7.0
Wells Fargo	2,353	3.3
Citi	2,199	3.1
JPMorgan Chase	2,083	2.9
America's Servicing Company	1,243	1.7
Washington Mutual	1,228	1.7
Option One	1,098	1.5
First Franklin Loan Services	880	1.2
Homecomings Financial	813	1.1
Saxon Mortgage Services, Inc.	782	1.1
GMAC	748	1.0
Ocwen	734	1.0
HomEq Servicing	732	1.0
IndyMac Bank	722	1.0
Bank of America	631	0.9
Other	17,163	24.0
Unknown	*33,215*	*46.4*
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: Original Lender is based on the lender who originated the primary lien, the loan with the foreclosure problem or the loan with the highest impact if there are multiple problem loans.

Counseled clients were more likely to provide information on the current servicer for the loan, as compared with the originating lender. Only 15 percent of counseling units were missing the current servicer information (table 3.11). Countrywide Financial Corp. was the servicer named most frequently, comprising almost 10 percent of all counseling units. In fact, the top five servicers were the same as the top five lenders. The top 15 servicers accounted for over half of the counseling units in the production data. (Complete data for all current servicers identified by NFMC clients are provided in appendix B, table B.5.)

As with originating lender, the list of loan servicers most frequently identified by NFMC program clients corresponds closely with the list of top loan servicers in the U.S. (Cecala 2008: 13). Bank of America, which now has incorporated Countrywide Financial, was the largest loan servicer in the U.S. in the second quarter of 2008, with 19 percent of the mortgage servicing market. Countrywide's share of the servicing market, if treated as a separate entity, was 13 percent, which would have placed it fourth on the overall list. JPMorgan Chase (including Washington Mutual, which JPMorgan Chase acquired in September 2008), Wells Fargo (which plans to purchase Wachovia Corporation), and Citi round out the top four mortgage servicers.

Collectively, these companies accounted for over half (54 percent) of the servicing market in the second quarter of 2008.

Table 3.11: Top 15 Current Servicers by Number of Counseling Units

	Counseling Units	Percent
Countrywide Financial Corporation	6,853	9.6
Citi	4,744	6.6
Wells Fargo	3,959	5.5
JPMorgan Chase	3,269	4.6
America's Servicing Company	2,412	3.4
Washington Mutual	1,857	2.6
Wachovia	1,769	2.5
Option One	1,633	2.3
Saxon Mortgage Services, Inc.	1,526	2.1
HomEq Servicing	1,468	2.0
US Bank	1,456	2.0
HSBC	1,400	2.0
First Franklin Loan Services	1,396	1.9
Homecomings Financial	1,301	1.8
Ocwen	1,222	1.7
Other	24,503	34.2
Unknown	*10,866*	*15.2*
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: The current servicer is the servicer for the loan with the highest impact if there are multiple problem loans.

The production data also contain information on the client's total monthly payment , defined as the principal and interest of their mortgage, plus property taxes and insurance (PITI). The median monthly PITI for the first quarterly reporting period was $1,391. Almost 29 percent of counseling units were provided to clients paying more than $2,000 per month in PITI (table 3.12). Another 41 percent were paying between $1,000 and $2,000 per month, while 31 percent made monthly payments under $1,000.

Table 3.12: Total Monthly Principal, Interest, Taxes and Insurance (PITI), First Reporting Quarter

	Counseling Units	Percent
Less than $500	3,869	5.6
$500 to $1,000	17,277	25.0
$1,000 to $1,500	16,616	24.0
$1,500 to $2,000	11,486	16.6
More than $2,000	19,880	28.8
Total	**69,128**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: Missing values are due to $0 in reported PITI and the top 1% of all clients were removed to reduce extreme outlying values.

A better measure of loan affordability is PITI expressed as a percentage of monthly household income. It is typically recommended that a household spends less than 30 percent of their income on housing costs—spending above this amount is considered "unaffordable." The vast majority of NFMC counseled clients had housing costs at intake above the affordability threshold. Only 28 percent of the counseling units were provided to clients who reported that their housing costs were less than 30 percent of their income. Almost 20 percent of counseling units were paying more than 75 percent of their income in housing costs and another 20 percent were paying between 50 and 75 percent.

Table 3.13: Total Monthly PITI as a Percentage of Monthly Household Income, First Reporting Quarter

	Counseling Units	Percent
Less than 30%	18,715	27.9
30% to 40%	12,247	18.3
40% to 50%	9,861	14.7
50% to 75%	13,040	19.5
More than 75%	13,188	19.7
Total	**67,051**	**100.0**

Source: Authors' calculations from NW America production data.
Notes: Missing values are due to top-coded PITI and reported income of $0.

Given that many counseled clients faced unaffordable housing costs, it was not surprising that roughly 40 percent of counseling units were provided to clients who cited a reduction or loss of income as their primary reason for defaulting or being delinquent on their mortgage (table 3.14). Almost 10 percent stated that an increase in their loan payment was the primary reason for default, while 8 percent had medical issues and 7 percent attributed their problems to poor budget management skills. Nearly a quarter of counseling units did not fit into any of the predefined categories.

Table 3.14: Primary Reason for Default/Delinquency on Loan, First Reporting Quarter

	Counseling Units	Percent
Reduction in income	17,867	24.9
Loss of income	10,626	14.8
Increase in loan payment	6,888	9.6
Medical issues	5,742	8.0
Poor budget management skills	5,227	7.3
Increase in Expense	2,576	3.6
Divorce/Separation	2,497	3.5
Death of Family member	1,532	2.1
Business Venture Failed	1,144	1.6
Other	17,535	24.5
Total	**71,634**	**100.0**

Source: Authors' calculations from NW America production data.

When clients contacted NFMC grantees, many had low credit scores that might limit future loan modification and work-out options. Of those counseling units with credit scores reported, the median credit score ranged from 516 to 536, depending on the credit reporting agency. Scores at the 75th percentile were not much higher, ranging from 569 to 589.

Table 3.15: Mean and Distribution of Credit Scores by Source of Credit Score, First Reporting Quarter

Source of Credit Score	Counseling Units	Mean	25th Percentile	Median	75th Percentile
Equifax	7,518	521	473	519	577
Experian	6,339	546	500	536	589
TransUnion	7,737	523	484	516	569
Tri-Merge	16,167	521	490	528	587

Source: Authors' calculations from NW America production data.
Notes: Credit scores are not available for many counseling units. Some level 1 grantees were not required to pull credit scores during intake counseling.

Client Outcomes

The NW production data and quarterly reports include information on preliminary counseling outcomes for some, but not all, NFMC program counseling units. Grantee organizations included an outcome if one was available at the time that they transmitted their production data to NW America. Later, when completing their quarterly reports, grantees had the opportunity to provide aggregate outcomes for counseling units that occurred since they originally uploaded their production data.

This report will present basic information about aggregate outcomes for grantees using the quarterly report data and then will present more detailed information using outcomes and other variables obtained from the client level data for the subset of counseling units whose outcomes are reported in the production data. In many cases these outcomes may not be the final endpoint for the homeowner; they are only the preliminary outcomes that grantee organizations are able to report in a specified time period. For example, NFMC grantees may not observe foreclosures or relapses of delinquency if they occur weeks or months after counseling has concluded.

Because of the limitations in the grantee-reported outcomes, we will also conduct a more extensive analysis of client outcomes and loan performance, using third-party data sources that will allow us to observe results beyond those reported by grantees. This more thorough outcomes analysis will appear in later reports and is described in greater detail in Chapter V of this report.

Table 3.16 summarizes grantee-reported outcomes for the first reporting quarter from the combined production data and quarterly reports. Of the counseling units with known outcomes, 34 percent were currently still receiving foreclosure prevention and budget counseling at the time of reporting. Twelve (12) percent of counseling units had initiated a forbearance agreement or repayment plan and 11 percent had been counseled and referred to another social service or emergency assistance agency. Nearly 8 percent of counseling units with known outcomes had their mortgage modified and another 5 percent had brought their mortgage current. About 5 percent had a pre-foreclosure sale of their property and only around 2 percent had their mortgage foreclosed upon. The remaining 24 percent of counseling units had other outcomes, including having their mortgage refinanced or entering into a deed-in-lieu of foreclosure.

Grantees conducting level 1 counseling had the option of reporting that counseling ended after level 1 and that the final client outcome was unknown. Grantees assigned 28 percent of all counseling units provided in the first reporting quarter to this “unknown” category.

Table 3.16: Aggregate Counseling Outcomes, First Reporting Quarter

Counseling Outcome	Percent of Known Outcomes	Counseling Units with Known Outcomes
Currently receiving foreclosure prevention/budget counseling	33.9	17,006
Initiated forbearance agreement/repayment plan	12.2	6,118
Counseled and referred to another social service or emergency assistance agency	11.3	5,674
Mortgage modified	7.8	3,905
Pre-foreclosure sale	4.6	2,329
Brought mortgage current	4.6	2,280
Bankruptcy	2.2	1,116
Counseled and referred for legal assistance	2.2	1,107
Withdrew from counseling	2.2	1,100
Mortgage foreclosed	1.8	910
Entered debt management plan	1.3	666
Sold property/chose alternative housing solution	0.9	433
Mortgage refinanced	0.7	372
Executed a Deed-in-Lieu	0.2	94
Obtained partial claim loan from FHA lender	0.1	64
Received second mortgage	0.1	47
Other	13.7	6,880
Total known outcomes	**100.0**	**50,101**
Ended counseling after level 1; outcome unknown (percent of all clients and number of clients)	27.9	19,417

Source: Authors' calculations from NW America Quarterly Report data.

To provide a higher level summary of program results, we have consolidated and categorized possible outcomes into three groups (table 3.17): *positive* – an outcome that allows a client to either remain in their home or possibly retain some of the equity they had in their property; *negative* – a situation where a client will likely have to leave their home as in the case of a foreclosure or bankruptcy, or if a client withdrew from counseling; and *intermediate* – the client is either still in counseling, has been referred to another group or agency, entered a debt management plan or had some other outcome.

Table 3.17: Outcomes by Category

Positive	Negative	Intermediate
• Mortgage modified/ refinanced, second mortgage, partial FHA claim loan	• Bankruptcy	• Counseled and referred for legal assistance/ social service/ emergency assistance agency
• Pre-foreclosure sale or sold property/alt. housing solution	• Mortgage foreclosed/ executed a Deed-in-Lieu	• Currently receiving foreclosure prevention/ budget counseling
• Brought mortgage current	• Withdrew from counseling	• Entered debt management plan
• Initiated forbearance agreement/ repayment plan		• Other

Source: Authors' categorization of NW America grantee-reported outcomes.

As table 3.18 shows, of grantees with more than 1,000 counseling units with known outcomes, [redacted] *(two intermediaries)*, had the highest percentage of counseling units with known outcomes that were positive, 63 percent and 44 percent, respectively (table 3.18). [redacted] *(intermediary)* and [redacted] *(HFA)* had the highest percent of intermediate outcomes with 87 and 84 percent of counseling units, respectively. [redacted] *(intermediary)* (16 percent) and [redacted] *(HFA)* (15 percent) had the highest levels of negative outcomes. (A complete list grantees with outcomes by category is provided in appendix B, table B.6.)

Table 3.18: Top 15 Grantee Organizations by Counseling Outcome, First Reporting Quarter

Grantee Organization	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Intermediary	44	0	56	13,178
Intermediary	28	16	56	5,002
Intermediary	23	0	77	4,680
Intermediary	7	7	87	4,520
Intermediary	63	7	30	2,135
HFA	12	4	84	1,770
Intermediary	17	9	75	1,351
Intermediary	38	7	55	1,161
HFA	39	15	47	1,096
HFA	28	7	65	1,082
Intermediary	28	10	63	998
HFA	90	7	4	706
HFA	16	19	65	605
NWO	17	8	75	588
HFA	19	46	35	556
Remaining Grantee Organizations	31	12	60	10,673
Total	**31**	**6**	**63**	**50,101**

Source: Authors' calculations from NW America Quarterly Report data.

Because the quarterly report data do not permit the disaggregation of counseling units by counseling level and other characteristics, the remaining tables in this section rely on only the smaller number of outcomes reported in the client-level production data. Table 3.19 summarizes the numbers of counseling units by reported outcome and counseling level, with outcomes grouped into the positive, negative, and intermediate categories.

The majority of known counseling outcomes can be described as intermediate, no matter the counseling level. This is not surprising, given the preliminary nature of the grantee-reported outcomes. This is particularly true for the level 1 counseling outcomes, since level 1 clients may go on to further counseling. Within level 1, the most common outcomes were being counseled and referred to another group for assistance (25 percent) and initiating a forbearance agreement/repayment plan (21 percent). Only 1 percent of level 1 counseling units were reported by the grantee to have been foreclosed upon.

Table 3.19: Client Outcomes (Production Data Only) by Level of Counseling, First Reporting Quarter

	Level 1	Level 2	Level 3
Counseling units with known outcomes	**19,065**	**4,101**	**9,404**
Percentage of counseling units by outcome			
Positive	***36.8***	***34.1***	***38.9***
Pre-foreclosure sale or sold property/alt. housing solution	9.7	3.6	5.9
Mortgage modified/refinanced, second mortgage, partial FHA claim loan	1.3	13.9	16.7
Brought mortgage current	4.9	5.2	6.1
Initiated forbearance agreement/repayment plan	20.9	11.5	]10.2
Negative	***6.5***	***9.7***	***10.7***
Bankruptcy	3.4	2.1	2.5
Mortgage foreclosed/executed a Deed-in-Lieu	1.2	3.2	4.8
Withdrew from counseling	2.0	4.4	3.4
Intermediate	***56.7***	***56.2***	***50.4***
Counseled and referred for legal assistance/social service/emergency assistance agency	24.8	9.7	12.4
Entered debt management plan	2.7	0.5	0.7
Currently receiving foreclosure prevention/budget counseling	9.9	41.7	32.1
Other	19.3	4.4	5.2
Total (Percent)	**100.0**	**100.0**	**100.0**

Source: Authors' calculations from NW America production data.

Counseling units for level 2 and 3 counseling, which involves the grantee working with the homeowner on concrete steps to implement the client's action plan, were slightly likelier to have more definitive (positive or negative) outcomes than homeowners who received only level 1 counseling. Level 2 counseling units were most likely to be currently receiving counseling (42 percent) or have modified/refinanced their mortgage (14 percent). These outcomes were also most common for level 3 counseling units with 32 and 17 percent, respectively. About 11 percent of level 3 counseling units with known outcomes had negative outcomes, including 5 percent who had either their mortgage foreclosed upon or who had a deed-in-lieu of foreclosure executed. Roughly 10 percent of level 2 counseling units had a negative outcome with 3 percent in foreclosure.

The higher incidence of negative outcomes for level 2 and 3 counseling does not, however, indicate a failure of the counseling itself. It is entirely reasonable that homeowners in greater difficulty might be more likely to seek out foreclosure mitigation counseling and might also be more likely to pursue higher level counseling. When taken in isolation, this would tend

to skew the outcomes for counseled homeowners. The issue of the effectiveness of counseling will, therefore, be considered more comprehensively in later stages of this evaluation, through the outcomes modeling (described in Chapter V) and the qualitative data analysis.

For level 1 counseling units, table 3.20 shows outcomes by loan status at first intake. The most common outcomes for counseling units with loans that were 91 to 120 days or 121 days or more past due were continued counseling, referrals to other groups, and initiation of forbearance agreements. Higher percentages of counseling units had negative outcomes if they were at least 91 days past due on their mortgage than if they were current or 90 days or less late on their mortgage. Only 1.5 percent of those units more than 120 days late on their mortgage were able to modify their mortgage in some way, and 2.6 percent had their mortgage foreclosed upon. For level 1 counseling units that were 91 to 120 days late, almost 3 percent were able to modify their mortgage, and 1.4 percent had their mortgage foreclosed upon. Counseling units who were current on their mortgage had a higher percentage of outcomes (63 percent) that were intermediate than those with another loan status. Again, these outcomes are not the end-point for most homeowners. It is quite possible that some counseling units with positive outcomes now may default and have their mortgage foreclosed on at a later date. Both clients and servicers are also likely to have different incentives for moving the counseling process along depending on their loan status.

Table 3.20: Counseling Outcomes for Level 1 Units by Loan Status, First Reporting Quarter

Counseling Outcome	Percentage of Counseling Units by Loan Status at First Contact					Counseling Units with Known Outcomes
	Current	30-60 Days Late	61-90 Days Late	91-120 Days Late	121+ Days Late	
Positive	***33.1***	***38.8***	***38.9***	***34.2***	***39.2***	***7,015***
Pre-foreclosure sale or sold property/alt. housing solution	10.9	9.1	9.1	8.7	9.4	1,847
Mortgage modified/refinanced, second mortgage, partial FHA claim loan	0.9	1.6	1.0	2.6	1.5	252
Brought mortgage current	5.6	7.2	3.2	3.0	3.7	925
Initiated forbearance agreement/repayment plan	15.6	21.0	25.5	19.8	24.6	3,991
Negative	***4.4***	***6.4***	***5.9***	***9.7***	***9.1***	***1,246***
Bankruptcy	2.8	3.3	2.9	4.7	4.2	641
Mortgage Foreclose/Executed a Deed-in-Lieu	0.3	0.9	1.0	1.4	2.6	222
Withdrew from counseling	1.3	2.2	2.0	3.6	2.3	383
Intermediate	***62.5***	***54.8***	***55.3***	***56.2***	***51.7***	***10,804***
Counseled and referred for legal assistance/social service/emergency assistance agency	25.7	22.9	26.4	20.8	24.9	4,718
Entered debt management plan	5.8	2.2	0.7	2.1	0.6	507
Currently receiving foreclosure prevention/budget counseling	7.8	9.4	10.2	17.3	10.8	1,896
Other	23.2	20.2	18.0	16.0	15.4	3,683
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**19,065**

Source: Authors' calculations from NW America production data.

Out of the top 15 states with the most level 1 counseling units with a known outcome (table 3.21), Minnesota had the highest percentage of positive outcomes (63 percent), followed by Massachusetts, New York and Arizona (between 40 and 41 percent). Georgia had the lowest percentage of positive outcomes out of these states, at 10 percent. Thirty-nine percent of counseling units in Georgia had negative outcomes, the highest of these 15 states by more than 29 percentage points. Illinois had the lowest percentage of negative outcomes (1 percent). These states represented almost 75 percent of all level 1 counseling units with known outcomes. (The complete list of states for this data can be found in appendix B, table B.7.)

Table 3.21: Top Fifteen States by Number of Level 1 Counseling Units with Reported Outcomes, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
California	37.6	3.5	58.9	3,284
Florida	39.3	3.1	57.6	1,663
Ohio	32.4	5.4	62.2	1,574
Maryland	36.7	10.4	52.8	969
Texas	34.7	11.8	53.5	833
Illinois	39.3	1.1	59.6	723
Georgia	9.9	38.7	51.4	656
Pennsylvania	29.8	3.9	66.4	598
New Jersey	31.4	1.4	67.2	577
New York	40.2	1.6	58.2	555
Michigan	37.4	4.0	58.6	546
Minnesota	62.8	12.5	24.7	538
Massachusetts	41.4	1.5	57.1	529
Arizona	40.0	5.5	54.5	488
Missouri	36.1	6.6	57.3	482
Remaining States	37.9	6.6	55.5	5,024
Total	**36.8**	**6.5**	**56.7**	**19,039**

Source: Authors' calculations from NW America Quarterly Report data.
Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

The 15 metropolitan areas with the largest number of level 1 counseling units with known outcomes represented only 36 percent of all level 1 outcomes (table 3.22). The Minneapolis-St. Paul metropolitan area had the highest percentage of positive outcomes (54 percent) among level one counseling units for the top 15 metropolitan areas. The Cleveland metropolitan area had the lowest percentage counseling units with positive outcomes at 25 percent. The Baltimore metropolitan area had the highest percentage of counseling units with negative outcomes (14 percent). (Outcomes by category for all metropolitan areas are listed in appendix B, table B.8.)

At this point in the evaluation, we are not certain what accounts for the differences in positive and negative outcomes across states and metropolitan areas. We hope to explain some of these differences in later reports through the outcomes modeling, described in Chapter V, which will allow us to control for factors like the local housing market, economy, and regulatory environment. For example, Cleveland experienced little gain in housing prices since 2000and now has falling housing prices. Therefore, homeowners in Cleveland might be expected to have greater difficulty refinancing or selling their homes. The overall economic

downturn will also make it harder for homeowners in certain markets to find new jobs, if they are laid off, or to afford a restructured mortgage. Differences in the level of positive and negative outcomes may also be due to variations in the foreclosure process and other regulations across states or to differences in outcome reporting by grantees.

Table 3.22: Top Fifteen Metropolitan Areas by Number of Level 1 Counseling Units with Reported Outcomes, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	33.3	1.5	65.2	778
Los Angeles-Long Beach-Santa Ana, CA MSA	38.3	0.9	60.8	669
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	43.5	6.1	50.5	642
Riverside-San Bernardino-Ontario, CA MSA	38.7	1.9	59.4	631
Chicago-Naperville-Joliet, IL-IN-WI MSA	39.0	0.5	60.5	592
Miami-Fort Lauderdale-Miami Beach, FL MSA	37.6	4.0	58.4	582
Baltimore-Towson, MD MSA	32.2	14.0	53.8	515
Boston-Cambridge-Quincy, MA-NH MSA	40.0	1.6	58.5	373
Phoenix-Mesa-Scottsdale, AZ MSA	39.4	4.8	55.8	355
St. Louis, MO-IL MSA	36.8	3.2	60.0	340
Cleveland-Elyria-Mentor, OH MSA	25.1	2.6	72.3	303
San Francisco-Oakland-Fremont, CA MSA	42.9	1.4	55.7	289
Minneapolis-St. Paul-Bloomington, MN-WI MSA	53.9	10.2	35.9	284
Detroit-Warren-Livonia, MI MSA	36.4	4.4	59.3	275
Dallas-Fort Worth-Arlington, TX MSA	28.7	3.7	67.7	272
Remaining Metro Areas	36.3	7.1	56.6	9,907
Not in a Metropolitan Area	36.2	12.2	51.6	2,232
Total	**36.8**	**6.5**	**56.7**	**19,039**

Source: Authors' calculations from NW America Quarterly Report data.
Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

As was reported above for level 1 counseling units, level 2 and 3 counseling units provided to clients who were at least 91 days late on their mortgage had higher shares of negative outcomes than those with another loan status (table 3.23). Not surprisingly, clients that were more overdue on their mortgage payments were more likely to have negative outcomes and were more likely to end up in foreclosure. Eleven (11) percent of counseling units 91 to 120 days late had negative outcomes, including 5 percent resulting in foreclosure, while 15 percent of counseling units for clients more than 120 days past due on their mortgage had negative outcomes, including 8 percent resulting in foreclosure. Only 2 percent of level 2 and 3 counseling units who were current on their mortgage at intake ended up in foreclosure,

however. Counseling units for clients who were more past due on their mortgage also were more likely to end up in bankruptcy.

Level 2 and level 3 counseling units for clients who were 30 to 60 days late on their mortgage at intake had the highest percentage of positive outcomes, 46 percent. Twenty-two (22) percent of this group was able to get their mortgage modified or refinanced, to obtain a second mortgage, or to obtain a partial FHA claim loan, as compared with only 12 percent of those more than 120 days late. Clients who were more past due on their mortgage also were more likely to end up in a pre-foreclosure sale.

Table 3.23: Outcomes for Level 2 and 3 Counseling Units by Loan Status, First Reporting Quarter

	Percentage of Counseling Units by Loan Status at First Contact					Counseling Units with Known Outcomes
	Current	30-60 Days Late	61-90 Days Late	91-120 Days Late	121+ Days Late	
Positive	***35.8***	***45.6***	***40.3***	***35.3***	***31.2***	***5,055***
Pre-foreclosure sale or sold property/alt. housing solution	3.8	4.4	4.6	5.6	6.7	697
Mortgage modified/refinanced, second mortgage, partial FHA claim loan	21.8	17.9	16.9	13.0	11.7	2,136
Brought mortgage current	4.9	10.7	5.6	5.0	3.4	789
Initiated forbearance agreement/repayment plan	5.3	12.7	13.2	11.7	9.4	1,433
Negative	***7.9***	***8.4***	***7.4***	***11.4***	***15.1***	***1,404***
Bankruptcy	1.3	1.4	2.4	2.8	3.6	322
Mortgage foreclose/executed a Deed-in-Lieu	1.5	3.0	2.3	4.8	8.1	580
Withdrew from counseling	5.1	4.0	2.7	3.9	3.4	502
Intermediate	***56.3***	***46.0***	***52.3***	***53.2***	***53.7***	***7,046***
Counseled and referred for legal assistance/social service/emergency assistance agency	4.0	7.5	16.7	17.1	11.5	1,564
Entered debt management plan	1.4	0.8	0.7	0.4	0.2	84
Currently receiving foreclosure prevention/budget counseling	45.6	33.8	29.3	30.3	37.2	4,725
Other	5.3	4.0	5.6	5.5	4.7	673
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**13,505**

Source: Authors' calculations from NW America Quarterly Report data.

Out of the top 15 states by level 2 and 3 counseling units with reported outcomes (table 3.24), Illinois had the highest percentage of positive outcomes (78 percent), followed by Minnesota (60 percent) and Maryland (55 percent). Minnesota also had the highest percentage of negative outcomes (30 percent), followed by California (18 percent) and Colorado (14

percent). Rhode Island had the lowest percentage of counseling units with positive outcomes (6 percent) and the lowest percentage of negative outcomes (1 percent). Almost 80 percent level 2 and 3 counseling units with known outcomes were represented by these 15 states. (Data on all states can be found in appendix B, table B.9.)

Again, many factors might explain the state-level patterns of reported level 2 and 3 counseling outcomes, and at this stage of the evaluation we are not able to draw firm conclusions as to which explanations are the most important. It is possible that the higher proportion of negative outcomes in California, for example, can be explained by the large run-up in housing prices experienced there earlier in the decade and the subsequent substantial decline in the last two years. This situation may have led to homeowners who bought when prices were high and then became upside-down in their mortgages, that is they owed more money than their house was worth, when prices dropped, making it more difficult for them to obtain a workout or a refinanced loan to avoid foreclosure.

Table 3.24: Top Fifteen States by Number of Level 2 and 3 Counseling Units with Reported Outcomes, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Pennsylvania	12.6	3.3	84.1	1,592
California	27.2	18.0	54.8	1,355
Ohio	34.6	7.5	57.9	1,278
Illinois	78.2	5.7	16.1	863
Missouri	38.4	9.0	52.6	777
Colorado	51.3	14.2	34.5	762
Florida	27.5	7.7	64.9	575
Michigan	44.7	11.6	43.7	526
Maryland	54.6	13.4	32.1	524
Georgia	52.5	13.1	34.4	512
Rhode Island	5.9	1.1	93.1	478
Texas	24.8	9.4	65.8	427
New York	42.7	6.4	50.9	375
Minnesota	59.7	29.7	10.5	370
Arizona	18.5	12.3	69.2	357
Remaining States	42.2	11.6	46.1	2,726
Total	**37.4**	**10.4**	**52.2**	**13,497**

Source: Authors' calculations from NW America Quarterly Report data.
Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

The Chicago metropolitan area had the highest percentage of positive outcomes for level 2 and 3 counseling units (81 percent), more than 25 percentage points higher than another metropolitan area in the top 15 by number of counseling units with a known outcome. The Minneapolis-St. Paul (34 percent) and the Riverside-San Bernardino (24 percent) had the highest percentages of negative outcomes out of these areas. Fifty-two (52) percent of counseling units with level 2 or level 3 counseling and reported outcomes are represented by these metropolitan areas. (Data on outcomes for all metropolitan areas are provided in appendix B, table B.10.)

Table 3.25: Top Fifteen Metropolitan Areas by Number of Level 2 and 3 Counseling Units with Reported Outcomes, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	18.1	5.3	76.6	945
Chicago-Naperville-Joliet, IL-IN-WI MSA	80.6	5.4	14.1	802
Denver-Aurora, CO MSA	52.7	14.0	33.2	620
Providence-New Bedford-Fall River, RI-MA MSA	6.3	1.7	92.0	526
St. Louis, MO-IL MSA	26.4	6.1	67.6	512
Cleveland-Elyria-Mentor, OH MSA	33.6	9.5	56.9	503
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	31.4	3.8	64.8	423
Atlanta-Sandy Springs-Marietta, GA MSA	47.5	12.5	40.0	383
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	54.7	12.9	32.4	340
Pittsburgh, PA MSA	17.5	2.8	79.8	321
Phoenix-Mesa-Scottsdale, AZ MSA	15.9	10.7	73.5	290
Detroit-Warren-Livonia, MI MSA	51.8	10.2	38.0	284
Minneapolis-St. Paul-Bloomington, MN-WI MSA	54.3	34.0	11.7	282
Riverside-San Bernardino-Ontario, CA MSA	23.2	24.4	52.4	250
Cincinnati-Middletown, OH-KY-IN MSA	16.9	7.3	75.8	248
Remaining Metropolitan Areas	37.3	11.6	51.1	6,040
Not in a Metropolitan Area	43.4	11.4	45.2	329
Total	**37.4**	**10.4**	**52.2**	**13,497**

Source: Authors' calculations from NW America Quarterly Report data.
Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

IV. EARLY RECONNAISSANCE INTERVIEWS

An early evaluation task has been to interview a variety of expert observers and stakeholders about the issues involved in mortgage foreclosure mitigation counseling. The primary goal is to identify important factors affecting outcomes, which should then receive careful attention as we design and carry out the evaluation. We also want to provide to program administrators and policy makers part of an early picture of the challenges facing the foreclosure mitigation effort and the possible means to confront them successfully.

The interviews were deliberately not directed specifically to the NFMC program itself but instead intended to draw on the longer and broader experience of the interviewees in this field. The respondents were selected in nine categories, as follows.

- Lenders and lender associations
- Regulators
- National NFMCP grantees with local affiliates and subgrantee affiliates
- State housing finance agency grantees
- Academics/other researchers
- Consumer groups
- NeighborWorks® America staff
- Other counseling networks, agencies, and institutions which are not NFMCP grantees
- Other knowledgeable observers and stakeholders (neighborhood revitalization entities, consultants, secondary mortgage market actors, funding sources)

The final interview list included 28 individuals, 18 of whom had been interviewed by August 31st, the cut-off date used in order to complete this interim report. We will continue to seek interviews with the rest, many of which are already scheduled, for inclusion in a subsequent report.

We asked each expert ten questions, which are grouped and repeated, along with a summary of their answers, in the text below.

Sources of Foreclosure

Question: What are the primary sources of the foreclosures which borrowers coming into counseling are facing?

What do borrowers describe as the principal circumstances that have brought them to a threat of mortgage foreclosure and to seek counseling? Each interviewee provided multiple responses to this question. The three most strongly and frequently underlined answers were:

- Mortgages whose payments homeowners were unable to afford even at the time of initial borrowing and on the initial terms, often poorly underwritten by lenders and poorly understood by borrowers.
- Borrower losses of jobs and/or income, making loans whose payments could originally be met no longer manageable.
- Resets of adjustable rate mortgages (ARMs) at higher interest rates, with higher mortgage payments which were beyond borrowers' reach.

These circumstances appeared far more often for borrowers with subprime, rather than prime, mortgages. The delinquent mortgages were both for purchase and refinance.

As one respondent specifically noted, the current rate of defaults and delinquencies is far higher than experienced in periods of similar levels of unemployment and economic slowdown. Clearly other factors besides the primary traditional source of defaults, job/income loss, are operating. Loans households could never afford, and the resetting ARMs, clearly are each on their own important additions to the range of problems. But respondents also identified a strong joint effect of the three key sources of difficulty. Many borrowers took on debt that required payments very near to the maximum they could afford. As a result, relatively small changes in income (downward) or medical or other costs (upward) left homeowners unable to meet their payments. Even moderate levels of interest reset on ARMs had the same effect. Plus, lenders made loans to people with spottier earnings history, which may have led to a higher than usual frequency of income reductions.

Whether generated by lenders' lax underwriting and eagerness to extend loans and/or homeowner interest in or need to borrow—both buoyed by seemingly endlessly rising prices—these situations represented fragile and often not sustainable conditions. High initial loan-to-value ratios meant that declining house prices quickly made refinancing or sale unavailable as options. Some amount of misinformation, lack of disclosure, misunderstanding, fraud, and predatory lending appeared to further heighten the number of problem situations.

Our interview respondents also noted that especially recently defaults on low-documentation and no-documentation loans had become a larger part of the problem, with an increasing number of people committing to loan payments of very high percentages of their

actual incomes. Part of this effect arose from the very risky Option ARMs, which allowed borrowers small early-year payments of their choice but were now requiring full amortization.

The views of our respondents are largely consistent with the findings of the first quarter of NFMC program data. NFMC grantees reported the primary reason for each client's default. The most common was loss of job or reduction of income, totaling nearly 40 percent between the two. Unfortunately, not being able to afford mortgage payments from the start was not among the categories offered on the NFMC reporting form. But it can be presumed to play a heavy role in the second most common reported category, "other," at 25 percent, given the inclusiveness of the 9 categories that were enumerated. And ARM resets and other increases in mortgage costs were third in the initial NFMC data.

Counseling Process

Question: What is the typical process service providers use when conducting foreclosure prevention counseling?

Respondents were consistent in their descriptions of important steps in foreclosure prevention and mitigation counseling. They recognized that some borrowers received services by phone, others at least in part in groups, others individually face-to-face, and many in various combinations of the three; and that some borrowers worked with counselors through all steps while others received less extensive aid and then proceeded on their own. The key steps for those borrowers who worked with counselors all the way to outcomes included the following.

- Outreach to borrowers, at least many of whom are either unaware of where to find counseling or reluctant to seek it out. Alternatively, borrowers are referred to or are able to contact counseling organizations, based on advice from servicers, through hotlines, and by similar means.
- Phone contact between borrower and counselor, yielding limited intake information sufficient to make sure it is worthwhile for borrower to come in or to proceed further by phone.
- Attempting throughout to de-escalate the stress and upset level for the borrower and start building a relationship based on counselor as trusted and informed third party.
- Obtaining initial intake information about the borrower, loan and its status, and financial circumstances, by phone or in person.
- Obtaining borrower authorization to request information from and share information with the servicer.

- In some cases, having a household participate in group education sessions: outlining some of the key issues and options facing a delinquent borrower; in some cases budgeting education and counseling; and/or helping borrowers understand the content of their mortgage document.
- Obtaining detailed information from the borrower about income, expenses, assets, and delinquent payments.
- Developing a budget, identifying the housing payment a borrower can afford to make in short term, based on an emergency budget plan, and an affordable longer term payment.
- Verifying income and debt.
- Determining whether the borrower can feasibly keep the house, based on sufficiency of long-run income to meet monthly payments and pay other bills, and ability to address current delinquency with emergency short-term budget savings and other resources.
- Developing an option or set of options for a proposal to the servicer, based on the specific borrower's situation—for a repayment schedule or loan modification that enables the borrower to stay in the home or mechanism for other disposition of the property if that is not possible.
- Assisting in contact with the servicer (if possible), exchange of information, and communication of the borrowers' needs and documented financial condition and workout proposal.
- Working with the servicer and borrower to reach a workout solution.
- In cases of apparent fraud, referring borrowers to appropriate legal assistance.

Foreclosure Counseling Success

Question: How should a successful foreclosure prevention counseling outcome be defined? How well is mortgage foreclosure prevention and mitigation counseling achieving these outcomes thus far? What proportion of counseled clients lose their home to foreclosure? How is this proportion different for people who do not receive foreclosure prevention counseling?

For our respondents, enabling borrowers to stay in their homes whenever feasible, avoiding foreclosure in both the short term and on a long-term sustainable basis, is the primary definition of counseling success. This outcome includes obtaining a loan payment level and schedule that is affordable to the household over the long term, avoiding default "recidivism."

Helping borrowers to minimize the burden of an alternative disposition for their homes when staying in them is not financially feasible, improving their results over their likely outcomes in the absence of counseling, is considered a secondary success by many. Such latter outcomes may involve helping homeowners to avoid large debts in addition to losing their homes, to avoid tax liabilities, or to reduce impact on credit scores and future ability to obtain financing.[10]

A small number of respondents mentioned other specific elements of success. One emphasized the borrowers having become clearly aware of options available to them, reviewed circumstances, and made a choice to stay over the long run or exit gracefully. Another mentioned borrowers avoiding waiving rights to remedy servicer or lender misbehavior, such as predatory lending tactics. Another highlighted the value of borrowers adjusting budgets in order to meet obligations originally incurred. And one respondent mentioned speed of disposition as a money saver at least to investors and savers.

Estimates of frequency of success of counseling efforts varied sharply with the definition of success being considered and with other important external circumstances. Respondents believe counseling is making a very sharp difference in borrowers avoiding foreclosure, but not in terms of being able to stay in their houses. Counseling is creating expanded opportunity for results including short sales, transfer of deeds in lieu of payment, and sales of the properties. Respondents indicated that in a large majority of cases in which counselors intervened (especially if they were able to stick with cases through to resolution), foreclosures were avoided. However, the solutions reached often did not allow them to stay in their homes.

Most respondents who offered an estimate or guess thought that success in terms of defaulting borrowers staying in their homes with payments they could afford over the long run was relatively infrequent. Many of them indicated that loan workouts to which servicers would agree were frequently repayment schedules for delinquent payments, sometimes with short-term interest adjustments, and did not involve long-term lowering of interest rates or reducing loan principal, which they felt were needed to allow borrowers to afford their mortgage payments over the long term. Respondents thought people did better with counseling than without in obtaining sustainably affordable workouts, but the rate of success of this kind remained low—protecting homes for perhaps half or less of those counseled initially and only a quarter or less—by one estimate in only 10 percent of cases-- over the longer term. The principal proponent, among our interviewees, of the view that servicers are negotiating useful stay-in-home workouts for large percentages of borrowers indicated that those large proportions were among people capable of meeting payments on roughly the original terms of their mortgages. Many of our respondents, however, believe that a large share of borrowers are not in such a position.

[10] It should be noted that this second outcome may be inconsistent with the legislative intent of the NFMC program, which emphasizes, “preserving homeownership and the long-term affordability of at-risk mortgages.”

The interviewees' overall perception of limited success in sustaining ownership is consistent with recent analysis of workout specifics, showing principal reductions to be uncommon and many repayment plans to leave monthly payments as high as or higher than before delinquency (White forthcoming). That is the kind of workout our respondents see as occurring frequently even for borrowers with at least some counseling assistance, and they are not optimistic about its long-term success in keeping owners in their homes.

The broad availability of direct financial assistance to people to meet delinquent payments and/or to help them pay continuing mortgage costs or reduce those continuing payments was, not surprisingly, seen by respondents to make an important difference in ability of borrowers to stay in their homes—perhaps doubling that likelihood. Two respondents involved with foreclosures in Pennsylvania highlighted the example of short and longer term assistance for residents being available from the State of Pennsylvania, where the rate of residents able to stay in their homes after facing default was much higher than in most other locations. How permanent that success may be in the current environment is yet to be finally determined.

Finally, respondents were careful to note that many defaults had yet to move to resolution in one way or another, as processes continued both with and without counseling, so that the full story was not yet in hand.

Variation in Counseling Outcomes

> *Question: How do counseling outcomes vary among housing (sub) markets, with borrower circumstances and characteristics, and with loan characteristics and status?*

Interviewees do not in general think that the state of housing markets and submarkets in different regions, metropolitan areas, or neighborhoods is particularly significant in determining outcomes for delinquent borrowers, with and without counseling. They acknowledge some effect of very deep loss of value in a limited set of submarkets on people's willingness to work through their default problems, and some reduced ability to find workout solutions in areas of very depressed prices and low equity. One saw conflicting forces on lenders in areas of many starter homes and lots of subprime mortgages. These factors could discourage workouts because lenders/servicers feared further declines in values over time would reduce the value of their collateral should a later re-default occur, or encourage them because of fear that a foreclosed property would yield little value to the foreclosing lender at re-sale. No one highlighted the potential importance of low and falling prices yielding mortgage principal in excess of home value, despite the obvious effect on ability to sell or refinance to avoid foreclosure (though only in the latter case to remain in the home). Perhaps values are so ubiquitously low compared to mortgage principal that most submarkets are not differentiated by that feature. Respondents

who mentioned possible impacts of deteriorating submarkets and prices on borrowers' willingness to make payments did not think that effect was strong.

More respondents highlighted the importance of differences across geography of kinds other than strength of the housing market. These included differing regulatory provisions among states, differing state and local policy and program responses to the foreclosure problems, and differing concentrations of loan types and underwriting practices that cause the most trouble. Examples include the concentration of marketing Option ARM and other subprime and exotic mortgages in locations with big price increases, high existing equity, and other conditions, or states' with laws which allow mortgage debt collection beyond foreclosure itself causing borrowers to redouble their effort to avoid foreclosure outcomes.

Respondents think that borrower financial situation is plainly a major factor in likelihood of successful outcomes. Traditional foreclosure factors in the form of worsened economic circumstances--including job and income loss, medical costs, and divorce-- if expected to be more than short term, sharply restrict options available options for curing defaults, unless outside financial assistance is available or lenders/servicers are willing to make modifications to principal and interest rates. Another factor is that, whatever the source of default, borrowers are likely to have exhausted other means of borrowing to pay bills before they stop meeting home loan payments. That can mean ruined credit and other pressure on available funds, further limiting workout options. And lenders are looking to income and cash flow in considering whether a change in loan on their part will produce a successful repayment. Obviously loans with payments that were never affordable to the borrower combine some of the worst features also occasioned by deteriorating economic circumstances.

Loan characteristics and status are also underlined as important by a number of respondents. Several specifically mentioned Option ARMs as causing problems, along with other relatively exotic loans. Option ARMs allow a choice of payments in the first several years, including paying less than accruing interest so that loan principal rises. Observers think a good many of these loans, especially low- or no-documentation loans, went to borrowers who cannot afford the later amortizing payments (whether based on original principal or newly expanded amounts). These loans have been coming to the point at which they require amortization more recently than the resets of other ARMs and are currently causing new waves of difficulty in some locations.

More widely, loans with longer periods of delinquency are more likely to proceed to foreclosure for a variety of reasons. Higher levels of cash needed for late fees and delinquent payments (if not folded into an extended loan) are one reason. And servicers often continue foreclosure processes even while attempting workouts, and in some cases foreclosure simply precedes the ability for counselors and borrowers find ways to salvage homeownership. Timing is also a factor in that some servicers decline to seek workouts in cases in which ARM interest

rates have already reset, while others insist on waiting until a minimum period of delinquency has passed, even when borrowers want to address resets pro-actively.

Also more widely, according to our respondents, high current loan-to-value (LTV) ratios, resulting from a combination of high initial rates and from tumbling prices, restrict options for successful workouts. Folding repayments into existing mortgages are among the possibilities which high LTVs can inhibit, and high LTVs make lenders and servicers doubt the security of loans on which they are asked to provide some forbearance.

Obstacles to Foreclosure Prevention and Mitigation

> *Question: What are the most significant obstacles foreclosure prevention and mitigation counselors face when they try to obtain successful outcomes for clients?*

Respondents indicated that obstacles to successful foreclosure prevention fell into three categories:

- *Communication problems.* Difficulties in the process of contact and transmission of information among servicers, borrowers, and counselors.
- *Capacity issues.* Related limitations of capacity of servicers, counselors, and borrowers to fully and promptly carry out their respective roles.
- *Constraints to loan modifications.* Constraints by servicers, and lender and investor counterparts, in willingness to make loan modifications yielding mortgage payments borrowers can sustain.

Each of these obstacles is discussed in more detail below.

Communication Problems

A major problem is the difficulty of communicating financial data and household information and questions, plans, proposals, and responses between borrowers, counselors, and servicers, according to our respondents. To begin with, borrowers are often reluctant to seek out counselors for help and to talk with servicers, perhaps out of embarrassment or fear. Several interviewees cited statistics on the high level of borrowers who actually proceed to foreclosure without ever speaking to their servicers, much less counselors. These respondents and others indicated there is continuing difficulty in making borrowers aware of counseling assistance availability and of how to reach appropriate agencies, and then getting them to make contact with counselors and to keep appointments. A particular problem is generating the contact early enough in the foreclosure process that counselors can still effectively perform their work. Greater outreach is still needed, and servicers need to refer borrowers to counselors more

systematically. The availability of toll-free numbers and hotlines has moderated the problems somewhat. The lowest income borrowers are especially difficult to connect to counseling services.

A second, somewhat lesser challenge is for counselors to obtain adequate information and documents from borrowers. Some borrowers are reluctant to share their financial and related household circumstances information. Others do not know some significant facts about their income and expenses and/or cannot find necessary documents. Coming up with proper documentation of earnings and other data is sometimes difficult. Valuable time is spent assembling the information on which counseling assistance and proposals to servicers can be based. And sustaining engagement of borrowers is difficult with families that are being buffeted by multiple problems.

Third, and very strongly emphasized by respondents, is the difficulty of contacting servicers, for counselors as well as borrowers. Many counselors say this is the biggest single obstacle in their work. The large surge in defaults has overloaded servicer capacity, as discussed further in the next section. Getting someone to answer calls is often a major challenge in itself. Finding the right person can be even more difficult, especially if the counselor does not have a prior relationship with the servicing firm. Counselors need to make contact with servicers' loss mitigation, not collection staff. Eventually, getting the attention of a servicer staff with the authority to consider and approve workouts is crucial. Both of these steps may be challenges. And likely because of the stress on overloaded servicers, staff turnover is frequent, so that the person with whom a borrower and counselor has been working and exchanging information may not be available on a subsequent call. Ability to get information back about what is happening in a particular case, after making initial contact, is limited.

The ability to reach servicers is seen as improving due to recent implementation of servicer toll-free numbers for borrowers . Historically servicers did not have strong relationships with counseling agencies, or may not have been aware of them at all, and did not have working relationships with counselors as a regular part of their workflow. Counselors had contacts in some servicer shops but not others. An element still emerging is commitment to getting back to counselors within a defined period.

There remain important additional problems of transferring information once contacts are made. Secure electronic systems for transferring data and documents and documentation are only beginning to be put in place and tested. Servicers failing to receive and maintain information sent by borrowers and counselors is common. There is much room for doing more business digitally and electronically rather than by telephone, enabling servicers, counselors, and borrowers to manage their work more efficiently and avoid missing contacts and documents.

Capacity Issues

According to our reconnaissance interviews, the huge increase in delinquent mortgages and potential foreclosures has greatly taxed the ability of servicers and counselors to work with borrowers experiencing mortgage difficulties,. Counseling agencies do not have sufficient resources—notably trained foreclosure mitigation counselors—to handle current caseloads. Some counseling organizations have waiting lists of two weeks or more, and some borrowers are discouraged by what they have heard about waits for help. Counselors are being added to agency staffs and trained, and existing staff without foreclosure experience are being retrained; but the additions often lag behind the numbers of additional borrowers. Counselors vary in their levels of expertise, with newcomers to the field naturally still learning, although some come from the mortgage industry. New information about new options available for workouts is arriving rapidly. Only limited analysis is yet available of the optimal delivery mechanisms and approaches to foreclosure counseling service.

Limitations in counseling capacity have obvious consequences for numbers of borrowers served. In some cases, the challenges of getting everyone together and exchanging information in time means that time on the foreclosure clock runs out before solutions are reached, as the result of capacity constraints at both counselor and servicer ends. And at times counselors are unable to work with borrowers all the way to solutions, reducing contact once a plan of action, proposal, and contact with servicer are made. Counselors' attention is then diverted to the backlog of people waiting for initial assistance. This may mean a borrower being pressed to accept a workout she cannot actually afford over time, without a counselor's advice available.

Servicers too are swamped by the volume of mortgage defaults. The servicing industry relies on minimizing costs for high volumes of transactions. Little reserve capacity was in place as defaults rose rapidly, and the number of servicer staff in loss mitigation roles is for that and other reasons still inadequate. Firms have differed in the extent to which they have re-organized to increase the attention to that function. Loan modifications consume considerable staff time compared to other servicer processes including foreclosure and not, therefore, lucrative in the short run—discouraging focusing resources on workouts. New hires have been made often without a background in loss mitigation. Servicers are attempting to cooperate with counselors in ways they have not before and are learning about the behavior of borrowers under new circumstances as well.

The result is the exceptional difficulty in reaching and working with loss mitigation staff at servicing firms as already noted. Even a slowdown in contact can mean the difference between successful workout and foreclosure. Servicers' foreclosure staff generally proceed with, not suspend, their work even as loss mitigation staff interact with counselors on alternatives. Foreclosure can arrive first.

Constraints to Loan Modifications

Many though not all of our respondents identified the limited willingness of servicers to lower mortgage payments by lowering principal and/or interest on a permanent basis as a crucial obstacle to allowing borrowers to remain in their homes, even with the assistance of counselors. In many cases in which a loan modification of that kind is necessary for borrowers to afford future payments, only repayment rescheduling or at best short-term interest rate reductions are offered. The offers fall short of providing for sustainable affordability. Borrowers either cannot accept them or, in agreeing to them, set themselves at significant risk of future default. The fact that most defaulting borrowers coming for counseling either could not afford their mortgage payments at time of borrowing or have since had reversals in their financial situation could well mean that sharp limits on principal and interest modifications will limit counseling success—in both short and long run.

Another aspect of this issue is that servicers, with their lender/investor counterparts, continue to consider loan modifications on an individualized, retail basis. This continues their previous approach, which respondents say fit better in past periods of low default rates than it does in the current high-and-rising default environment. At the same time, this approach may permit more equitable consideration of borrowers' problems and address shortcomings in the original lending process, improving the likelihood of repayment following modification. But there is also a cost in inability to keep up with potential workouts for the surging number of borrowers in trouble. The intersection between this retail approach and the shortage of capacity in servicing firms is a substantial one. Servicer case load per staff person has risen, and staff-intensive style workouts make those loads very difficult to handle. Servicer staff may also face challenges in knowing on a current basis what options they have available to them for workouts.

Willingness to make permanent interest and principal modifications varies significantly among servicers. Low willingness may represent the policy of senior management or institutional inertia at lower levels. One respondent noted that unfortunately a given borrower has only one servicer with which to deal, even where that servicer is reluctant to make modifications, unlike the situation of a household owing several credit card firms.

Servicers do face some uncertainty regarding legal, tax, and accounting issues—particularly in connection to securitized loans – which may discourage broader and more wholesale consideration of loan modifications.[11] But in general those respondents who commented on the topic did not feel that these issues unduly limited servicer loan modification discretion in most cases, even in securitized loan cases.

Modifications may well be constrained by second liens on properties in default. Many borrowers for home purchase in recent years have piggyback loans—second mortgages for 20

[11] See appendix C for a brief summary of issues related to modification of securitized loans.

percent of original home value at purchase, which accompanied 80 percent first mortgages—used to avoid private mortgage insurance requirements. Other borrowers also have subordinate debt on their homes. Loan modifications can produce major or total losses for second lien holders, whose resistance to loan modification at their expense may prevent successful negotiation with holders of first liens. The difficulty of reaching such agreements may both prevent individual loan modifications from being agreed upon and complicate any attempt by servicers to write down principal on wholesale categories of loans.

Public funds, on a deferred loan basis for example, help address servicer reluctance to make principal and interest reductions and the challenges posed by second mortgages. Most states either do not have such programs or as yet have committed limited funds to them.

Approaches to Counseling Obstacles

> *Question: What are the most effective ways to deal with the identified obstacles to successful foreclosure prevention and mitigation counseling? Are current counseling and related programs able to address the obstacles satisfactorily or are changes or complementary approaches and tools necessary in order to be more successful? What best strategies and practices are being utilized to improve outcomes?*

Most respondents feel that current processes and resulting outcomes are, as currently structured, producing levels of assistance delivery and successful outcomes that could and should be significantly raised. Various adjustments, significant shifts, and additions were suggested to make mortgage foreclosure mitigation counseling more efficient and effective. These include responses to obstacles in all three categories described in the previous section.

Getting more borrowers to contact servicers and counseling agencies remains a sufficiently significant issue to warrant additional outreach efforts, and some determined efforts are underway or in the offing. The HOPE NOW efforts to publicize the Homeownership Preservation Foundation's national Homeowner's HOPE Hotline and related combined marketing outreach by large servicers are important steps. In Chicago, the city government sponsors a 311 hotline; and [redacted] *(NWO)* uses everything from billboards to door-to-door distribution of flyers to attract borrowers in trouble. In the state of Pennsylvania, the governor and director of the state housing finance agency will soon sign and send a letter to every known borrower with an ARM—delinquent or not—in 20 of the state's counties, informing people about the availability of counseling and financial assistance and encouraging their contact with servicers and counselors if they face difficulty. The Pennsylvania approach is specifically sensitive to the fact that the earlier intervention by counselors and contact with servicers, the better the perceived chance of success. A respondent also noted research that shows that people who engaged in pre-purchase homebuyer education and counseling were

more likely to use, and to use successfully, foreclosure prevention counseling as well, which suggests continued attention to that counseling component.

Contact with minority homeowners and the poorest homeowners remains a challenge. Research in other arenas, including mortgage loan marketing, suggests that many members of minorities receive information by a somewhat different mix of channels from that of non-Spanish-speaking whites. Expanded attention to Spanish-language radio and TV is one avenue of potential further value.

The largest number of suggestions for improvement were in the area of improved communication efficiency between counselors/borrowers and servicers. Conceptually, the idea is that counselors can both ease their own work with borrowers and have it be significantly more helpful in enabling servicers to do their work, if communication with servicers can be made easier. Both counselors and servicers could work with more borrowers more efficiently. Specific suggestions revolve around standardized, secure on-line communication mechanisms for providing borrower information and proposals to servicers and responses back to borrowers from servicers. Some mechanisms are already in trial or use and apparently are proving of value, although they do not yet cover as much of the process as some would like. Among the components of potential value are:

- Standardization of the information submitted by borrowers/counselors to servicers for their analysis, based on servicer definition of needs, and sufficient for a decision about a proposed loan modification.
- Secure, confidentiality-protected on-line transmission of that information.
- Requests for additional information, confirmation of receipt of materials, answers to questions etc. by e-mail rather than telephone.
- Standard expectations for speed of servicer response.
- Mechanism for servicers to supply reasoning for decisions as part of the on-line communication.
- A consistent point of direct contact with servicers for each borrower case, rather than only the toll-free number that borrowers often bring to their meetings with counselors.
- Standardized definition of what loan payments are affordable to households in given situations.

Among the systems developed that meet parts of these objectives are efforts by HOPE NOW to publish guidelines for information to be provided to servicers; [redacted] *(NWO)* in conjunction with Just Price Solutions, the nonprofit subsidiary of NHSA, in developing the Best Fit web-based system; piloting use of the Early Resolution system and modification of it by [redacted] *(NFMC Sub-grantee)*, Wells Fargo, and Bank of America; and [redacted] *(NWO)*

developing its own on-line product. Benefits were noted to include getting into the loss mitigation queue more promptly, having more confidence that information submitted to the servicer has indeed been received, and receiving a preliminary recommendation more promptly.

Other process suggestions involve the organization of staff for counselor providers and servicers. These include conserving counselor time specifically for one-on-one counseling, by having non-counseling staff do initial intake of borrowers, and holding group borrower sessions laying out basic foreclosure information and options before undertaking individual counseling sessions. Additional practices are to designate one counseling staffer at a given agency to take charge of case escalations (assuming sufficient scale of activity), and servicers having a staff member designated and authorized to make decisions in more complex or difficult cases.

Aggressive counselors are said to be somewhat better able to get the attention of servicers, both by raising the public profile of the need for response and through such devices as sending qualified written requests for detailed information about loan status, application of payments and other servicer-held information. Such requests, defined by RESPA,[12] impose obligations on servicers to provide basic loan status data. While qualified requests do not stop the foreclosure clock from ticking, they do legally require a response within a limited time period. They can grab the attention of servicers, including someone higher up in decision-making chain, to generate a response to the overall case involved. Ready access to attorneys regarding individual issues such as workouts' tax implications or in cases of questionable lending practices can also be useful, especially embedded in, or at least closely tied to, counseling agencies.

Capacity-building efforts to overcome obstacles centered on staff training at both ends of the foreclosure process. Continued offering of foreclosure prevention and mitigation training to counselors, by NeighborWorks® and others, was highlighted, with special need for training scholarships for some agencies with high levels of training need and limited resources. Expanded use of place-based training may increase training access where large numbers of counselors need additional skills and information. Development of non-judgmental active listening skills, good financial analysis skills, and knowledge of available products and resources received particular mention for attention. Training counselors on legal issues to the point at which they can make referrals to attorneys in appropriate instances and protect borrowers against inappropriately waiving legal rights also received mention.

Servicers also need systematic training, given how many were added in a short period. Besides training, expanding opportunities for counselors to talk with each other and others in the foreclosure arena to discuss approaches to key issues may be of value—in venues such as training sessions, listservs, the HUD counseling network, and state-level gatherings—are perceived as helpful.

[12] Real Estate Settlement Procedures Act, 1990.

Finally, several means to increase frequency of servicers granting permanent interest rate and principal reduction relief, to have those modifications made on a more wholesale and less case-by-case basis, or to accomplish equivalent reductions in borrowers' short and long term mortgage costs through other means, were identified. The FDIC is working toward demonstrating more wholesale approaches to loan modification in institutions it has taken over, potentially to establish new standards of practice. Some suppliers of counseling services, and their allies, partners, and networks have gone beyond dealing with servicers on a case-by-case basis to try to fashion and reach agreement on servicer policy change toward more systematic use of loan principal and interest modifications—in individual cases and for categories of borrower situations. [redacted] *(Intermediary)* and Cleveland's East Side Organizing Project are among organizations pushing agreements for policy change with servicers. Some respondents would like to see more attention to that component, both servicer by servicer and agency by agency and across multiple servicers and agencies.

In the meantime, counseling agencies are asking that servicers identify more clearly what their current limitations on modifications are and the criterion for them, so that counselors and borrowers can more efficiently fashion proposals.

Counseling agencies and their partners continue to develop direct financial tools to help borrowers unable to meet their current mortgage payments. Deferred subordinate loans that allow people to pay off part of their first mortgages, or make subsidized payments toward them, in either case reducing out-of-pocket current payments, are one form—available from some local organizations and some states. Funds for refinancing existing loans, in some cases along with agreements for short payments to lenders (less than principal owed on current loans), provide another form of relief in some locations. In Pennsylvania, a network of lenders provides loan refinance (the REAL program), for example redoing ARMs as fixed rate mortgages at the ARMs' initial interest rates for households no more than two payments delinquent. For more severe delinquency and loans exceeding current values, counselors refer borrowers to the state housing finance agency. It negotiates for loan write-downs directly with lenders and makes a new loan for the agreed-upon amount.

Other shorter run approaches to key obstacles include emergency loans, especially if the borrowers' problems are temporary, as used extensively in Minneapolis and Pennsylvania, and relief from additional late fees and penalties while workouts are being pursued. In the long run, some respondents recommended requiring securitization contracts to give servicers clearer authority to undertake what loan modifications are needed for loss mitigation, and giving bankruptcy courts authority to modify loan terms for mortgages on primary residences in appropriate cases.

V. OUTCOMES MODELING METHODOLOGY

[[To be added]]

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Appendix A: NFMC Application Materials

(Redacted until all NFMC Program application review processes – for all rounds of funding – are complete)

Table A.1: Comparison of requested versus recommended awards by applicant

Source: Authors' calculations from NW America GrantWorks data.

Applicant type	Total NFMC Amount Requested	Total NFMC Amount Recommended	Award as a share of proposed grant
HCI/HFA	$12,075,000	$7,850,939	65%
HCI/HFA	$1,556,067	$1,333,069	86%
HCI/HFA	$11,646,188	$8,016,487	69%
HCI/HFA	$1,071,360	$843,497	79%
HCI/HFA	$344,107	$249,272	72%
HCI/HFA	$2,440,686	$1,508,136	62%
HCI/HFA	$199,898	$163,565	82%
HCI/HFA	$3,895,813	$1,015,389	26%
HCI/HFA	$1,521,856	$887,004	58%
HCI/HFA	$13,346,958	$2,746,828	21%
HCI/HFA	$97,594,400	$15,000,000	15%
HCI/HFA	$8,894,250	$7,429,993	84%
HCI/HFA	$209,169	$182,455	87%
HCI/HFA	$2,148,396	$1,572,554	73%
HCI/HFA	$1,110,488	$446,429	40%
HCI/HFA	$1,739,329	$1,503,757	86%
HCI/HFA	$62,040	$44,931	72%
HCI/HFA	$1,829,680	$901,697	49%
HCI/HFA	$4,132,906	$661,916	16%
HCI/HFA	$4,983,437	$4,329,847	87%
HCI/HFA	$18,730,688	$5,503,646	29%
HCI/HFA	$373,253	$184,742	49%
HCI/HFA	$311,750	$32,597	10%
HCI/HFA	$875,856	$729,851	83%
HCI/HFA	$13,050,350	$2,390,422	18%
HCI/HFA	$348,802	$277,328	80%
HCI/HFA	$33,332,750	$15,000,000	45%
HCI/HFA	$3,750,125	$2,122,615	57%
HCI/HFA	$3,954,688	$2,092,601	53%
HCI/HFA	$27,962,313	$15,000,000	54%
HCI/HFA	$3,994,000	$1,445,703	36%
HCI/HFA	$131,630	$106,691	81%
HCI/HFA	$480,695	$218,314	45%
HCI/HFA	$1,328,547	$984,523	74%
HCI/HFA	$382,600	$262,004	68%
HCI/HFA	$3,667,563	$3,033,462	83%
HCI/HFA	$3,579,000	$3,066,394	86%
HCI/HFA	$392,240	$327,004	83%

Applicant type	Total NFMC Amount Requested	Total NFMC Amount Recommended	Award as a share of proposed grant
HCI/HFA	$7,690,395	$3,485,573	45%
HCI/HFA	$1,428,623	$243,777	17%
HCI/HFA	$74,600	$52,979	71%
HCI/HFA	$1,648,333	$747,718	45%
HCI/HFA	$1,541,844	$1,163,745	75%
HCI/HFA	$1,524,508	$1,329,799	87%
HCI/HFA	$711,720	$274,402	39%
HCI/HFA	$622,808	$334,911	54%
HCI/HFA	$2,324,481	$1,484,533	64%
HCI/HFA	$876,681	$437,808	50%
NWO	$52,440	$44,900	86%
NWO	$109,320	$83,201	76%
NWO	$218,750	$188,902	86%
NWO	$78,240	$51,490	66%
NWO	$480,300	$167,462	35%
NWO	$548,400	$70,222	13%
NWO	$80,640	$25,871	32%
NWO	$169,800	$101,458	60%
NWO	$138,600	$116,404	84%
NWO	$174,660	$94,475	54%
NWO	$372,000	$220,559	59%
NWO	$43,140	$30,442	71%
NWO	$610,980	$136,904	22%
NWO	$70,860	$16,076	23%
NWO	$121,080	$85,442	71%
NWO	$720,060	$41,062	6%
NWO	$1,660,920	$364,774	22%
NWO	$63,000	$46,450	74%
NWO	$1,341,600	$247,033	18%
NWO	$10,800	$10,000	93%
NWO	$35,040	$24,204	69%
NWO	$71,875	$58,122	81%
NWO	$78,060	$64,980	83%
NWO	$37,920	$26,155	69%
NWO	$86,100	$69,625	81%
NWO	$5,007,960	$2,550,026	51%
NWO	$70,560	$50,899	72%
NWO	$484,727	$155,544	32%
NWO	$52,500	$44,951	86%
NWO	$42,000	$29,968	71%
NWO	$120,000	$79,786	66%

Applicant type	Total NFMC Amount Requested	Total NFMC Amount Recommended	Award as a share of proposed grant
NWO	$54,960	$39,154	71%
NWO	$18,720	$14,546	78%
NWO	$86,940	$59,965	69%
NWO	$62,580	$46,140	74%
NWO	$1,056,000	$820,529	78%
NWO	$752,400	$595,626	79%
NWO	$150,000	$65,954	44%
NWO	$29,100	$21,082	72%
NWO	$105,180	$72,546	69%
NWO	$267,600	$93,176	35%
NWO	$354,300	$141,943	40%
NWO	$969,840	$738,127	76%
NWO	$135,660	$10,216	8%
NWO	$100,320	$66,808	67%
NWO	$92,340	$62,965	68%
NWO	$39,480	$32,864	83%
NWO	$81,540	$12,204	15%
NWO	$338,400	$233,405	69%
NWO	$217,200	$152,852	70%
NWO	$51,600	$39,272	76%
NWO	$195,840	$141,203	72%
NWO	$350,340	$119,796	34%
NWO	$158,460	$135,652	86%
NWO	$31,200	$24,733	79%
NWO	$147,000	$107,277	73%
NWO	$173,400	$127,847	74%
NWO	$104,340	$91,560	88%
NWO	$40,320	$30,044	75%
NWO	$176,400	$142,646	81%
NWO	$201,600	$151,852	75%
NWO	$217,860	$64,907	30%
NWO	$65,760	$18,564	28%
NWO	$360,480	$135,796	38%
NWO	$58,800	$43,354	74%
NWO	$33,600	$21,577	64%
NWO	$440,000	$77,162	18%
NWO	$192,000	$129,346	67%
NWO	$382,800	$315,652	82%
NWO	$252,000	$161,798	64%
NWO	$16,200	$10,000	62%
NWO	$313,200	$237,970	76%

Applicant type	Total NFMC Amount Requested	Total NFMC Amount Recommended	Award as a share of proposed grant
NWO	$72,000	$54,233	75%
NWO	$261,480	$217,414	83%
NWO	$27,300	$22,940	84%
NWO	$11,760	$10,000	85%
NWO	$16,800	$12,786	76%
NWO	$52,980	$34,866	66%
NWO	$12,600	$10,000	79%
NWO	$61,200	$45,124	74%
NWO	$440,750	$94,503	21%
NWO	$36,305	$10,138	28%
	$328,914,131	$130,438,408	40%

Table A.2: Comparison of proposed versus awarded counseling units by applicant

Source: Authors' calculations from NW America GrantWorks data.

Applicant type	Counseling Units Proposed	Total Counseling Units Awarded	Awarded as a share of proposed counseling units
HCI/HFA	29,200	24,259	83%
HCI/HFA	4,627	3,964	86%
HCI/HFA	35,731	24,638	69%
HCI/HFA	2,745	2,158	79%
HCI/HFA	969	713	74%
HCI/HFA	6,756	4,175	62%
HCI/HFA	724	592	82%
HCI/HFA	13,534	3,517	26%
HCI/HFA	6,722	4,058	60%
HCI/HFA	50,815	10,359	20%
HCI/HFA	531,080	81,497	15%
HCI/HFA	24,404	20,635	85%
HCI/HFA	852	743	87%
HCI/HFA	5,364	3,926	73%
HCI/HFA	3,656	1,470	40%
HCI/HFA	6,981	6,036	86%
HCI/HFA	183	211	115%
HCI/HFA	5,608	2,764	49%
HCI/HFA	18,310	2,934	16%
HCI/HFA	17,270	15,226	88%
HCI/HFA	78,258	22,847	29%
HCI/HFA	1,078	534	50%
HCI/HFA	1,140	119	10%
HCI/HFA	2,766	2,305	83%
HCI/HFA	69,784	12,660	18%
HCI/HFA	1,256	997	79%
HCI/HFA	90,505	40,766	45%
HCI/HFA	13,001	7,680	59%
HCI/HFA	12,751	6,845	54%
HCI/HFA	106,059	56,806	54%

Applicant type	Counseling Units Proposed	Total Counseling Units Awarded	Awarded as a share of proposed counseling units
HCI/HFA	10,574	3,815	36%
HCI/HFA	442	358	81%
HCI/HFA	1,442	655	45%
HCI/HFA	4,490	3,327	74%
HCI/HFA	1,296	888	68%
HCI/HFA	14,660	12,195	83%
HCI/HFA	9,986	8,540	86%
HCI/HFA	1,110	925	83%
HCI/HFA	21,048	9,581	46%
HCI/HFA	4,180	713	17%
HCI/HFA	450	320	71%
HCI/HFA	5,182	2,351	45%
HCI/HFA	5,695	4,412	77%
HCI/HFA	5,947	5,187	87%
HCI/HFA	1,936	746	39%
HCI/HFA	1,735	933	54%
HCI/HFA	7,025	4,486	64%
HCI/HFA	2,720	1,358	50%
NWO	150	128	85%
NWO	510	388	76%
NWO	900	775	86%
NWO	280	184	66%
NWO	1,790	624	35%
NWO	2,080	266	13%
NWO	240	80	33%
NWO	474	283	60%
NWO	588	494	84%
NWO	755	419	55%
NWO	1,565	928	59%
NWO	204	144	71%
NWO	2,757	618	22%
NWO	195	44	23%
NWO	459	324	71%
NWO	3,043	174	6%
NWO	4,800	1,081	23%
NWO	150	111	74%
NWO	4,480	825	18%
NWO	36	36	100%
NWO	120	85	71%

Applicant type	Counseling Units Proposed	Total Counseling Units Awarded	Awarded as a share of proposed counseling units
NWO	304	245	81%
NWO	322	268	83%
NWO	164	113	69%
NWO	255	206	81%
NWO	14,604	7,436	51%
NWO	252	182	72%
NWO	2,310	741	32%
NWO	168	144	86%
NWO	180	128	71%
NWO	500	332	66%
NWO	212	151	71%
NWO	72	56	78%
NWO	342	236	69%
NWO	185	136	74%
NWO	3,600	2,797	78%
NWO	2,940	2,327	79%
NWO	500	220	44%
NWO	120	87	73%
NWO	400	276	69%
NWO	901	314	35%
NWO	935	394	42%
NWO	4,195	3,193	76%
NWO	323	24	7%
NWO	360	240	67%
NWO	373	254	68%
NWO	145	121	83%
NWO	337	50	15%
NWO	965	666	69%
NWO	600	422	70%
NWO	215	164	76%
NWO	826	596	72%
NWO	1,717	587	34%
NWO	555	475	86%
NWO	100	79	79%
NWO	530	390	74%
NWO	528	389	74%
NWO	342	300	88%
NWO	168	125	74%
NWO	630	510	81%
NWO	480	362	75%

Applicant type	Counseling Units Proposed	Total Counseling Units Awarded	Awarded as a share of proposed counseling units
NWO	832	248	30%
NWO	184	52	28%
NWO	1,408	530	38%
NWO	160	118	74%
NWO	80	51	64%
NWO	1,275	223	18%
NWO	720	485	67%
NWO	1,660	1,369	82%
NWO	600	399	67%
NWO	72	44	61%
NWO	1,190	904	76%
NWO	300	226	75%
NWO	853	711	83%
NWO	117	98	84%
NWO	48	41	85%
NWO	56	43	77%
NWO	187	123	66%
NWO	30	24	80%
NWO	240	177	74%
NWO	1,850	471	25%
NWO	124	35	28%
	1,322,264	466,343	35%

Appendix B: Additional Production Data Tables

Table B.1: Number of Counseling Units Served by Grantee Organization, First Reporting Quarter
Source: Authors' calculations from NW America Production data.

	Counseling Units	Percent
Intermediary	5,049	7.1
NWO	37	0.1
HFA	136	0.2
NWO	19	0.0
NWO	246	0.3
NWO	50	0.1
NWO	163	0.2
HFA	1,213	1.7
Intermediary	254	0.4
NWO	58	0.1
Intermediary	42	0.1
NWO	61	0.1
NWO	79	0.1
HFA	1,222	1.7
NWO	251	0.4
NWO	103	0.1
NWO	139	0.2
NWO	10	0.0
NWO	133	0.2
NWO	8	0.0
NWO	96	0.1
NWO	1	0.0
HFA	109	0.2
NWO	454	0.6
HFA	307	0.4
HFA	557	0.8
NWO	41	0.1
NWO	179	0.3
Intermediary	2,487	3.5
Intermediary	24,083	33.6
NWO	1	0.0
Intermediary	1,399	2.0
NWO	15	0.0
NWO	36	0.1
HFA	19	0.0
HFA	710	1.0

	Counseling Units	Percent
HFA	7	0.0
HFA	274	0.4
NWO	48	0.1
NWO	18	0.0
NWO	45	0.1
NWO	697	1.0
HFA	3	0.0
NWO	42	0.1
HFA	422	0.6
NWO	185	0.3
HFA	88	0.1
HFA	2,594	3.6
Intermediary	1,400	2.0
HFA	3	0.0
HFA	256	0.4
Intermediary	5,217	7.3
HFA	94	0.1
Intermediary	4,680	6.5
Intermediary	342	0.5
Intermediary	443	0.6
NWO	33	0.1
Intermediary	5,097	7.1
Intermediary	998	1.4
HFA	45	0.1
NWO	45	0.1
NWO	118	0.2
NWO	15	0.0
NWO	21	0.0
NWO	71	0.1
NWO	42	0.1
NWO	240	0.3
NWO	472	0.7
NWO	21	0.0
NWO	42	0.1
NWO	19	0.0
NWO	15	0.0
NWO	107	0.2
NWO	346	0.5
NWO	20	0.0
NWO	167	0.2

	Counseling Units	Percent
NWO	40	0.1
NWO	9	0.0
NWO	128	0.2
NWO	100	0.1
NWO	39	0.1
NWO	69	0.1
NWO	109	0.2
NWO	212	0.3
NWO	54	0.1
NWO	111	0.2
NWO	22	0.0
NWO	31	0.0
NWO	33	0.1
NWO	18	0.0
NWO	32	0.0
HFA	9	0.0
HFA	163	0.2
HFA	26	0.0
HFA	515	0.7
NWO	35	0.1
NWO	19	0.0
HFA	567	0.8
HFA	42	0.1
NWO	1	0.0
HFA	1,800	2.5
NWO	27	0.0
HFA	390	0.5
NWO	15	0.0
NWO	45	0.1
NWO	56	0.1
NWO	36	0.1
HFA	12	0.0
NWO	86	0.1
NWO	65	0.1
NWO	2	0.0
NWO	208	0.3
HFA	393	0.6
Intermediary	438	0.6
HFA	391	0.6

	Counseling Units	Percent
NWO	31	0.0
NWO	100	0.1
NWO	21	0.0
NWO	3	0.0
NWO	18	0.0
NWO	31	0.0
NWO	2	0.0
NWO	19	0.0
HFA	74	0.1
HFA	41	0.1
NWO	87	0.1
NWO	1	0.0
Intermediary	164	0.2
HFA	135	0.2
Total Counseling Units	71,634	100.0

Table B.2: Grantee Organizations and Percent of Expected Counseling Units Served, First Reporting Quarter

	Counseling Units Served	Total Expected Counseling Units	Percent of Expected Counseling Units Served
Intermediary	4,520	24,259	19
NWO	37	128	29
HFA	136	3,964	3
NWO	17	388	4
NWO	245	775	32
NWO	50	184	27
NWO	163	624	26
HFA	1,205	24,638	5
Intermediary	254	2,158	12
NWO	31	266	12
Intermediary	42	713	6
NWO	61	80	76
NWO	79	283	28
HFA	1,082	4,175	26
NWO	226	494	46
NWO	93	419	22
NWO	136	928	15
NWO	6	144	4
NWO	129	618	21
NWO	8	44	18
NWO	96	324	30
NWO	1	174	1
HFA	109	592	18
NWO	454	1,081	42
HFA	307	3,517	9
HFA	556	4,058	14
NWO	41	111	37
NWO	179	825	22
Intermediary	2,135	10,359	21
Intermediary	24,083	81,497	30
NWO	1	36	3
Intermediary	1,351	20,635	7
NWO	9	85	11
NWO	34	245	14
HFA	19	743	3
HFA	706	3,926	18
HFA	7	1,470	0
HFA	274	6,036	5
NWO	42	268	16
NWO	18	113	16

	Counseling Units Served	Total Expected Counseling Units	Percent of Expected Counseling Units Served
NWO	37	206	18
NWO	697	7,436	9
HFA	3	211	1
NWO	42	182	23
HFA	422	2,764	15
NWO	102	741	14
HFA	87	2,934	3
HFA	2,539	15,226	17
Intermediary	1,375	22,847	6
HFA	3	534	1
Intermediary	0	119	0
HFA	256	2,305	11
Intermediary	5,217	12,660	41
HFA	94	997	9
Intermediary	4,680	40,766	11
Intermediary	301	7,680	4
Intermediary	418	6,845	6
NWO	33	144	23
Intermediary	5,002	56,806	9
Intermediary	998	3,815	26
HFA	45	358	13
NWO	45	128	35
NWO	118	332	36
NWO	15	151	10
NWO	21	56	38
NWO	69	236	29
NWO	25	136	18
NWO	240	2,797	9
NWO	379	2,327	16
NWO	20	220	9
NWO	41	87	47
NWO	19	276	7
NWO	15	314	5
NWO	99	394	25
NWO	260	3,193	8
NWO	20	24	83
NWO	133	240	55
NWO	34	254	13
NWO	9	121	7
NWO	128	666	19
NWO	81	422	19
NWO	39	164	24
NWO	69	596	12

	Counseling Units Served	Total Expected Counseling Units	Percent of Expected Counseling Units Served
NWO	99	587	17
NWO	184	475	39
NWO	42	79	53
NWO	111	390	28
NWO	21	389	5
NWO	31	300	10
NWO	24	50	48
NWO	16	51	31
NWO	32	125	26
HFA	9	655	1
HFA	163	3,327	5
HFA	26	888	3
HFA	487	12,195	4
NWO	35	510	7
NWO	18	362	5
HFA	563	8,540	7
HFA	42	925	5
NWO	1	248	0
HFA	1,770	9,581	18
NWO	27	52	52
HFA	390	713	55
NWO	15	530	3
NWO	41	118	35
NWO	56	223	25
NWO	36	485	7
HFA	10	320	3
NWO	75	1,369	5
NWO	53	399	13
NWO	2	44	5
NWO	208	904	23
HFA	388	2,351	17
Intermediary	424	4,412	10
HFA	391	5,187	8
NWO	31	226	14
NWO	80	711	11
NWO	14	98	14
NWO	3	41	7
NWO	18	43	42
NWO	31	123	25
NWO	2	24	8
NWO	19	177	11
HFA	74	746	10
HFA	41	933	4

	Counseling Units Served	Total Expected Counseling Units	Percent of Expected Counseling Units Served
NWO	61	471	13
NWO	1	35	3
Intermediary	164	4,486	4
HFA	135	1,358	10

Source: Authors' calculations from NW America Quarterly Report data.

Notes: Counseling units in this table may differ slightly from Table B.1 because the quarterly report used the number of counseling units after some observations had been removed in the case that a client received multiple levels of counseling at the same grantee and the same branch and reported that client once in the production data at each level.

Table B.3: Number of Counseling Units by Metropolitan Area of Property, First Reporting Quarter

	Counseling Units	Percent
Abilene, TX MSA	9	0.01
Aguadilla-Isabela-San Sebastián, PR MSA	23	0.03
Akron, OH MSA	328	0.46
Albany, GA MSA	72	0.10
Albany-Schenectady-Troy, NY MSA	63	0.09
Albuquerque, NM MSA	145	0.20
Alexandria, LA MSA	14	0.02
Allentown-Bethlehem-Easton, PA-NJ MSA	200	0.28
Altoona, PA MSA	24	0.03
Amarillo, TX MSA	6	0.01
Ames, IA MSA	17	0.02
Anchorage, AK MSA	88	0.12
Anderson, IN MSA	13	0.02
Anderson, SC MSA	27	0.04
Ann Arbor, MI MSA	73	0.10
Anniston-Oxford, AL MSA	10	0.01
Appleton, WI MSA	43	0.06
Asheville, NC MSA	54	0.08
Athens-Clarke County, GA MSA	24	0.03
Atlanta-Sandy Springs-Marietta, GA MSA	2,572	3.59
Atlantic City, NJ MSA	54	0.08
Auburn-Opelika, AL MSA	10	0.01
Augusta-Richmond County, GA-SC MSA	113	0.16
Austin-Round Rock, TX MSA	91	0.13
Bakersfield, CA MSA	385	0.54
Baltimore-Towson, MD MSA	1,090	1.52
Bangor, ME MSA	24	0.03
Barnstable Town, MA MSA	87	0.12
Baton Rouge, LA MSA	115	0.16
Battle Creek, MI MSA	158	0.22
Bay City, MI MSA	23	0.03
Beaumont-Port Arthur, TX MSA	24	0.03
Bellingham, WA MSA	8	0.01
Bend, OR MSA	32	0.04
Billings, MT MSA	9	0.01
Binghamton, NY MSA	14	0.02
Birmingham-Hoover, AL MSA	188	0.26

	Counseling Units	Percent
Bismarck, ND MSA	1	0.00
Blacksburg-Christiansburg-Radford, VA MSA	11	0.02
Bloomington, IN MSA	6	0.01
Bloomington-Normal, IL MSA	9	0.01
Boise City-Nampa, ID MSA	36	0.05
Boston-Cambridge-Quincy, MA-NH MSA	1,571	2.19
Boulder, CO MSA	66	0.09
Bowling Green, KY MSA	4	0.01
Bremerton-Silverdale, WA MSA	14	0.02
Bridgeport-Stamford-Norwalk, CT MSA	279	0.39
Brownsville-Harlingen, TX MSA	53	0.07
Brunswick, GA MSA	18	0.03
Buffalo-Niagara Falls, NY MSA	142	0.20
Burlington, NC MSA	37	0.05
Burlington-South Burlington, VT MSA	9	0.01
Canton-Massillon, OH MSA	144	0.20
Cape Coral-Fort Myers, FL MSA	185	0.26
Carson City, NV MSA	4	0.01
Casper, WY MSA	3	0.00
Cedar Rapids, IA MSA	27	0.04
Champaign-Urbana, IL MSA	10	0.01
Charleston, WV MSA	57	0.08
Charleston-North Charleston, SC MSA	446	0.62
Charlotte-Gastonia-Concord, NC-SC MSA	521	0.73
Charlottesville, VA MSA	22	0.03
Chattanooga, TN-GA MSA	33	0.05
Cheyenne, WY MSA	10	0.01
Chicago-Naperville-Joliet, IL-IN-WI MSA	2,982	4.17
Chico, CA MSA	36	0.05
Cincinnati-Middletown, OH-KY-IN MSA	899	1.26
Clarksville, TN-KY MSA	12	0.02
Cleveland, TN MSA	7	0.01
Cleveland-Elyria-Mentor, OH MSA	1,312	1.83
Coeur d'Alene, ID MSA	22	0.03
College Station-Bryan, TX MSA	14	0.02
Colorado Springs, CO MSA	52	0.07
Columbia, MO MSA	11	0.02
Columbia, SC MSA	181	0.25
Columbus, GA-AL MSA	94	0.13

	Counseling Units	Percent
Columbus, IN MSA	13	0.02
Columbus, OH MSA	946	1.32
Corpus Christi, TX MSA	52	0.07
Corvallis, OR MSA	1	0.00
Cumberland, MD-WV MSA	9	0.01
Dallas-Fort Worth-Arlington, TX MSA	956	1.34
Dalton, GA MSA	47	0.07
Danville, IL MSA	7	0.01
Danville, VA MSA	13	0.02
Davenport-Moline-Rock Island, IA-IL MSA	34	0.05
Dayton, OH MSA	450	0.63
Decatur, AL MSA	10	0.01
Decatur, IL MSA	8	0.01
Deltona-Daytona Beach-Ormond Beach, FL MSA	102	0.14
Denver-Aurora, CO MSA	1,659	2.32
Des Moines-West Des Moines, IA MSA	145	0.20
Detroit-Warren-Livonia, MI MSA	1,651	2.31
Dothan, AL MSA	7	0.01
Dover, DE MSA	75	0.10
Dubuque, IA MSA	17	0.02
Duluth, MN-WI MSA	127	0.18
Durham, NC MSA	97	0.14
Eau Claire, WI MSA	15	0.02
El Centro, CA MSA	63	0.09
El Paso, TX MSA	94	0.13
Elizabethtown, KY MSA	12	0.02
Elkhart-Goshen, IN MSA	33	0.05
Elmira, NY MSA	11	0.02
Erie, PA MSA	58	0.08
Eugene-Springfield, OR MSA	22	0.03
Evansville, IN-KY MSA	28	0.04
Fairbanks, AK MSA	31	0.04
Fajardo, PR MSA	14	0.02
Fargo, ND-MN MSA	26	0.04
Farmington, NM MSA	14	0.02
Fayetteville, NC MSA	78	0.11
Fayetteville-Springdale-Rogers, AR-MOMSA	62	0.09
Flagstaff, AZ MSA	8	0.01
Flint, MI MSA	369	0.52

	Counseling Units	Percent
Florence, SC MSA	65	0.09
Florence-Muscle Shoals, AL MSA	2	0.00
Fond du Lac, WI MSA	10	0.01
Fort Collins-Loveland, CO MSA	101	0.14
Fort Smith, AR-OK MSA	19	0.03
Fort Walton Beach-Crestview-Destin, FL MSA	22	0.03
Fort Wayne, IN MSA	59	0.08
Fresno, CA MSA	234	0.33
Gadsden, AL MSA	4	0.01
Gainesville, FL MSA	19	0.03
Gainesville, GA MSA	69	0.10
Glens Falls, NY MSA	9	0.01
Goldsboro, NC MSA	21	0.03
Grand Forks, ND-MN MSA	10	0.01
Grand Junction, CO MSA	36	0.05
Grand Rapids-Wyoming, MI MSA	104	0.15
Great Falls, MT MSA	22	0.03
Greeley, CO MSA	118	0.16
Green Bay, WI MSA	56	0.08
Greensboro-High Point, NC MSA	104	0.15
Greenville, NC MSA	33	0.05
Greenville, SC MSA	93	0.13
Guayama, PR MSA	6	0.01
Gulfport-Biloxi, MS MSA	42	0.06
Hagerstown-Martinsburg, MD-WV MSA	72	0.10
Hanford-Corcoran, CA MSA	27	0.04
Harrisburg-Carlisle, PA MSA	58	0.08
Harrisonburg, VA MSA	3	0.00
Hartford-West Hartford-East Hartford, CT MSA	245	0.34
Hattiesburg, MS MSA	33	0.05
Hickory-Lenoir-Morganton, NC MSA	89	0.12
Hinesville-Fort Stewart, GA MSA	16	0.02
Holland-Grand Haven, MI MSA	24	0.03
Honolulu, HI MSA	17	0.02
Hot Springs, AR MSA	4	0.01
Houma-Bayou Cane-Thibodaux, LA MSA	16	0.02
Houston-Sugar Land-Baytown, TX MSA	795	1.11
Huntington-Ashland, WV-KY-OH MSA	19	0.03
Huntsville, AL MSA	18	0.03

	Counseling Units	Percent
Idaho Falls, ID MSA	2	0.00
Indianapolis-Carmel, IN MSA	274	0.38
Iowa City, IA MSA	7	0.01
Ithaca, NY MSA	2	0.00
Jackson, MI MSA	47	0.07
Jackson, MS MSA	166	0.23
Jackson, TN MSA	20	0.03
Jacksonville, FL MSA	607	0.85
Jacksonville, NC MSA	9	0.01
Janesville, WI MSA	27	0.04
Jefferson City, MO MSA	10	0.01
Johnson City, TN MSA	11	0.02
Johnstown, PA MSA	19	0.03
Jonesboro, AR MSA	11	0.02
Joplin, MO MSA	7	0.01
Kalamazoo-Portage, MI MSA	83	0.12
Kankakee-Bradley, IL MSA	6	0.01
Kansas City, MO-KS MSA	677	0.95
Kennewick-Richland-Pasco, WA MSA	8	0.01
Killeen-Temple-Fort Hood, TX MSA	31	0.04
Kingsport-Bristol-Bristol, TN-VA MSA	32	0.04
Kingston, NY MSA	25	0.03
Knoxville, TN MSA	77	0.11
Kokomo, IN MSA	8	0.01
La Crosse, WI-MN MSA	13	0.02
Lafayette, IN MSA	14	0.02
Lafayette, LA MSA	25	0.03
Lake Charles, LA MSA	18	0.03
Lakeland, FL MSA	113	0.16
Lancaster, PA MSA	114	0.16
Lansing-East Lansing, MI MSA	75	0.10
Laredo, TX MSA	9	0.01
Las Cruces, NM MSA	40	0.06
Las Vegas-Paradise, NV MSA	724	1.01
Lawrence, KS MSA	7	0.01
Lawton, OK MSA	6	0.01
Lebanon, PA MSA	16	0.02
Lewiston, ID-WA MSA	4	0.01
Lewiston-Auburn, ME MSA	21	0.03

	Counseling Units	Percent
Lexington-Fayette, KY MSA	71	0.10
Lima, OH MSA	7	0.01
Lincoln, NE MSA	30	0.04
Little Rock-North Little Rock, AR MSA	91	0.13
Logan, UT-ID MSA	7	0.01
Longview, TX MSA	8	0.01
Longview, WA MSA	6	0.01
Los Angeles-Long Beach-Santa Ana, CA MSA	2,819	3.94
Louisville-Jefferson County, KY-IN MSA	458	0.64
Lubbock, TX MSA	17	0.02
Lynchburg, VA MSA	30	0.04
Macon, GA MSA	83	0.12
Madera, CA MSA	51	0.07
Madison, WI MSA	37	0.05
Manchester-Nashua, NH MSA	98	0.14
Mansfield, OH MSA	25	0.03
Mayagüez, PR MSA	19	0.03
McAllen-Edinburg-Mission, TX MSA	152	0.21
Medford, OR MSA	8	0.01
Memphis, TN-MS-AR MSA	451	0.63
Merced, CA MSA	98	0.14
Miami-Fort Lauderdale-Miami Beach, FL MSA	1,882	2.63
Michigan City-La Porte, IN MSA	14	0.02
Midland, TX MSA	3	0.00
Milwaukee-Waukesha-West Allis, WI MSA	465	0.65
Minneapolis-St. Paul-Bloomington, MN-WI MSA	2,444	3.41
Missoula, MT MSA	23	0.03
Mobile, AL MSA	66	0.09
Modesto, CA MSA	207	0.29
Monroe, LA MSA	12	0.02
Monroe, MI MSA	29	0.04
Montgomery, AL MSA	30	0.04
Morgantown, WV MSA	5	0.01
Morristown, TN MSA	41	0.06
Mount Vernon-Anacortes, WA MSA	5	0.01
Muncie, IN MSA	15	0.02
Muskegon-Norton Shores, MI MSA	38	0.05
Myrtle Beach-Conway-North Myrtle Beach, SC MSA	63	0.09
Napa, CA MSA	31	0.04

	Counseling Units	Percent
Naples-Marco Island, FL MSA	56	0.08
Nashville-Davidson--Murfreesboro, TN MSA	335	0.47
New Haven-Milford, CT MSA	290	0.41
New Orleans-Metairie-Kenner, LA MSA	255	0.36
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	2,497	3.49
Niles-Benton Harbor, MI MSA	28	0.04
Norwich-New London, CT MSA	40	0.06
Ocala, FL MSA	54	0.08
Ocean City, NJ MSA	8	0.01
Odessa, TX MSA	2	0.00
Ogden-Clearfield, UT MSA	24	0.03
Oklahoma City, OK MSA	131	0.18
Olympia, WA MSA	8	0.01
Omaha-Council Bluffs, NE-IA MSA	108	0.15
Orlando-Kissimmee, FL MSA	690	0.96
Oshkosh-Neenah, WI MSA	34	0.05
Owensboro, KY MSA	6	0.01
Oxnard-Thousand Oaks-Ventura, CA MSA	274	0.38
Palm Bay-Melbourne-Titusville, FL MSA	141	0.20
Panama City-Lynn Haven, FL MSA	20	0.03
Parkersburg-Marietta-Vienna, WV-OH MSA	20	0.03
Pascagoula, MS MSA	32	0.04
Pensacola-Ferry Pass-Brent, FL MSA	87	0.12
Peoria, IL MSA	44	0.06
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	1,794	2.51
Phoenix-Mesa-Scottsdale, AZ MSA	1,375	1.92
Pine Bluff, AR MSA	10	0.01
Pittsburgh, PA MSA	478	0.67
Pittsfield, MA MSA	26	0.04
Pocatello, ID MSA	3	0.00
Ponce, PR MSA	22	0.03
Port St. Lucie-Fort Pierce, FL MSA	157	0.22
Portland-South Portland-Biddeford, ME MSA	66	0.09
Portland-Vancouver-Beaverton, OR-WA MSA	195	0.27
Poughkeepsie-Newburgh-Middletown, NY MSA	118	0.16
Prescott, AZ MSA	37	0.05
Providence-New Bedford-Fall River, RI-MA MSA	865	1.21
Provo-Orem, UT MSA	13	0.02
Pueblo, CO MSA	58	0.08

	Counseling Units	Percent
Punta Gorda, FL MSA	97	0.14
Racine, WI MSA	19	0.03
Raleigh-Cary, NC MSA	253	0.35
Rapid City, SD MSA	13	0.02
Reading, PA MSA	38	0.05
Redding, CA MSA	32	0.04
Reno-Sparks, NV MSA	109	0.15
Richmond, VA MSA	163	0.23
Riverside-San Bernardino-Ontario, CA MSA	1,865	2.61
Roanoke, VA MSA	56	0.08
Rochester, MN MSA	68	0.09
Rochester, NY MSA	174	0.24
Rockford, IL MSA	102	0.14
Rocky Mount, NC MSA	21	0.03
Rome, GA MSA	15	0.02
Sacramento--Arden-Arcade--Roseville, CA MSA	653	0.91
Saginaw-Saginaw Township North, MI MSA	55	0.08
Salem, OR MSA	15	0.02
Salinas, CA MSA	120	0.17
Salisbury, MD MSA	54	0.08
Salt Lake City, UT MSA	68	0.09
San Angelo, TX MSA	2	0.00
San Antonio, TX MSA	272	0.38
San Diego-Carlsbad-San Marcos, CA MSA	943	1.32
San Francisco-Oakland-Fremont, CA MSA	1,271	1.78
San Germán-Cabo Rojo, PR MSA	8	0.01
San Jose-Sunnyvale-Santa Clara, CA MSA	301	0.42
San Juan-Caguas-Guaynabo, PR MSA	323	0.45
San Luis Obispo-Paso Robles, CA MSA	40	0.06
Sandusky, OH MSA	47	0.07
Santa Barbara-Santa Maria, CA MSA	132	0.18
Santa Cruz-Watsonville, CA MSA	48	0.07
Santa Fe, NM MSA	19	0.03
Santa Rosa-Petaluma, CA MSA	107	0.15
Sarasota-Bradenton-Venice, FL MSA	93	0.13
Savannah, GA MSA	74	0.10
Scranton--Wilkes-Barre, PA MSA	104	0.15
Seattle-Tacoma-Bellevue, WA MSA	270	0.38
Sebastian-Vero Beach, FL MSA	25	0.03

	Counseling Units	Percent
Sheboygan, WI MSA	21	0.03
Sherman-Denison, TX MSA	5	0.01
Shreveport-Bossier City, LA MSA	32	0.04
Sioux City, IA-NE-SD MSA	11	0.02
Sioux Falls, SD MSA	119	0.17
South Bend-Mishawaka, IN-MI MSA	25	0.03
Spartanburg, SC MSA	48	0.07
Spokane, WA MSA	29	0.04
Springfield, IL MSA	12	0.02
Springfield, MA MSA	325	0.45
Springfield, MO MSA	72	0.10
Springfield, OH MSA	88	0.12
St. Cloud, MN MSA	57	0.08
St. George, UT MSA	29	0.04
St. Joseph, MO-KS MSA	13	0.02
St. Louis, MO-IL MSA	1,233	1.72
State College, PA MSA	7	0.01
Stockton, CA MSA	324	0.45
Sumter, SC MSA	33	0.05
Syracuse, NY MSA	78	0.11
Tallahassee, FL MSA	32	0.04
Tampa-St. Petersburg-Clearwater, FL MSA	682	0.95
Terre Haute, IN MSA	9	0.01
Texarkana, TX-Texarkana, ARMSA	4	0.01
Toledo, OH MSA	247	0.35
Topeka, KS MSA	11	0.02
Trenton-Ewing, NJ MSA	55	0.08
Tucson, AZ MSA	306	0.43
Tulsa, OK MSA	112	0.16
Tuscaloosa, AL MSA	19	0.03
Tyler, TX MSA	9	0.01
Utica-Rome, NY MSA	17	0.02
Valdosta, GA MSA	65	0.09
Vallejo-Fairfield, CA MSA	173	0.24
Victoria, TX MSA	5	0.01
Vineland-Millville-Bridgeton, NJ MSA	51	0.07
Virginia Beach-Norfolk-Newport News, VA-NCMSA	235	0.33
Visalia-Porterville, CA MSA	132	0.18
Waco, TX MSA	36	0.05

	Counseling Units	Percent
Warner Robins, GA MSA	29	0.04
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	2,527	3.53
Waterloo-Cedar Falls, IA MSA	41	0.06
Wausau, WI MSA	9	0.01
Weirton-Steubenville, WV-OHMSA	14	0.02
Wenatchee, WA MSA	9	0.01
Wheeling, WV-OH MSA	14	0.02
Wichita Falls, TX MSA	9	0.01
Wichita, KS MSA	36	0.05
Williamsport, PA MSA	30	0.04
Wilmington, NC MSA	37	0.05
Winchester, VA-WVMSA	14	0.02
Winston-Salem, NC MSA	131	0.18
Worcester, MA MSA	261	0.36
Yakima, WA MSA	43	0.06
Yauco, PR MSA	4	0.01
York-Hanover, PA MSA	175	0.24
Youngstown-Warren-Boardman, OH-PA MSA	214	0.30
Yuba City, CA MSA	27	0.04
Yuma, AZ MSA	44	0.06
Not in a Metropolitan Area	5,749	8.03
Total Counseling Units	71,580	100.00

Source: Authors' calculations from NW America Production data.

Notes: This table displays only counseling units whose property address and ZIP code could be geocoded; 54 counseling units are missing from the table.

Table B.4: Name of Original Lender, First Reporting Quarter

	Counseling Units	Percent
1st Franklin Financial Corporation	1	0.0
ABN Amro	77	0.1
AMC Mortgage Services	73	0.1
Accredited Home Lenders, Inc.	167	0.2
Aegis Mortgage Corporation	72	0.1
Agape World Inc	1	0.0
AmTrust Bank	52	0.1
America's Servicing Company	1243	1.7
American Brokers Conduit	22	0.0
American General Consumer Discount Company	2	0.0
American General Financial Services	70	0.1
American Home Mortgage Servicing, Inc.	186	0.3
Americas Wholesale Lender	105	0.1
Ameriquest Mortgage Company	155	0.2
Argent Mortgage Company	148	0.2
Aurora Loan Services	435	0.6
Avelo Mortgage, LLC	141	0.2
BB & T	63	0.1
BNC Mortgage Corporation	64	0.1
Banco Popular	83	0.1
Bank United	39	0.1
Bank of America	631	0.9
Bayview Loan Servicing, LLC	28	0.0
Bear Stearns Residental Mortgage	4	0.0
Beneficial	290	0.4
Bogman Inc.	45	0.1
CCO Mortgage	31	0.0
CIT Group	106	0.1
CTX Mortgage	27	0.0
Capital One	3	0.0
Carrington Mortgage Services, LLC	226	0.3
Cendant Mortgage	7	0.0
Central Mortgage Company	40	0.1
Century 21 Mortgage	12	0.0
Champion Mortgage	6	0.0
Chapel Mortgage	4	0.0
Charter One Bank	18	0.0
Chevy Chase Bank	34	0.0

	Counseling Units	Percent
Cimarron Mortgage Company	6	0.0
Citi	2,199	3.1
City Mortgage (Houston)	1	0.0
Coldwell Bankers Mortgage	19	0.0
Commerce Bank	11	0.0
Countrywide Financial Corporation	5,010	7.0
Cremac Mortgage Servicing	2	0.0
Decision One	115	0.2
Desert Schools Federal Credit Union	5	0.0
Deutsche Bank	31	0.0
Ditech	17	0.0
Doral Bank	67	0.1
Dovenmuehle Mortgage, Inc.	33	0.0
Downey Savings	75	0.1
EMC Mortgage Corporation	475	0.7
Eastern Savings Bank	19	0.0
EquiFirst	85	0.1
Equity One, Inc.	19	0.0
EverHome Mortgage Company	138	0.2
Fannie Mae	7	0.0
Fieldstone Mortgage	32	0.0
Fifth Third Bank	85	0.1
Financial Equities Mrtg	1	0.0
First Franklin Loan Services	880	1.2
First Horizon	259	0.4
First Mariner Bank	6	0.0
Flagstar Bank	121	0.2
Fleet Bank	14	0.0
Franklin American Mortgage Company	2	0.0
Franklin Credit Management	20	0.0
Franklin Templeton	1	0.0
Freddie Mac	2	0.0
Fremont Investment & Loan	379	0.5
GMAC	748	1.0
GRP Financial Services	18	0.0
Green Tree Servicing	137	0.2
Greenpoint Mortgage	147	0.2
H & R Block	22	0.0
HFC	224	0.3

	Counseling Units	Percent
HSBC	606	0.8
Habitat for Humanity	96	0.1
HomEq Servicing	732	1.0
Home 123 Corporation	20	0.0
Home Loan Servicing	72	0.1
Homecomings Financial	813	1.1
Huntington National Bank	91	0.1
IndyMac Bank	722	1.0
JPMorgan Chase	2,083	2.9
James B. Nutter & Company	12	0.0
LaSalle Bank	36	0.1
Lehman Brothers Bank	13	0.0
Litton Loan Servicing	587	0.8
LoanCare Servicing Center	22	0.0
Long Beach Mortgage	72	0.1
M & T Bank	80	0.1
Meritage Mortgage Corporation	21	0.0
Midland Mortgage Corporation	197	0.3
Mortgage Lenders Network USA, Inc.	82	0.1
MortgageIt	8	0.0
NationPoint	20	0.0
National City	407	0.6
Nationstar Mortgage	190	0.3
Nationwide	31	0.0
Navy Federal Credit Union	10	0.0
New Century Mortgage	313	0.4
Northern Trust	3	0.0
Ocwen	734	1.0
Option One	1,098	1.5
PHH Mortgage Services	102	0.1
PNC Bank	14	0.0
Popular Mortgage Servicing, Inc.	170	0.2
Quantum Servicing	12	0.0
R-G Financial Corporation	177	0.2
Regions Bank	72	0.1
Ryland Mortgage	10	0.0
Saxon Mortgage Services, Inc.	782	1.1
Select Portfolio Servicing, Inc.	386	0.5
Somerset Investors Corp.	4	0.0

	Counseling Units	Percent
Sovereign Bank	53	0.1
Specialized Loan Servicing	41	0.1
Specialty Mortgage Corporation	2	0.0
State & Local Housing Authorities	127	0.2
State Employees Credit Union	9	0.0
SunTrust	293	0.4
Taylor, Bean & Whitaker	217	0.3
Third Federal Savings & Loan	138	0.2
US Bank	542	0.8
USDA & Other Federal Agencies	158	0.2
Union Planters Bank	6	0.0
Vanderbilt Mortgage and Finance, Inc.	66	0.1
WMC Mortgage Corporation	115	0.2
Wachovia	404	0.6
Walter Mortgage	15	0.0
Washington Mutual	1,228	1.7
Waterfield Mortgage Company, Inc.	14	0.0
Wells Fargo	2,353	3.3
Wilmington Finance, Inc	45	0.1
Wilmington Mortgage Services	2	0.0
Wilmington Savings Fund Society	6	0.0
Wilmington Trust Corporation	5	0.0
Wilshire Credit Corporation	414	0.6
World Savings	84	0.1
Wright Patt Credit Union	1	0.0
Yale Mortgage Corporation	23	0.0
Other Private	11	0.0
Other	5,004	7.0
Unknown	33,215	46.4
Total Counseling Units	71,634	100.0

Source: Authors' calculations from NW America Production data.

Notes: Original Lender is based on the lender who originated the primary lien, the loan with the foreclosure problem or the loan with the highest impact if there are multiple problem loans.

Table B.5: Name of Current Servicer, First Quarterly Report

	Counseling Units	Percent
1st Franklin Financial Corporation	1	0.0
ABN Amro	23	0.0
AMC Mortgage Services	87	0.1
Accredited Home Lenders, Inc.	324	0.5
Aegis Mortgage Corporation	25	0.0
Agape World Inc	1	0.0
AmTrust Bank	49	0.1
America's Servicing Company	2,412	3.4
American Brokers Conduit	1	0.0
American General Consumer Discount Company	4	0.0
American General Financial Services	95	0.1
American Home Mortgage Servicing, Inc.	808	1.1
Americas Wholesale Lender	16	0.0
Ameriquest Mortgage Company	34	0.0
Argent Mortgage Company	15	0.0
Aurora Loan Services	655	0.9
Avelo Mortgage, LLC	214	0.3
BB & T	174	0.2
BNC Mortgage Corporation	6	0.0
Banco Popular	91	0.1
Bank United	149	0.2
Bank of America	826	1.2
Bayview Loan Servicing, LLC	40	0.1
Bear Stearns Residental Mortgage	3	0.0
Beneficial	348	0.5
Bogman Inc.	67	0.1
CCO Mortgage	94	0.1
CIT Group	438	0.6
CTX Mortgage	4	0.0
Capital One	4	0.0
Carrington Mortgage Services, LLC	436	0.6
Cendant Mortgage	6	0.0
Central Mortgage Company	221	0.3
Century 21 Mortgage	7	0.0
Champion Mortgage	2	0.0
Charter One Bank	17	0.0
Chevy Chase Bank	48	0.1
Cimarron Mortgage Company	5	0.0

	Counseling Units	Percent
Citi	4,744	6.6
City Mortgage (Houston)	121	0.2
Coldwell Bankers Mortgage	24	0.0
Commerce Bank	12	0.0
Countrywide Financial Corporation	6,853	9.6
Cremac Mortgage Servicing	3	0.0
Decision One	4	0.0
Desert Schools Federal Credit Union	8	0.0
Deutsche Bank	21	0.0
Ditech	22	0.0
Doral Bank	67	0.1
Dovenmuehle Mortgage, Inc.	62	0.1
Downey Savings	309	0.4
EMC Mortgage Corporation	764	1.1
Eastern Savings Bank	26	0.0
EquiFirst	7	0.0
Equity One, Inc.	10	0.0
EverHome Mortgage Company	224	0.3
Fannie Mae	3	0.0
Fieldstone Mortgage	3	0.0
Fifth Third Bank	206	0.3
Financial Equities Mrtg	2	0.0
First Franklin Loan Services	1,396	1.9
First Horizon	272	0.4
First Mariner Bank	2	0.0
Flagstar Bank	372	0.5
Fleet Bank	3	0.0
Franklin American Mortgage Company	1	0.0
Franklin Credit Management	45	0.1
Franklin Templeton	1	0.0
Fremont Investment & Loan	522	0.7
GMAC	1,165	1.6
GRP Financial Services	25	0.0
Green Tree Servicing	399	0.6
Greenpoint Mortgage	148	0.2
H & R Block	6	0.0
HFC	263	0.4
HSBC	1,400	2.0
Habitat for Humanity	97	0.1

	Counseling Units	Percent
HomEq Servicing	1,468	2.0
Home 123 Corporation	3	0.0
Home Loan Servicing	224	0.3
Homecomings Financial	1,301	1.8
Huntington National Bank	327	0.5
IndyMac Bank	1,086	1.5
JPMorgan Chase	3,269	4.6
James B. Nutter & Company	19	0.0
La Salle State Bank	1	0.0
LaSalle Bank	81	0.1
Lehman Brothers Bank	1	0.0
Litton Loan Servicing	1,152	1.6
LoanCare Servicing Center	79	0.1
Long Beach Mortgage	5	0.0
M & T Bank	80	0.1
Meritage Mortgage Corporation	1	0.0
Midland Mortgage Corporation	553	0.8
Mortgage Lenders Network USA, Inc.	4	0.0
MortgageIt	3	0.0
NationPoint	110	0.2
National City	483	0.7
Nationstar Mortgage	253	0.4
Nationwide	36	0.1
Navy Federal Credit Union	9	0.0
New Century Mortgage	62	0.1
Northern Trust	2	0.0
Ocwen	1,222	1.7
Option One	1,633	2.3
Other Private	22	0.0
PHH Mortgage Services	135	0.2
PNC Bank	10	0.0
Popular Mortgage Servicing, Inc.	676	0.9
Quantum Servicing	12	0.0
R-G Financial Corporation	177	0.2
Regions Bank	219	0.3
Ryland Mortgage	1	0.0
Saxon Mortgage Services, Inc.	1,526	2.1
Select Portfolio Servicing, Inc.	706	1.0
Somerset Investors Corp.	2	0.0

	Counseling Units	Percent
Sovereign Bank	128	0.2
Specialized Loan Servicing	212	0.3
State & Local Housing Authorities	148	0.2
State Employees Credit Union	9	0.0
SunTrust	362	0.5
Taylor, Bean & Whitaker	808	1.1
Third Federal Savings & Loan	149	0.2
US Bank	1,456	2.0
USDA & Other Federal Agencies	277	0.4
Union Planters Bank	1	0.0
Vanderbilt Mortgage and Finance, Inc.	87	0.1
WMC Mortgage Corporation	19	0.0
Wachovia	1,769	2.5
Walter Mortgage	60	0.1
Washington Mutual	1,857	2.6
Wells Fargo	3,959	5.5
Wilmington Finance, Inc	11	0.0
Wilmington Savings Fund Society	8	0.0
Wilmington Trust Corporation	11	0.0
Wilshire Credit Corporation	902	1.3
World Savings	71	0.1
Wright Patt Credit Union	1	0.0
Yale Mortgage Corporation	27	0.0
Other	4,121	5.8
Unknown	10,866	15.2
Total Counseling Units	71,634	100.0

Source: Authors' calculations from NW America Production data.

Notes: The current servicer is the servicer for the loan with the highest impact if there are multiple problem loans.

Table B.6: Known Client Outcomes by Type and Grantee Organization, First Reporting Quarter

Grantee Organization	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Intermediary	44	0	56	13,178
Intermediary	28	16	56	5,002
Intermediary	23	0	77	4,680
Intermediary	7	7	87	4,520
Intermediary	63	7	30	2,135
HFA	12	4	84	1,770
Intermediary	17	9	75	1,351
Intermediary	38	7	55	1,161
HFA	39	15	47	1,096
HFA	28	7	65	1,082
Intermediary	28	10	63	998
HFA	90	7	4	706
HFA	16	19	65	605
NWO	17	8	75	588
HFA	19	46	35	556
NWO	35	4	61	441
Intermediary	18	3	79	424
HFA	40	7	53	422
Intermediary	45	7	49	418
HFA	17	12	71	391
HFA	1	1	99	390
NWO	33	5	62	379
HFA	23	7	70	368
Intermediary	46	11	43	301
HFA	51	14	35	298
HFA	6	4	89	274
NWO	51	0	49	260
Intermediary	27	11	62	247
NWO	12	4	84	245
HFA	42	18	41	237
HFA	17	4	79	230
HFA	33	15	51	226
NWO	18	5	77	208
NWO	7	4	89	184
NWO	21	6	73	179
Intermediary	18	10	72	164
NWO	15	12	74	163
HFA	19	12	69	140
NWO	10	2	88	136
NWO	29	3	68	133
NWO	14	1	85	129
HFA	13	15	72	127

Grantee Organization	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
NWO	26	13	61	118
NWO	24	0	76	118
HFA	39	12	49	117
NWO	6	5	88	111
HFA	21	9	70	109
NWO	0	0	100	102
NWO	30	10	60	99
NWO	1	0	99	96
HFA	51	9	40	95
Intermediary	24	12	64	95
HFA	3	0	97	94
NWO	8	0	92	93
HFA	26	22	52	87
NWO	35	7	58	86
NWO	15	70	15	81
NWO	49	5	46	80
NWO	43	9	48	79
NWO	3	5	92	75
HFA	51	35	14	74
NWO	32	1	67	69
NWO	11	16	72	61
NWO	10	8	82	60
NWO	66	20	14	56
NWO	96	2	2	53
NWO	6	2	92	50
NWO	31	10	59	49
NWO	19	9	72	47
NWO	0	11	89	46
NWO	47	36	18	45
HFA	29	13	58	45
NWO	52	12	36	42
Intermediary	33	7	60	42
HFA	26	5	69	42
NWO	26	17	57	42
NWO	14	14	71	42
NWO	66	17	17	41
NWO	32	0	68	41
HFA	29	10	61	41
NWO	69	10	21	39
NWO	78	22	0	37
NWO	41	3	57	37
NWO	14	16	70	37
NWO	17	53	31	36
NWO	6	11	83	35

Grantee Organization	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
NWO	62	6	32	34
NWO	6	0	94	34
NWO	18	0	82	33
NWO	16	9	75	32
NWO	45	19	35	31
NWO	23	19	58	31
NWO	10	16	74	31
NWO	24	16	60	25
NWO	33	4	63	24
NWO	43	5	52	21
NWO	75	0	25	20
HFA	35	15	50	20
NWO	26	11	63	19
NWO	44	28	28	18
NWO	33	17	50	18
NWO	22	0	78	18
NWO	47	0	53	17
NWO	12	6	82	17
NWO	44	13	44	16
NWO	38	31	31	16
NWO	40	47	13	15
NWO	13	0	87	15
NWO	0	0	100	15
NWO	36	29	36	14
HFA	30	0	70	10
NWO	78	11	11	9
NWO	22	33	44	9
NWO	100	0	0	8
NWO	75	13	13	8
HFA	29	0	71	7
HFA	0	0	100	7
HFA	17	0	83	6
NWO	60	20	20	5
HFA	33	33	33	3
NWO	0	33	67	3
NWO	0	50	50	2
NWO	100	0	0	1
NWO	100	0	0	1
NWO	0	0	100	1
NWO	0	100	0	1
HFA	-	-	-	0
Intermediary	-	-	-	0
NWO	-	-	-	0
NWO	-	-	-	0

Grantee Organization	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Total	31	6	63	50,101

Source: Authors' calculations from NW America Quarterly Reports data.

Notes: Known outcomes do not include counseling units listed in the category "ended counseling after level 1; outcome unknown.

Table B.7: Number of Level 1 Counseling Units with Outcomes by State, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
California	37.6	3.5	58.9	3,284
Florida	39.3	3.1	57.6	1,663
Ohio	32.4	5.4	62.2	1,574
Maryland	36.7	10.4	52.8	969
Texas	34.7	11.8	53.5	833
Illinois	39.3	1.1	59.6	723
Georgia	9.9	38.7	51.4	656
Pennsylvania	29.8	3.9	66.4	598
New Jersey	31.4	1.4	67.2	577
New York	40.2	1.6	58.2	555
Michigan	37.4	4.0	58.6	546
Minnesota	62.8	12.5	24.7	538
Massachusetts	41.4	1.5	57.1	529
Arizona	40.0	5.5	54.5	488
Missouri	36.1	6.6	57.3	482
North Carolina	34.4	1.7	64.0	480
Virginia	48.8	2.2	49.0	416
Wisconsin	35.8	6.6	57.7	366
South Carolina	40.1	3.4	56.5	322
Kentucky	22.7	5.9	71.4	304
Washington	35.2	6.7	58.1	253
Indiana	39.3	2.4	58.3	252
Tennessee	41.7	2.4	55.9	211
Puerto Rico	42.4	48.0	9.7	196
Nevada	42.5	1.1	56.4	181
Colorado	46.0	4.0	50.0	174
Louisiana	36.8	5.9	57.3	171
Connecticut	38.2	0.0	61.8	170
Mississippi	39.9	9.2	50.9	163
Alabama	40.6	0.0	59.4	160
Oregon	35.9	2.3	61.7	128
Oklahoma	38.5	4.8	56.7	104
South Dakota	42.6	41.6	15.8	101
Kansas	31.8	4.6	63.6	88
Delaware	30.6	5.9	63.5	85

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Maine	31.8	3.5	64.7	85
Arkansas	41.9	9.5	48.7	74
New Hampshire	28.3	0.0	71.7	60
Rhode Island	36.7	6.7	56.7	60
Nebraska	30.4	10.7	58.9	56
Iowa	38.2	1.8	60.0	55
District of Columbia	26.0	12.0	62.0	50
West Virginia	34.7	18.4	46.9	49
New Mexico	47.8	0.0	52.2	46
Utah	46.9	0.0	53.1	32
Idaho	37.0	0.0	63.0	27
Hawaii	52.4	0.0	47.6	21
Vermont	28.6	0.0	71.4	21
North Dakota	26.3	21.1	52.6	19
Montana	35.3	0.0	64.7	17
Alaska	26.7	33.3	40.0	15
Wyoming	41.7	8.3	50.0	12
Total	36.8	6.5	56.7	19,039

Source: Authors' calculations from NW America Quarterly Reports data.

Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

Table B.8: Number of Level 1 Counseling Units with Outcomes by Metropolitan Area, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	33.3	1.5	65.2	778
Los Angeles-Long Beach-Santa Ana, CA MSA	38.3	0.9	60.8	669
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	43.5	6.1	50.5	642
Riverside-San Bernardino-Ontario, CA MSA	38.7	1.9	59.4	631
Chicago-Naperville-Joliet, IL-IN-WI MSA	39.0	0.5	60.5	592
Miami-Fort Lauderdale-Miami Beach, FL MSA	37.6	4.0	58.4	582
Baltimore-Towson, MD MSA	32.2	14.0	53.8	515
Boston-Cambridge-Quincy, MA-NH MSA	40.0	1.6	58.5	373
Phoenix-Mesa-Scottsdale, AZ MSA	39.4	4.8	55.8	355
St. Louis, MO-IL MSA	36.8	3.2	60.0	340
Cleveland-Elyria-Mentor, OH MSA	25.1	2.6	72.3	303
San Francisco-Oakland-Fremont, CA MSA	42.9	1.4	55.7	289
Minneapolis-St. Paul-Bloomington, MN-WI MSA	53.9	10.2	35.9	284
Detroit-Warren-Livonia, MI MSA	36.4	4.4	59.3	275
Dallas-Fort Worth-Arlington, TX MSA	28.7	3.7	67.7	272
Columbus, OH MSA	28.6	7.8	63.6	269
San Diego-Carlsbad-San Marcos, CA MSA	42.5	2.2	55.2	268
Sacramento--Arden-Arcade--Roseville, CA MSA	30.5	1.2	68.3	246
Cincinnati-Middletown, OH-KY-IN MSA	37.8	5.4	56.9	241
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	34.4	3.6	62.1	224
Bakersfield, CA MSA	31.7	17.7	50.7	221
Tampa-St. Petersburg-Clearwater, FL MSA	35.2	0.9	63.9	216
Houston-Sugar Land-Baytown, TX MSA	43.1	1.1	55.9	188
Orlando-Kissimmee, FL MSA	38.2	1.1	60.8	186
Jacksonville, FL MSA	26.9	5.3	67.8	171
Milwaukee-Waukesha-West Allis, WI MSA	31.1	8.4	60.5	167
Louisville-Jefferson County, KY-IN MSA	21.0	3.8	75.2	157
Las Vegas-Paradise, NV MSA	43.9	1.3	54.8	155
San Juan-Caguas-Guaynabo, PR MSA	42.4	47.0	10.6	151
Stockton, CA MSA	39.7	1.4	58.9	141
Kansas City, MO-KS MSA	39.1	5.1	55.8	138
Akron, OH MSA	28.8	0.0	71.2	125
Atlanta-Sandy Springs-Marietta, GA MSA	27.1	5.9	67.0	118
Seattle-Tacoma-Bellevue, WA MSA	36.2	8.6	55.2	116
Oxnard-Thousand Oaks-Ventura, CA MSA	17.5	7.0	75.4	114

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Youngstown-Warren-Boardman, OH-PA MSA	26.8	8.9	64.3	112
Charlotte-Gastonia-Concord, NC-SC MSA	33.3	1.9	64.8	108
Toledo, OH MSA	34.0	9.4	56.6	106
Dayton, OH MSA	32.4	5.7	61.9	105
Portland-Vancouver-Beaverton, OR-WA MSA	31.7	1.9	66.4	104
San Jose-Sunnyvale-Santa Clara, CA MSA	46.5	2.0	51.5	99
Providence-New Bedford-Fall River, RI-MA MSA	39.2	5.2	55.7	97
Denver-Aurora, CO MSA	44.8	1.0	54.2	96
Indianapolis-Carmel, IN MSA	38.7	5.4	55.9	93
San Antonio, TX MSA	41.9	4.3	53.8	93
New Orleans-Metairie-Kenner, LA MSA	22.2	8.9	68.9	90
Tucson, AZ MSA	40.0	9.4	50.6	85
Charleston-North Charleston, SC MSA	38.1	1.2	60.7	84
Pittsburgh, PA MSA	36.9	3.6	59.5	84
Palm Bay-Melbourne-Titusville, FL MSA	61.0	15.9	23.2	82
Virginia Beach-Norfolk-Newport News, VA-NCMSA	44.7	1.3	54.0	76
Modesto, CA MSA	38.7	2.7	58.7	75
Worcester, MA MSA	41.9	0.0	58.1	74
Winston-Salem, NC MSA	18.3	0.0	81.7	71
Canton-Massillon, OH MSA	32.4	7.4	60.3	68
Cape Coral-Fort Myers, FL MSA	47.1	0.0	52.9	68
Hartford-West Hartford-East Hartford, CT MSA	27.3	0.0	72.7	66
Birmingham-Hoover, AL MSA	38.5	0.0	61.5	65
McAllen-Edinburg-Mission, TX MSA	7.8	53.1	39.1	64
Visalia-Porterville, CA MSA	29.7	20.3	50.0	64
Fresno, CA MSA	30.2	6.4	63.5	63
Albany, GA MSA	9.7	56.5	33.9	62
Santa Barbara-Santa Maria, CA MSA	11.5	13.1	75.4	61
Vallejo-Fairfield, CA MSA	45.9	1.6	52.5	61
Memphis, TN-MS-AR MSA	40.0	0.0	60.0	60
Raleigh-Cary, NC MSA	31.7	3.3	65.0	60
Augusta-Richmond County, GA-SC MSA	18.6	1.7	79.7	59
Columbus, GA-AL MSA	6.8	18.6	74.6	59
Scranton--Wilkes-Barre, PA MSA	30.5	0.0	69.5	59
Sioux Falls, SD MSA	33.9	51.8	14.3	56
Valdosta, GA MSA	0.0	76.9	23.1	52
Port St. Lucie-Fort Pierce, FL MSA	51.0	0.0	49.0	51
Lakeland, FL MSA	34.0	0.0	66.0	50
Allentown-Bethlehem-Easton, PA-NJ MSA	47.9	0.0	52.1	48

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Oklahoma City, OK MSA	38.3	0.0	61.7	47
Merced, CA MSA	50.0	4.4	45.7	46
Richmond, VA MSA	39.1	0.0	60.9	46
Buffalo-Niagara Falls, NY MSA	37.8	4.4	57.8	45
New Haven-Milford, CT MSA	44.4	0.0	55.6	45
Nashville-Davidson--Murfreesboro, TN MSA	47.7	6.8	45.5	44
Columbia, SC MSA	42.9	2.4	54.8	42
Santa Rosa-Petaluma, CA MSA	52.4	0.0	47.6	42
Salinas, CA MSA	48.8	0.0	51.2	41
Deltona-Daytona Beach-Ormond Beach, FL MSA	55.0	2.5	42.5	40
Yakima, WA MSA	43.6	12.8	43.6	39
Poughkeepsie-Newburgh-Middletown, NY MSA	50.0	0.0	50.0	38
Rochester, NY MSA	29.0	7.9	63.2	38
Springfield, MA MSA	42.1	2.6	55.3	38
Austin-Round Rock, TX MSA	59.5	2.7	37.8	37
Erie, PA MSA	24.3	10.8	64.9	37
Greensboro-High Point, NC MSA	37.8	0.0	62.2	37
Lexington-Fayette, KY MSA	25.0	16.7	58.3	36
Omaha-Council Bluffs, NE-IA MSA	11.1	16.7	72.2	36
Bridgeport-Stamford-Norwalk, CT MSA	42.9	0.0	57.1	35
Duluth, MN-WI MSA	80.0	11.4	8.6	35
Corpus Christi, TX MSA	21.9	59.4	18.8	32
Tulsa, OK MSA	34.4	12.5	53.1	32
Dover, DE MSA	22.6	3.2	74.2	31
Jackson, MS MSA	50.0	3.3	46.7	30
Rockford, IL MSA	43.3	0.0	56.7	30
Macon, GA MSA	6.9	3.5	89.7	29
Sarasota-Bradenton-Venice, FL MSA	58.6	0.0	41.4	29
Grand Rapids-Wyoming, MI MSA	35.7	0.0	64.3	28
York-Hanover, PA MSA	39.3	3.6	57.1	28
Baton Rouge, LA MSA	51.9	3.7	44.4	27
Greenville, SC MSA	55.6	3.7	40.7	27
Brownsville-Harlingen, TX MSA	26.9	53.9	19.2	26
Flint, MI MSA	42.3	3.9	53.9	26
Knoxville, TN MSA	50.0	0.0	50.0	26
Savannah, GA MSA	11.5	23.1	65.4	26
Ann Arbor, MI MSA	32.0	16.0	52.0	25
Muskegon-Norton Shores, MI MSA	44.0	12.0	44.0	25
Ocala, FL MSA	52.0	0.0	48.0	25

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Pensacola-Ferry Pass-Brent, FL MSA	36.0	0.0	64.0	25
Gulfport-Biloxi, MS MSA	29.2	16.7	54.2	24
Little Rock-North Little Rock, AR MSA	40.9	0.0	59.1	22
Naples-Marco Island, FL MSA	36.4	0.0	63.6	22
Portland-South Portland-Biddeford, ME MSA	31.8	0.0	68.2	22
Asheville, NC MSA	28.6	0.0	71.4	21
El Paso, TX MSA	42.9	4.8	52.4	21
Florence, SC MSA	47.6	9.5	42.9	21
St. Cloud, MN MSA	71.4	9.5	19.1	21
Albany-Schenectady-Troy, NY MSA	55.0	0.0	45.0	20
Atlantic City, NJ MSA	20.0	0.0	80.0	20
Green Bay, WI MSA	35.0	0.0	65.0	20
Lancaster, PA MSA	15.0	0.0	85.0	20
Barnstable Town, MA MSA	47.4	0.0	52.6	19
Chico, CA MSA	42.1	0.0	57.9	19
Janesville, WI MSA	47.4	21.1	31.6	19
Mansfield, OH MSA	57.9	5.3	36.8	19
Myrtle Beach-Conway-North Myrtle Beach, SC MSA	42.1	0.0	57.9	19
Pascagoula, MS MSA	52.6	5.3	42.1	19
Williamsport, PA MSA	15.8	5.3	79.0	19
Albuquerque, NM MSA	33.3	0.0	66.7	18
Hagerstown-Martinsburg, MD-WV MSA	38.9	11.1	50.0	18
Syracuse, NY MSA	33.3	0.0	66.7	18
Trenton-Ewing, NJ MSA	38.9	0.0	61.1	18
Charleston, WV MSA	23.5	52.9	23.5	17
Fayetteville, NC MSA	35.3	17.7	47.1	17
Fayetteville-Springdale-Rogers, AR-MO MSA	47.1	23.5	29.4	17
Kingston, NY MSA	35.3	0.0	64.7	17
Springfield, OH MSA	29.4	0.0	70.6	17
Durham, NC MSA	25.0	0.0	75.0	16
Greeley, CO MSA	50.0	18.8	31.3	16
Hanford-Corcoran, CA MSA	37.5	18.8	43.8	16
Hickory-Lenoir-Morganton, NC MSA	50.0	0.0	50.0	16
Manchester-Nashua, NH MSA	50.0	0.0	50.0	16
Pueblo, CO MSA	43.8	0.0	56.3	16
Reno-Sparks, NV MSA	25.0	0.0	75.0	16
Tallahassee, FL MSA	43.8	0.0	56.3	16
Wichita, KS MSA	43.8	0.0	56.3	16
Wilmington, NC MSA	68.8	0.0	31.3	16

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Madison, WI MSA	33.3	0.0	66.7	15
Peoria, IL MSA	33.3	26.7	40.0	15
Sebastian-Vero Beach, FL MSA	33.3	13.3	53.3	15
Warner Robins, GA MSA	6.7	0.0	93.3	15
Davenport-Moline-Rock Island, IA-IL MSA	42.9	0.0	57.1	14
Fort Collins-Loveland, CO MSA	57.1	14.3	28.6	14
Fort Wayne, IN MSA	50.0	0.0	50.0	14
Gainesville, GA MSA	0.0	14.3	85.7	14
San Luis Obispo-Paso Robles, CA MSA	21.4	7.1	71.4	14
Anderson, SC MSA	38.5	0.0	61.5	13
Boise City-Nampa, ID MSA	23.1	0.0	76.9	13
Jackson, TN MSA	30.8	15.4	53.9	13
Montgomery, AL MSA	15.4	0.0	84.6	13
Santa Cruz-Watsonville, CA MSA	38.5	0.0	61.5	13
Colorado Springs, CO MSA	41.7	8.3	50.0	12
Evansville, IN-KY MSA	25.0	0.0	75.0	12
Mobile, AL MSA	41.7	0.0	58.3	12
Napa, CA MSA	25.0	0.0	75.0	12
Niles-Benton Harbor, MI MSA	58.3	0.0	41.7	12
Salisbury, MD MSA	33.3	0.0	66.7	12
Salt Lake City, UT MSA	50.0	0.0	50.0	12
Shreveport-Bossier City, LA MSA	33.3	8.3	58.3	12
Springfield, MO MSA	33.3	0.0	66.7	12
Tuscaloosa, AL MSA	58.3	0.0	41.7	12
Charlottesville, VA MSA	36.4	9.1	54.6	11
Elkhart-Goshen, IN MSA	45.5	0.0	54.6	11
Redding, CA MSA	63.6	0.0	36.4	11
South Bend-Mishawaka, IN-MI MSA	72.7	0.0	27.3	11
Sumter, SC MSA	45.5	0.0	54.6	11
Vineland-Millville-Bridgeton, NJ MSA	27.3	0.0	72.7	11
Fargo, ND-MN MSA	30.0	20.0	50.0	10
Honolulu, HI MSA	40.0	0.0	60.0	10
Jackson, MI MSA	30.0	0.0	70.0	10
Kingsport-Bristol-Bristol, TN-VA MSA	80.0	0.0	20.0	10
Lansing-East Lansing, MI MSA	20.0	0.0	80.0	10
Lynchburg, VA MSA	40.0	0.0	60.0	10
Madera, CA MSA	30.0	0.0	70.0	10
Monroe, MI MSA	50.0	0.0	50.0	10
Panama City-Lynn Haven, FL MSA	20.0	0.0	80.0	10

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Prescott, AZ MSA	50.0	0.0	50.0	10
Punta Gorda, FL MSA	40.0	0.0	60.0	10
Utica-Rome, NY MSA	30.0	0.0	70.0	10
Bangor, ME MSA	55.6	11.1	33.3	9
El Centro, CA MSA	44.4	0.0	55.6	9
Eugene-Springfield, OR MSA	22.2	0.0	77.8	9
Fajardo, PR MSA	77.8	11.1	11.1	9
Fort Smith, AR-OK MSA	11.1	22.2	66.7	9
Lafayette, IN MSA	44.4	0.0	55.6	9
Norwich-New London, CT MSA	55.6	0.0	44.4	9
Pittsfield, MA MSA	44.4	0.0	55.6	9
Racine, WI MSA	33.3	22.2	44.4	9
Reading, PA MSA	55.6	0.0	44.4	9
Rochester, MN MSA	55.6	0.0	44.4	9
Saginaw-Saginaw Township North, MI MSA	33.3	0.0	66.7	9
Sandusky, OH MSA	33.3	0.0	66.7	9
Spartanburg, SC MSA	55.6	0.0	44.4	9
Weirton-Steubenville, WV-OHMSA	44.4	0.0	55.6	9
Anchorage, AK MSA	12.5	37.5	50.0	8
Appleton, WI MSA	50.0	0.0	50.0	8
Fort Walton Beach-Crestview-Destin, FL MSA	62.5	0.0	37.5	8
Hattiesburg, MS MSA	62.5	12.5	25.0	8
Holland-Grand Haven, MI MSA	62.5	0.0	37.5	8
Huntsville, AL MSA	25.0	0.0	75.0	8
Kalamazoo-Portage, MI MSA	37.5	0.0	62.5	8
La Crosse, WI-MN MSA	62.5	0.0	37.5	8
Michigan City-La Porte, IN MSA	25.0	0.0	75.0	8
Parkersburg-Marietta-Vienna, WV-OH MSA	62.5	0.0	37.5	8
Ponce, PR MSA	50.0	37.5	12.5	8
Salem, OR MSA	25.0	0.0	75.0	8
Topeka, KS MSA	37.5	37.5	25.0	8
Yuba City, CA MSA	62.5	0.0	37.5	8
Aguadilla-Isabela-San Sebastián, PR MSA	28.6	71.4	0.0	7
Battle Creek, MI MSA	28.6	0.0	71.4	7
Beaumont-Port Arthur, TX MSA	71.4	0.0	28.6	7
Eau Claire, WI MSA	57.1	0.0	42.9	7
Gainesville, FL MSA	71.4	0.0	28.6	7
Harrisburg-Carlisle, PA MSA	42.9	0.0	57.1	7
Houma-Bayou Cane-Thibodaux, LA MSA	42.9	0.0	57.1	7

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Huntington-Ashland, WV-KY-OH MSA	28.6	0.0	71.4	7
Mayagüez, PR MSA	14.3	85.7	0.0	7
Morristown, TN MSA	42.9	0.0	57.1	7
Oshkosh-Neenah, WI MSA	42.9	0.0	57.1	7
Roanoke, VA MSA	14.3	0.0	85.7	7
Sheboygan, WI MSA	14.3	28.6	57.1	7
Sioux City, IA-NE-SD MSA	57.1	14.3	28.6	7
Spokane, WA MSA	42.9	0.0	57.1	7
Springfield, IL MSA	28.6	0.0	71.4	7
Wenatchee, WA MSA	42.9	14.3	42.9	7
Bend, OR MSA	16.7	0.0	83.3	6
Binghamton, NY MSA	83.3	0.0	16.7	6
Cedar Rapids, IA MSA	50.0	0.0	50.0	6
Chattanooga, TN-GA MSA	66.7	0.0	33.3	6
Columbus, IN MSA	33.3	0.0	66.7	6
Danville, VA MSA	100.0	0.0	0.0	6
Des Moines-West Des Moines, IA MSA	16.7	0.0	83.3	6
Fairbanks, AK MSA	33.3	33.3	33.3	6
Johnson City, TN MSA	50.0	0.0	50.0	6
Jonesboro, AR MSA	66.7	16.7	16.7	6
Killeen-Temple-Fort Hood, TX MSA	50.0	0.0	50.0	6
Lewiston-Auburn, ME MSA	50.0	0.0	50.0	6
Medford, OR MSA	66.7	0.0	33.3	6
Missoula, MT MSA	33.3	0.0	66.7	6
Muncie, IN MSA	50.0	0.0	50.0	6
Ogden-Clearfield, UT MSA	50.0	0.0	50.0	6
Provo-Orem, UT MSA	50.0	0.0	50.0	6
Rocky Mount, NC MSA	66.7	0.0	33.3	6
St. George, UT MSA	50.0	0.0	50.0	6
San Germán-Cabo Rojo, PR MSA	50.0	50.0	0.0	6
Waco, TX MSA	50.0	0.0	50.0	6
Waterloo-Cedar Falls, IA MSA	33.3	0.0	66.7	6
Wausau, WI MSA	50.0	0.0	50.0	6
Winchester, VA-WVMSA	66.7	0.0	33.3	6
Yuma, AZ MSA	33.3	0.0	66.7	6
Alexandria, LA MSA	60.0	0.0	40.0	5
Altoona, PA MSA	80.0	0.0	20.0	5
Bay City, MI MSA	20.0	0.0	80.0	5
Bremerton-Silverdale, WA MSA	20.0	0.0	80.0	5

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Burlington-South Burlington, VT MSA	20.0	0.0	80.0	5
Clarksville, TN-KY MSA	40.0	0.0	60.0	5
Columbia, MO MSA	0.0	20.0	80.0	5
Fond du Lac, WI MSA	40.0	0.0	60.0	5
Grand Junction, CO MSA	40.0	0.0	60.0	5
Jefferson City, MO MSA	100.0	0.0	0.0	5
Lafayette, LA MSA	100.0	0.0	0.0	5
Lincoln, NE MSA	60.0	0.0	40.0	5
Olympia, WA MSA	0.0	0.0	100.0	5
State College, PA MSA	20.0	0.0	80.0	5
Anderson, IN MSA	50.0	0.0	50.0	4
Athens-Clarke County, GA MSA	0.0	25.0	75.0	4
Boulder, CO MSA	75.0	0.0	25.0	4
Bowling Green, KY MSA	25.0	25.0	50.0	4
College Station-Bryan, TX MSA	25.0	0.0	75.0	4
Elizabethtown, KY MSA	25.0	25.0	50.0	4
Flagstaff, AZ MSA	50.0	0.0	50.0	4
Grand Forks, ND-MN MSA	0.0	25.0	75.0	4
Las Cruces, NM MSA	100.0	0.0	0.0	4
Longview, WA MSA	25.0	0.0	75.0	4
Lubbock, TX MSA	50.0	0.0	50.0	4
Morgantown, WV MSA	50.0	0.0	50.0	4
St. Joseph, MO-KS MSA	0.0	75.0	25.0	4
Terre Haute, IN MSA	50.0	0.0	50.0	4
Wheeling, WV-OH MSA	25.0	0.0	75.0	4
Auburn-Opelika, AL MSA	66.7	0.0	33.3	3
Bellingham, WA MSA	66.7	0.0	33.3	3
Billings, MT MSA	66.7	0.0	33.3	3
Blacksburg-Christiansburg-Radford, VA MSA	66.7	0.0	33.3	3
Bloomington, IN MSA	33.3	0.0	66.7	3
Champaign-Urbana, IL MSA	0.0	0.0	100.0	3
Cheyenne, WY MSA	66.7	0.0	33.3	3
Cumberland, MD-WV MSA	0.0	0.0	100.0	3
Danville, IL MSA	0.0	0.0	100.0	3
Decatur, AL MSA	33.3	0.0	66.7	3
Dubuque, IA MSA	66.7	33.3	0.0	3
Farmington, NM MSA	33.3	0.0	66.7	3
Goldsboro, NC MSA	0.0	0.0	100.0	3
Greenville, NC MSA	66.7	0.0	33.3	3

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Guayama, PR MSA	0.0	100.0	0.0	3
Hot Springs, AR MSA	0.0	0.0	100.0	3
Johnstown, PA MSA	33.3	0.0	66.7	3
Kankakee-Bradley, IL MSA	33.3	0.0	66.7	3
Kennewick-Richland-Pasco, WA MSA	33.3	33.3	33.3	3
Kokomo, IN MSA	33.3	0.0	66.7	3
Lake Charles, LA MSA	33.3	0.0	66.7	3
Laredo, TX MSA	100.0	0.0	0.0	3
Lebanon, PA MSA	0.0	0.0	100.0	3
Lima, OH MSA	33.3	0.0	66.7	3
Longview, TX MSA	33.3	0.0	66.7	3
Mount Vernon-Anacortes, WA MSA	66.7	0.0	33.3	3
Ocean City, NJ MSA	66.7	0.0	33.3	3
Santa Fe, NM MSA	100.0	0.0	0.0	3
Tyler, TX MSA	100.0	0.0	0.0	3
Abilene, TX MSA	100.0	0.0	0.0	2
Anniston-Oxford, AL MSA	100.0	0.0	0.0	2
Brunswick, GA MSA	50.0	0.0	50.0	2
Burlington, NC MSA	0.0	0.0	100.0	2
Carson City, NV MSA	50.0	0.0	50.0	2
Casper, WY MSA	100.0	0.0	0.0	2
Cleveland, TN MSA	100.0	0.0	0.0	2
Decatur, IL MSA	100.0	0.0	0.0	2
Dothan, AL MSA	0.0	0.0	100.0	2
Elmira, NY MSA	50.0	0.0	50.0	2
Glens Falls, NY MSA	0.0	0.0	100.0	2
Hinesville-Fort Stewart, GA MSA	50.0	50.0	0.0	2
Iowa City, IA MSA	0.0	0.0	100.0	2
Lawrence, KS MSA	0.0	0.0	100.0	2
Owensboro, KY MSA	0.0	0.0	100.0	2
Pine Bluff, AR MSA	100.0	0.0	0.0	2
Rapid City, SD MSA	50.0	50.0	0.0	2
Sherman-Denison, TX MSA	50.0	0.0	50.0	2
Wichita Falls, TX MSA	100.0	0.0	0.0	2
Yauco, PR MSA	50.0	0.0	50.0	2
Coeur d'Alene, ID MSA	0.0	0.0	100.0	1
Dalton, GA MSA	0.0	0.0	100.0	1
Florence-Muscle Shoals, AL MSA	0.0	0.0	100.0	1
Gadsden, AL MSA	100.0	0.0	0.0	1

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Great Falls, MT MSA	100.0	0.0	0.0	1
Idaho Falls, ID MSA	100.0	0.0	0.0	1
Ithaca, NY MSA	100.0	0.0	0.0	1
Jacksonville, NC MSA	0.0	0.0	100.0	1
Joplin, MO MSA	100.0	0.0	0.0	1
Lewiston, ID-WA MSA	100.0	0.0	0.0	1
Midland, TX MSA	100.0	0.0	0.0	1
Monroe, LA MSA	100.0	0.0	0.0	1
Pocatello, ID MSA	0.0	0.0	100.0	1
Rome, GA MSA	0.0	100.0	0.0	1
Texarkana, TX-Texarkana, AR MSA	100.0	0.0	0.0	1
Victoria, TX MSA	0.0	0.0	100.0	1
Amarillo, TX MSA	.	.	.	0
Ames, IA MSA	.	.	.	0
Bismarck, ND MSA	.	.	.	0
Bloomington-Normal, IL MSA	.	.	.	0
Corvallis, OR MSA	.	.	.	0
Harrisonburg, VA MSA	.	.	.	0
Lawton, OK MSA	.	.	.	0
Logan, UT-ID MSA	.	.	.	0
Odessa, TX MSA	.	.	.	0
San Angelo, TX MSA	.	.	.	0
Not in a Metropolitan Area	36.2	12.2	51.6	2,232
Total	36.8	6.52	56.7	19,039

Source: Authors' calculations from NW America Quarterly Reports data.

Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

Table B.9: Number of Level 2 and 3 Counseling Units with Outcomes by State, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Pennsylvania	12.6	3.3	84.1	1,592
California	27.2	18.0	54.8	1,355
Ohio	34.6	7.5	57.9	1,278
Illinois	78.2	5.7	16.1	863
Missouri	38.4	9.0	52.6	777
Colorado	51.3	14.2	34.5	762
Florida	27.5	7.7	64.9	575
Michigan	44.7	11.6	43.7	526
Maryland	54.6	13.4	32.1	524
Georgia	52.5	13.1	34.4	512
Rhode Island	5.9	1.1	93.1	478
Texas	24.8	9.4	65.8	427
New York	42.7	6.4	50.9	375
Minnesota	59.7	29.7	10.5	370
Arizona	18.5	12.3	69.2	357
Massachusetts	38.5	10.3	51.2	301
Connecticut	12.7	8.7	78.6	275
Delaware	55.6	8.7	35.7	196
Tennessee	68.2	21.9	9.9	192
South Carolina	86.0	10.8	3.2	186
New Jersey	19.6	4.4	76.1	184
Kentucky	28.6	10.4	61.0	154
Virginia	34.5	11.0	54.5	145
North Carolina	60.8	9.8	29.4	143
Wisconsin	26.9	8.7	64.4	104
Oklahoma	59.0	10.5	30.5	95
Iowa	43.1	20.8	36.1	72
Washington	36.1	12.5	51.4	72
New Hampshire	45.6	14.7	39.7	68
Louisiana	15.9	4.8	79.4	63
Alabama	60.7	11.5	27.9	61
Nevada	11.8	19.6	68.6	51
Indiana	29.2	10.4	60.4	48
Kansas	45.0	12.5	42.5	40
Alaska	83.8	16.2	0.0	37

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Mississippi	32.4	14.7	52.9	34
Nebraska	78.6	3.6	17.9	28
New Mexico	30.8	7.7	61.5	26
South Dakota	38.1	42.9	19.1	21
Puerto Rico	55.0	30.0	15.0	20
District of Columbia	22.2	22.2	55.6	18
Oregon	22.2	22.2	55.6	18
Utah	47.1	11.8	41.2	17
Arkansas	25.0	25.0	50.0	16
West Virginia	73.3	20.0	6.7	15
Maine	7.1	0.0	92.9	14
Idaho	22.2	0.0	77.8	9
Wyoming	50.0	0.0	50.0	2
Hawaii	0.0	0.0	100.0	1
Montana	.	.	.	0
North Dakota	.	.	.	0
Total	37.4	10.4	52.2	13,497

Source: Authors' calculations from NW America Quarterly Reports data.

Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

Table B.10: Number of Level 2 and 3 Counseling Units with Outcomes by Metropolitan Area, First Reporting Quarter

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	18.1	5.3	76.6	945
Chicago-Naperville-Joliet, IL-IN-WI MSA	80.6	5.4	14.1	802
Denver-Aurora, CO MSA	52.7	14.0	33.2	620
Providence-New Bedford-Fall River, RI-MA MSA	6.3	1.7	92.0	526
St. Louis, MO-IL MSA	26.4	6.1	67.6	512
Cleveland-Elyria-Mentor, OH MSA	33.6	9.5	56.9	503
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	31.4	3.8	64.8	423
Atlanta-Sandy Springs-Marietta, GA MSA	47.5	12.5	40.0	383
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	54.7	12.9	32.4	340
Pittsburgh, PA MSA	17.5	2.8	79.8	321
Phoenix-Mesa-Scottsdale, AZ MSA	15.9	10.7	73.5	290
Detroit-Warren-Livonia, MI MSA	51.8	10.2	38.0	284
Minneapolis-St. Paul-Bloomington, MN-WI MSA	54.3	34.0	11.7	282
Riverside-San Bernardino-Ontario, CA MSA	23.2	24.4	52.4	250
Cincinnati-Middletown, OH-KY-IN MSA	16.9	7.3	75.8	248
San Francisco-Oakland-Fremont, CA MSA	25.5	23.1	51.4	247
Kansas City, MO-KS MSA	58.1	13.6	28.4	236
Miami-Fort Lauderdale-Miami Beach, FL MSA	23.1	5.8	71.1	225
Los Angeles-Long Beach-Santa Ana, CA MSA	28.3	8.4	63.4	191
Baltimore-Towson, MD MSA	48.1	15.0	36.9	187
Columbus, OH MSA	47.0	7.2	45.9	181
Dallas-Fort Worth-Arlington, TX MSA	12.8	6.4	80.8	156
San Diego-Carlsbad-San Marcos, CA MSA	16.1	5.4	78.5	149
Boston-Cambridge-Quincy, MA-NH MSA	35.0	16.4	48.6	140
York-Hanover, PA MSA	13.3	2.3	84.4	128
Bridgeport-Stamford-Norwalk, CT MSA	4.0	10.5	85.5	124
Orlando-Kissimmee, FL MSA	15.5	5.5	79.1	110
Charleston-North Charleston, SC MSA	91.1	5.0	4.0	101
Nashville-Davidson--Murfreesboro, TN MSA	73.5	14.3	12.2	98
New Haven-Milford, CT MSA	26.7	10.0	63.3	90
Flint, MI MSA	52.3	3.5	44.2	86
Houston-Sugar Land-Baytown, TX MSA	16.5	11.8	71.8	85
Springfield, MA MSA	61.2	1.2	37.7	85
Tampa-St. Petersburg-Clearwater, FL MSA	22.6	11.9	65.5	84
Sacramento--Arden-Arcade--Roseville, CA MSA	19.8	22.2	58.0	81
Virginia Beach-Norfolk-Newport News, VA-NCMSA	33.8	13.8	52.5	80
Louisville-Jefferson County, KY-IN MSA	42.3	18.0	39.7	78

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Milwaukee-Waukesha-West Allis, WI MSA	25.0	5.6	69.4	72
San Jose-Sunnyvale-Santa Clara, CA MSA	28.6	11.4	60.0	70
Toledo, OH MSA	68.6	5.7	25.7	70
Memphis, TN-MS-AR MSA	54.6	37.9	7.6	66
Lancaster, PA MSA	4.7	0.0	95.3	64
Tucson, AZ MSA	31.8	19.1	49.2	63
Jacksonville, FL MSA	51.6	11.3	37.1	62
Akron, OH MSA	24.6	4.9	70.5	61
Tulsa, OK MSA	52.5	14.8	32.8	61
Bakersfield, CA MSA	21.7	21.7	56.7	60
Youngstown-Warren-Boardman, OH-PA MSA	24.6	1.8	73.7	57
Oxnard-Thousand Oaks-Ventura, CA MSA	69.8	15.1	15.1	53
Seattle-Tacoma-Bellevue, WA MSA	28.3	9.4	62.3	53
Raleigh-Cary, NC MSA	54.0	4.0	42.0	50
Las Vegas-Paradise, NV MSA	12.2	20.4	67.4	49
New Orleans-Metairie-Kenner, LA MSA	14.6	4.2	81.3	48
Springfield, OH MSA	31.3	2.1	66.7	48
Allentown-Bethlehem-Easton, PA-NJ MSA	12.8	0.0	87.2	47
Hartford-West Hartford-East Hartford, CT MSA	8.7	2.2	89.1	46
McAllen-Edinburg-Mission, TX MSA	48.8	7.0	44.2	43
Manchester-Nashua, NH MSA	48.8	9.8	41.5	41
Birmingham-Hoover, AL MSA	64.1	7.7	28.2	39
Harrisburg-Carlisle, PA MSA	5.1	0.0	94.9	39
San Antonio, TX MSA	25.6	0.0	74.4	39
Fresno, CA MSA	8.1	24.3	67.6	37
Syracuse, NY MSA	75.7	21.6	2.7	37
Battle Creek, MI MSA	34.3	14.3	51.4	35
Santa Barbara-Santa Maria, CA MSA	57.6	12.1	30.3	33
Greeley, CO MSA	37.5	12.5	50.0	32
Portland-Vancouver-Beaverton, OR-WA MSA	45.2	22.6	32.3	31
Lansing-East Lansing, MI MSA	20.0	10.0	70.0	30
Richmond, VA MSA	24.1	3.5	72.4	29
Salinas, CA MSA	51.7	37.9	10.3	29
Gainesville, GA MSA	85.7	10.7	3.6	28
Stockton, CA MSA	25.0	14.3	60.7	28
Worcester, MA MSA	32.1	10.7	57.1	28
Boulder, CO MSA	18.5	0.0	81.5	27
Vallejo-Fairfield, CA MSA	18.5	37.0	44.4	27
Scranton--Wilkes-Barre, PA MSA	7.7	0.0	92.3	26
Anchorage, AK MSA	88.0	12.0	0.0	25
Colorado Springs, CO MSA	32.0	24.0	44.0	25

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Dayton, OH MSA	48.0	12.0	40.0	25
El Paso, TX MSA	41.7	12.5	45.8	24
Oklahoma City, OK MSA	78.3	0.0	21.7	23
Lexington-Fayette, KY MSA	0.0	0.0	100.0	21
Charlotte-Gastonia-Concord, NC-SC MSA	65.0	20.0	15.0	20
Pensacola-Ferry Pass-Brent, FL MSA	85.0	10.0	5.0	20
Des Moines-West Des Moines, IA MSA	42.1	26.3	31.6	19
Dover, DE MSA	63.2	21.1	15.8	19
Duluth, MN-WI MSA	68.4	26.3	5.3	19
Macon, GA MSA	89.5	10.5	0.0	19
Omaha-Council Bluffs, NE-IA MSA	89.5	0.0	10.5	19
Waco, TX MSA	15.8	5.3	79.0	19
Buffalo-Niagara Falls, NY MSA	33.3	5.6	61.1	18
Durham, NC MSA	83.3	11.1	5.6	18
Erie, PA MSA	55.6	5.6	38.9	18
Kalamazoo-Portage, MI MSA	38.9	33.3	27.8	18
Santa Rosa-Petaluma, CA MSA	38.9	5.6	55.6	18
Ann Arbor, MI MSA	29.4	47.1	23.5	17
Myrtle Beach-Conway-North Myrtle Beach, SC MSA	94.1	5.9	0.0	17
Peoria, IL MSA	47.1	17.7	35.3	17
Columbus, GA-AL MSA	31.3	6.3	62.5	16
Fort Collins-Loveland, CO MSA	50.0	25.0	25.0	16
Grand Rapids-Wyoming, MI MSA	12.5	18.8	68.8	16
Albuquerque, NM MSA	0.0	13.3	86.7	15
Cape Coral-Fort Myers, FL MSA	46.7	0.0	53.3	15
Corpus Christi, TX MSA	40.0	40.0	20.0	15
Salisbury, MD MSA	60.0	13.3	26.7	15
Altoona, PA MSA	21.4	7.1	71.4	14
Brownsville-Harlingen, TX MSA	64.3	21.4	14.3	14
Fayetteville, NC MSA	57.1	7.1	35.7	14
Johnstown, PA MSA	21.4	0.0	78.6	14
Pueblo, CO MSA	92.9	0.0	7.1	14
San Juan-Caguas-Guaynabo, PR MSA	50.0	28.6	21.4	14
Springfield, MO MSA	92.9	7.1	0.0	14
Austin-Round Rock, TX MSA	38.5	15.4	46.2	13
Indianapolis-Carmel, IN MSA	15.4	7.7	76.9	13
St. Cloud, MN MSA	46.2	7.7	46.2	13
Visalia-Porterville, CA MSA	30.8	7.7	61.5	13
Deltona-Daytona Beach-Ormond Beach, FL MSA	0.0	0.0	100.0	12
Hinesville-Fort Stewart, GA MSA	58.3	41.7	0.0	12
Jackson, MS MSA	16.7	8.3	75.0	12

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Vineland-Millville-Bridgeton, NJ MSA	16.7	0.0	83.3	12
Canton-Massillon, OH MSA	45.5	18.2	36.4	11
Dubuque, IA MSA	27.3	9.1	63.6	11
Rockford, IL MSA	81.8	9.1	9.1	11
Chico, CA MSA	60.0	10.0	30.0	10
Greenville, NC MSA	50.0	20.0	30.0	10
Lebanon, PA MSA	0.0	0.0	100.0	10
Lincoln, NE MSA	80.0	10.0	10.0	10
Salt Lake City, UT MSA	40.0	0.0	60.0	10
Winston-Salem, NC MSA	40.0	0.0	60.0	10
Columbia, SC MSA	88.9	11.1	0.0	9
El Centro, CA MSA	22.2	77.8	0.0	9
Florence, SC MSA	66.7	33.3	0.0	9
Fort Wayne, IN MSA	22.2	0.0	77.8	9
Morristown, TN MSA	100.0	0.0	0.0	9
Sandusky, OH MSA	11.1	11.1	77.8	9
Santa Cruz-Watsonville, CA MSA	77.8	0.0	22.2	9
Sheboygan, WI MSA	22.2	11.1	66.7	9
Sioux Falls, SD MSA	22.2	77.8	0.0	9
Trenton-Ewing, NJ MSA	22.2	0.0	77.8	9
Elmira, NY MSA	50.0	37.5	12.5	8
Fort Walton Beach-Crestview-Destin, FL MSA	37.5	37.5	25.0	8
Greenville, SC MSA	75.0	25.0	0.0	8
Las Cruces, NM MSA	87.5	0.0	12.5	8
Mobile, AL MSA	62.5	25.0	12.5	8
Portland-South Portland-Biddeford, ME MSA	0.0	0.0	100.0	8
Punta Gorda, FL MSA	75.0	0.0	25.0	8
Albany-Schenectady-Troy, NY MSA	71.4	0.0	28.6	7
Boise City-Nampa, ID MSA	14.3	0.0	85.7	7
Fairbanks, AK MSA	71.4	28.6	0.0	7
Little Rock-North Little Rock, AR MSA	0.0	14.3	85.7	7
Madera, CA MSA	0.0	28.6	71.4	7
Merced, CA MSA	28.6	28.6	42.9	7
Rochester, NY MSA	57.1	14.3	28.6	7
Williamsport, PA MSA	0.0	0.0	100.0	7
Atlantic City, NJ MSA	16.7	0.0	83.3	6
Barnstable Town, MA MSA	83.3	0.0	16.7	6
Cedar Rapids, IA MSA	83.3	0.0	16.7	6
Grand Junction, CO MSA	66.7	16.7	16.7	6
Hattiesburg, MS MSA	16.7	50.0	33.3	6
Killeen-Temple-Fort Hood, TX MSA	33.3	16.7	50.0	6

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Lynchburg, VA MSA	50.0	16.7	33.3	6
Monroe, MI MSA	33.3	16.7	50.0	6
Norwich-New London, CT MSA	16.7	0.0	83.3	6
Spartanburg, SC MSA	100.0	0.0	0.0	6
Jackson, MI MSA	20.0	20.0	60.0	5
Modesto, CA MSA	20.0	20.0	60.0	5
Ocala, FL MSA	20.0	0.0	80.0	5
Ogden-Clearfield, UT MSA	60.0	20.0	20.0	5
Oshkosh-Neenah, WI MSA	60.0	0.0	40.0	5
Palm Bay-Melbourne-Titusville, FL MSA	0.0	0.0	100.0	5
Poughkeepsie-Newburgh-Middletown, NY MSA	60.0	0.0	40.0	5
St. Joseph, MO-KS MSA	60.0	40.0	0.0	5
Ames, IA MSA	25.0	0.0	75.0	4
Athens-Clarke County, GA MSA	50.0	0.0	50.0	4
Baton Rouge, LA MSA	50.0	0.0	50.0	4
Charleston, WV MSA	75.0	25.0	0.0	4
Charlottesville, VA MSA	25.0	0.0	75.0	4
Fayetteville-Springdale-Rogers, AR-MOMSA	75.0	25.0	0.0	4
Lakeland, FL MSA	0.0	50.0	50.0	4
Port St. Lucie-Fort Pierce, FL MSA	0.0	0.0	100.0	4
San Luis Obispo-Paso Robles, CA MSA	75.0	0.0	25.0	4
Savannah, GA MSA	75.0	25.0	0.0	4
Warner Robins, GA MSA	75.0	25.0	0.0	4
Wichita, KS MSA	75.0	25.0	0.0	4
Yuba City, CA MSA	0.0	50.0	50.0	4
Augusta-Richmond County, GA-SC MSA	66.7	0.0	33.3	3
Columbia, MO MSA	33.3	33.3	33.3	3
Elkhart-Goshen, IN MSA	66.7	33.3	0.0	3
Green Bay, WI MSA	33.3	0.0	66.7	3
Hagerstown-Martinsburg, MD-WV MSA	66.7	0.0	33.3	3
Huntington-Ashland, WV-KY-OH MSA	66.7	0.0	33.3	3
Jefferson City, MO MSA	33.3	0.0	66.7	3
Jonesboro, AR MSA	0.0	66.7	33.3	3
Lawrence, KS MSA	0.0	0.0	100.0	3
Niles-Benton Harbor, MI MSA	33.3	33.3	33.3	3
Panama City-Lynn Haven, FL MSA	66.7	0.0	33.3	3
Parkersburg-Marietta-Vienna, WV-OH MSA	66.7	33.3	0.0	3
Rapid City, SD MSA	66.7	0.0	33.3	3
Rome, GA MSA	66.7	0.0	33.3	3
Waterloo-Cedar Falls, IA MSA	66.7	0.0	33.3	3
Anderson, SC MSA	100.0	0.0	0.0	2

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Champaign-Urbana, IL MSA	50.0	0.0	50.0	2
Columbus, IN MSA	0.0	0.0	100.0	2
Elizabethtown, KY MSA	50.0	0.0	50.0	2
Fond du Lac, WI MSA	50.0	0.0	50.0	2
Gulfport-Biloxi, MS MSA	50.0	0.0	50.0	2
Hanford-Corcoran, CA MSA	0.0	0.0	100.0	2
Houma-Bayou Cane-Thibodaux, LA MSA	50.0	0.0	50.0	2
Lake Charles, LA MSA	0.0	50.0	50.0	2
Lawton, OK MSA	100.0	0.0	0.0	2
Madison, WI MSA	50.0	50.0	0.0	2
Mansfield, OH MSA	0.0	0.0	100.0	2
Muncie, IN MSA	0.0	0.0	100.0	2
Napa, CA MSA	0.0	0.0	100.0	2
Pascagoula, MS MSA	50.0	0.0	50.0	2
Ponce, PR MSA	50.0	50.0	0.0	2
Prescott, AZ MSA	0.0	0.0	100.0	2
Reading, PA MSA	100.0	0.0	0.0	2
Utica-Rome, NY MSA	0.0	50.0	50.0	2
Wheeling, WV-OH MSA	0.0	0.0	100.0	2
Wilmington, NC MSA	50.0	50.0	0.0	2
Aguadilla-Isabela-San Sebastián, PR MSA	100.0	0.0	0.0	1
Albany, GA MSA	100.0	0.0	0.0	1
Anderson, IN MSA	100.0	0.0	0.0	1
Anniston-Oxford, AL MSA	0.0	0.0	100.0	1
Appleton, WI MSA	100.0	0.0	0.0	1
Auburn-Opelika, AL MSA	100.0	0.0	0.0	1
Bangor, ME MSA	0.0	0.0	100.0	1
Bay City, MI MSA	0.0	0.0	100.0	1
Binghamton, NY MSA	100.0	0.0	0.0	1
Bloomington-Normal, IL MSA	100.0	0.0	0.0	1
Bremerton-Silverdale, WA MSA	0.0	0.0	100.0	1
Brunswick, GA MSA	100.0	0.0	0.0	1
Clarksville, TN-KY MSA	0.0	0.0	100.0	1
Coeur d'Alene, ID MSA	0.0	0.0	100.0	1
Dalton, GA MSA	0.0	0.0	100.0	1
Danville, VA MSA	100.0	0.0	0.0	1
Decatur, AL MSA	100.0	0.0	0.0	1
Evansville, IN-KY MSA	100.0	0.0	0.0	1
Fort Smith, AR-OK MSA	100.0	0.0	0.0	1
Gadsden, AL MSA	0.0	0.0	100.0	1
Glens Falls, NY MSA	100.0	0.0	0.0	1

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Goldsboro, NC MSA	100.0	0.0	0.0	1
Greensboro-High Point, NC MSA	100.0	0.0	0.0	1
Hickory-Lenoir-Morganton, NC MSA	100.0	0.0	0.0	1
Holland-Grand Haven, MI MSA	100.0	0.0	0.0	1
Honolulu, HI MSA	0.0	0.0	100.0	1
Huntsville, AL MSA	0.0	100.0	0.0	1
Iowa City, IA MSA	0.0	0.0	100.0	1
Jackson, TN MSA	0.0	0.0	100.0	1
Jacksonville, NC MSA	100.0	0.0	0.0	1
Janesville, WI MSA	0.0	100.0	0.0	1
Joplin, MO MSA	100.0	0.0	0.0	1
Kingsport-Bristol-Bristol, TN-VA MSA	100.0	0.0	0.0	1
Knoxville, TN MSA	100.0	0.0	0.0	1
Lewiston-Auburn, ME MSA	0.0	0.0	100.0	1
Logan, UT-ID MSA	0.0	100.0	0.0	1
Mayagüez, PR MSA	100.0	0.0	0.0	1
Muskegon-Norton Shores, MI MSA	0.0	0.0	100.0	1
Naples-Marco Island, FL MSA	0.0	0.0	100.0	1
Ocean City, NJ MSA	0.0	0.0	100.0	1
Olympia, WA MSA	0.0	0.0	100.0	1
Owensboro, KY MSA	0.0	0.0	100.0	1
Pine Bluff, AR MSA	0.0	0.0	100.0	1
Pittsfield, MA MSA	100.0	0.0	0.0	1
Provo-Orem, UT MSA	100.0	0.0	0.0	1
Redding, CA MSA	0.0	0.0	100.0	1
Reno-Sparks, NV MSA	0.0	0.0	100.0	1
Rocky Mount, NC MSA	100.0	0.0	0.0	1
Saginaw-Saginaw Township North, MI MSA	0.0	0.0	100.0	1
Santa Fe, NM MSA	100.0	0.0	0.0	1
Sarasota-Bradenton-Venice, FL MSA	0.0	0.0	100.0	1
Shreveport-Bossier City, LA MSA	0.0	0.0	100.0	1
South Bend-Mishawaka, IN-MI MSA	0.0	100.0	0.0	1
State College, PA MSA	0.0	0.0	100.0	1
Sumter, SC MSA	0.0	100.0	0.0	1
Topeka, KS MSA	0.0	100.0	0.0	1
Tyler, TX MSA	100.0	0.0	0.0	1
Valdosta, GA MSA	100.0	0.0	0.0	1
Victoria, TX MSA	100.0	0.0	0.0	1
Wichita Falls, TX MSA	0.0	0.0	100.0	1
Yakima, WA MSA	0.0	0.0	100.0	1
Yuma, AZ MSA	0.0	100.0	0.0	1

	Percent Positive	Percent Negative	Percent Intermediate	Counseling Units with Known Outcomes
Asheville, NC MSA	.	.	.	0
Burlington, NC MSA	.	.	.	0
Cleveland, TN MSA	.	.	.	0
Decatur, IL MSA	.	.	.	0
Fargo, ND-MN MSA	.	.	.	0
Great Falls, MT MSA	.	.	.	0
Kankakee-Bradley, IL MSA	.	.	.	0
Kennewick-Richland-Pasco, WA MSA	.	.	.	0
Kingston, NY MSA	.	.	.	0
Michigan City-La Porte, IN MSA	.	.	.	0
Monroe, LA MSA	.	.	.	0
Mount Vernon-Anacortes, WA MSA	.	.	.	0
Racine, WI MSA	.	.	.	0
Roanoke, VA MSA	.	.	.	0
Sherman-Denison, TX MSA	.	.	.	0
Terre Haute, IN MSA	.	.	.	0
Texarkana, TX-Texarkana, ARMSA	.	.	.	0
Not in a Metropolitan Area	43.4	11.4	45.2	329
Total	37.4	10.4	52.2	13,497

Source: Authors' calculations from NW America Quarterly Reports data.

Notes: This table displays only counseling units whose property address and ZIP code could be geocoded.

Appendix C: Mortgage Work Outs and Securitized Loans

Mortgage Work Outs and Securitized Loans

Summary of structural barriers that may prevent modifications to securitized loans

When foreclosure mitigation counselors work with clients, one of the barriers often faced in trying to work out a new or modified loan is that the homeowner's loan may be part of a mortgage-backed security. Also referred to as securitized loans, these mortgages are sold to investors in bundles, often with very tight restrictions as to how loans in the security may, or may not, be subsequently changed. These restrictions can be a significant obstacle in negotiating a workout between the homeowner and the loan servicer.

An increasing share of loans, especially subprime mortgages, are securitized into mortgage-backed securities. In 2006, 18 percent of all mortgages were securitized in nongovernment agency, mortgage-backed securities, up from 9 percent in 2003. In addition, 75 percent of all subprime loans originated in 2006 were securitized. Therefore, it is likely that many mortgages for which borrowers will seek loan modifications are included in mortgage-backed securities.

Analysts have identified three major barriers that may make it difficult for loan servicers to modify loans securitized into mortgage-backed securities: (1) restrictions in Pooling and Servicing Agreements (PSAs); (2) restrictions for Real Estate Mortgage Investment Conduits (REMICs) to retain their tax-exempt status; and (3) restrictions for REMICs to retain their status as a Qualified Special Purpose Entity (QSPE), which allows loans to remain as off-balance sheet items. Each of these issues is summarized below.

PSA restrictions to loan modifications

Most PSAs allow servicers discretion to make loan modifications. However, any such modifications must be in the best interests of the investors, and in some cases may require that the servicer maximize the net proceeds of cash flows, which may happen through foreclosure. Moreover, loan modifications can only be made for mortgages that are in default or that default is "imminent or reasonably foreseeable." Some PSAs place restrictions on the number of loans that can be modified, including limits to the number of times that a mortgage can be modified within 12 months.

Restrictions regarding the preservation of a REMICs' tax-exempt status

REMICs create tax advantages because all gains and losses generated by the underlying loans used as collateral are not subject to tax paid by the trust. Instead, all taxes associated with gains and losses are paid only by the investors in the securities issued by the trust. Therefore, there is a strong incentive for organizations that securitize loans to retain a trust's REMIC status. IRS rules typically require that REMICs include a static loan pool, and so place restrictions on loan modifications.

The IRS allows loan modifications in circumstances in which a default is "reasonably foreseeable." Unfortunately, there is little guidance as to what constitutes whether a default is "reasonably foreseeable." As a result, this determination must be made on a case-by-case basis. Moreover, some securitization documents require that any modification for loans within a REMIC have a legal opinion that any modification not jeopardize the REMIC's tax-exempt status. Recently, however, the IRS has provide more flexibility to servicers to modify loans without jeopardizing a REMIC's tax-exempt status.

Restrictions related to retaining a REMIC's status as a Qualified Special Purpose Entity

Loans included in a securitization are transferred by the originating lender to a Qualified Special Purpose Entity (QSPE), and so are not accounted for on the lender's balance sheet. REMICs were created with the expectation that the underlying pool of mortgages used as collateral would be fixed and that the trustee of the REMIC has no powers to vary the composition of mortgage assets. As a result, modifications to loans could jeopardize the status of a REMIC as a QSPE, which would result in the lender having to record the loans on its balance sheet.

To retain a REMIC's "Q" status (which means that the REMIC is considered a QSPE), the holder of the assets (the trustee) can only make decisions that are inherent in servicing; such decisions are defined as those that commonly include, but are not limited to, actions such as monitoring delinquencies and executing foreclosures, if necessary. Negotiating and implementing loan modifications are not expressly prohibited, but are subject to interpretation as "servicing" activities.

♦

This document was prepared by Kenneth Temkin, with Peter A. Tatian and Neil Mayer, for NeighborWorks® America. The views expressed are those of the authors and do not reflect those of the Urban Institute, NeighborWorks® America, their funders, or their trustees.

Appendix G: Additional Counseling Data

Appendix G
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1. States with NFMC Program Clients Listing Reduction In or Loss Of Income as Primary Reason for Default

Reference Table 4.5, page 27. Source: NFMC Program Reported Data.

State or Territory	Number of Clients with Reported Income Issues*	Percent of Clients with Reported Income Issues*
Puerto Rico	340	65%
Delaware	287	53%
Iowa	366	51%
Idaho	74	51%
Arizona	1,467	49%
Florida	3,871	49%
Tennessee	1,034	48%
Pennsylvania	1,910	48%
Oregon	195	47%
Michigan	2,036	47%
Rhode Island	406	46%
Wyoming	20	45%
Nebraska	92	45%
Kentucky	460	44%
Georgia	2,414	44%
Ohio	3,252	44%
South Carolina	738	44%
Colorado	1,167	43%
New Hampshire	119	43%
Kansas	110	42%
Indiana	424	42%
New Mexico	151	42%
California	6,870	42%
Alabama	249	42%
Washington	268	42%
Connecticut	544	41%
Mississippi	316	40%
Maine	128	40%
New Jersey	823	40%
Oklahoma	130	40%
New York	1,308	39%
North Carolina	1,035	39%
Texas	1,538	39%

State or Territory	Number of Clients with Reported Income Issues*	Percent of Clients with Reported Income Issues*
Wisconsin	466	39%
Missouri	915	39%
West Virginia	80	38%
Arkansas	142	38%
Illinois	1,777	37%
Louisiana	278	37%
Vermont	18	37%
Alaska	53	36%
Hawaii	24	34%
Nevada	451	33%
Virgin Islands	1	33%
Massachusetts	1,050	32%
Utah	73	32%
North Dakota	12	32%
Virginia	765	31%
Maryland	1,859	31%
Montana	58	31%
South Dakota	62	26%
District of Columbia	123	23%
Minnesota	744	21%
Guam	0	0%
TOTAL:	***43,093***	***41%***

*** Income Issues = Reduction in income or loss of income as primary reason for default.**

2. States with NFMC Program Clients Reporting Subprime Mortgages

Reference Table 4.6, page 29. Source: NFMC Program Reported Data.

State or Territory	Percent of NFMC Clients Reporting Subprime Fixed Rate Loans	Percent of NFMC Clients Reporting Subprime ARMs	Total: Percent of NFMC Clients Reporting Any Type of Subprime Loan
Missouri	17.38%	35.19%	52.57%
Tennessee	21.10%	31.14%	52.24%
Iowa	21.49%	29.63%	51.12%
Mississippi	27.01%	22.80%	49.81%
Texas	21.74%	27.08%	48.82%
Rhode Island	12.34%	36.47%	48.81%
North Dakota	21.05%	26.32%	47.37%
Pennsylvania	24.68%	21.39%	46.07%
Illinois	15.26%	30.38%	45.65%
South Carolina	25.49%	19.65%	45.13%
Oklahoma	22.02%	22.94%	44.95%
Louisiana	23.27%	21.68%	44.95%
Vermont	26.53%	18.37%	44.90%
Connecticut	12.21%	32.48%	44.69%
Arkansas	18.40%	25.33%	43.73%
Wisconsin	13.05%	29.01%	42.06%
Delaware	24.86%	16.70%	41.56%
Florida	13.84%	27.68%	41.53%
Michigan	16.66%	24.74%	41.39%
Alabama	24.04%	17.20%	41.24%
Kansas	20.00%	21.15%	41.15%
Kentucky	17.89%	22.73%	40.62%
New York	16.59%	23.93%	40.52%
North Carolina	18.43%	21.05%	39.48%
New Hampshire	13.26%	26.16%	39.43%
Arizona	12.23%	26.90%	39.13%
West Virginia	25.36%	13.40%	38.76%
Ohio	18.92%	19.22%	38.15%
Minnesota	9.40%	28.35%	37.75%

State or Territory	Percent of NFMC Clients Reporting Subprime Fixed Rate Loans	Percent of NFMC Clients Reporting Subprime ARMs	Total: Percent of NFMC Clients Reporting Any Type of Subprime Loan
Georgia	17.57%	19.91%	37.48%
Massachusetts	10.31%	26.55%	36.86%
Washington	12.40%	24.34%	36.74%
New Mexico	20.17%	16.57%	36.74%
Indiana	16.90%	19.76%	36.66%
Maine	16.04%	20.44%	36.48%
Nebraska	16.18%	20.10%	36.27%
Colorado	10.36%	25.27%	35.63%
New Jersey	12.32%	23.28%	35.60%
Hawaii	14.08%	19.72%	33.80%
California	6.32%	27.09%	33.42%
Virgin Islands	0.00%	33.33%	33.33%
Maryland	10.64%	22.61%	33.25%
Oregon	14.60%	18.00%	32.60%
Virginia	11.56%	20.70%	32.26%
South Dakota	21.16%	9.54%	30.71%
Wyoming	11.36%	18.18%	29.55%
Utah	10.53%	18.86%	29.39%
District of Columbia	9.94%	19.32%	29.27%
Nevada	8.09%	21.07%	29.15%
Alaska	18.24%	10.81%	29.05%
Idaho	11.64%	15.75%	27.40%
Puerto Rico	17.85%	0.00%	17.85%
Montana	7.53%	8.60%	16.13%
Guam	0.00%	0.00%	0.00%

3. States with NFMC Program Clients Current on Mortgage Payment at Intake

Reference Table 4.9, page 30. Source: NFMC Program Reported Data.

State or Territory	Number of Clients Current	Percent of Clients Current
District of Columbia	294	55.16%
South Dakota	114	47.30%
Nevada	608	45.10%
California	7,218	43.73%
Maryland	2,581	43.32%
Montana	80	43.01%
Virginia	1,001	40.87%
Hawaii	29	40.85%
Wyoming	17	38.64%
Washington	234	36.28%
Rhode Island	311	35.22%
Idaho	51	34.93%
Oregon	132	32.12%
Massachusetts	1,045	32.07%
West Virginia	63	30.14%
Arizona	864	28.94%
Illinois	1,358	28.55%
Alaska	42	28.38%
Wisconsin	334	27.76%
Utah	63	27.63%
North Carolina	716	27.20%
Arkansas	102	27.20%
New Hampshire	75	26.88%
Georgia	1,448	26.67%
Vermont	13	26.53%
New Jersey	543	26.33%
Colorado	700	25.90%
Connecticut	336	25.32%
Florida	1,914	24.08%

State or Territory	Percent of NFMC Clients Reporting Subprime Fixed Rate Loans	Percent of NFMC Clients Reporting Subprime ARMs
Minnesota	807	23.20%
New York	769	23.15%
Louisiana	166	22.07%
New Mexico	79	21.82%
Michigan	933	21.47%
Nebraska	41	20.10%
Kansas	52	20.00%
Delaware	106	19.67%
Alabama	117	19.53%
Mississippi	153	19.49%
Texas	759	19.39%
Indiana	196	19.37%
North Dakota	7	18.42%
Missouri	409	17.21%
Iowa	120	16.85%
Kentucky	169	16.34%
Maine	50	15.72%
Tennessee	336	15.69%
Ohio	1,036	14.12%
South Carolina	225	13.27%
Oklahoma	38	11.62%
Pennsylvania	327	8.21%
Puerto Rico	27	5.18%
Guam	0	0.00%
Virgin Islands	0	0.00%
TOTAL:	***29,208***	***27.80%***

4. States with NFMC Program Clients Over 120 Days Late on Mortgage Payment at Intake

Reference Table 4.10, page 30. Source: NFMC Program Reported Data.

State or Territory	Number of Clients Over 120 Days Late	Percent of Clients Over 120 Days Late
Puerto Rico	233	44.72%
Maine	110	34.59%
Iowa	239	33.57%
Minnesota	1,143	32.86%
Oklahoma	103	31.50%
Indiana	317	31.32%
Vermont	15	30.61%
Ohio	2,243	30.58%
Connecticut	391	29.46%
Kentucky	302	29.21%
New York	970	29.20%
Wisconsin	346	28.76%
Kansas	72	27.69%
New Mexico	97	26.80%
Nebraska	54	26.47%
New Jersey	534	25.90%
Arkansas	97	25.87%
South Carolina	421	24.84%
Louisiana	185	24.60%
Florida	1,939	24.40%
Pennsylvania	966	24.25%
Colorado	650	24.05%
North Dakota	9	23.68%
Michigan	1,015	23.35%
Mississippi	182	23.18%
Illinois	1,098	23.09%
Texas	882	22.53%
Massachusetts	729	22.38%
Delaware	119	22.08%
Georgia	1,190	21.92%
North Carolina	557	21.16%
Wyoming	9	20.45%

State or Territory	Number of Clients 121+ Days Late	Percent of Clients 121+ Days Late
Tennessee	429	20.03%
Missouri	465	19.57%
Rhode Island	171	19.37%
Utah	44	19.30%
District of Columbia	102	19.14%
Montana	34	18.28%
Nevada	238	17.66%
Alabama	105	17.53%
Idaho	25	17.12%
Arizona	502	16.82%
South Dakota	40	16.60%
Washington	107	16.59%
Maryland	975	16.36%
West Virginia	34	16.27%
Hawaii	11	15.49%
Oregon	62	15.09%
California	2,454	14.87%
Virginia	364	14.86%
New Hampshire	39	13.98%
Alaska	20	13.51%
Guam	0	0.00%
Virgin Islands	0	0.00%
TOTAL:	***23,438***	***22.31%***

5. States with NFMC Program Clients Paying more than 75% of Income to Principal, Interest, Taxes, and Insurance

Reference Table 4.11, page 32. Source: NFMC Program Reported Data.

State or Territory	Number of Clients Paying More than 75% of Income to PITI	Percent of Clients Paying More than 75% of Income to PITI
Washington	214	33.86%
Virgin Islands*	1	33.33%
New York	917	29.59%
Hawaii	20	28.57%
California	4,612	28.37%
Florida	2,144	27.78%
Arizona	816	27.74%
Nebraska	53	26.90%
Vermont	13	26.53%
New Jersey	531	25.98%
Rhode Island	221	25.29%
Maine	74	24.03%
Oregon	95	23.87%
District of Columbia	120	23.26%
New Hampshire	64	23.19%
Connecticut	299	22.74%
Illinois	1,059	22.69%
Massachusetts	715	22.22%
Michigan	883	20.90%
Utah	44	20.00%
Virginia	474	19.62%
Nevada	246	19.03%
Minnesota	553	18.90%
Maryland	1,086	18.58%
Montana	34	18.38%
Pennsylvania	663	17.60%
North Carolina	431	16.74%
Colorado	417	16.48%
Wisconsin	188	15.95%
Idaho	23	15.75%
Tennessee	306	14.76%

State or Territory	Number of Clients Paying More than 75% of Income to PITI	Percent of Clients Paying More than 75% of Income to PITI
Missouri	339	14.56%
Delaware	76	14.45%
Kansas	37	14.29%
Georgia	753	14.23%
Kentucky	140	14.04%
Puerto Rico	66	13.31%
Ohio	929	13.05%
Indiana	127	12.96%
New Mexico	44	12.72%
Texas	478	12.49%
South Carolina	209	12.44%
Louisiana	89	11.98%
Wyoming	5	11.36%
Alaska	15	10.34%
Arkansas	38	10.33%
Iowa	68	9.88%
Alabama	58	9.88%
West Virginia	19	9.31%
North Dakota	3	7.89%
Mississippi	58	7.51%
Oklahoma	24	7.41%
South Dakota	12	5.31%
Guam	0	0.00%
TOTAL:	***20,903***	***20.50%***

*Note: Virgin Islands excluded from top ranking due to only 3 clients reported.

6. States with NFMC Program Clients Paying Less than 30% of Income to Principal, Interest, Taxes, and Insurance

Reference Table 4.12, page 33. Source: NFMC Program Reported Data.

State or Territory	Number of Clients Paying Less than 30% of Income to PITI	Percent of Clients Paying Less than 30% of Income to PITI
South Dakota	139	61.50%
Mississippi	459	59.46%
Wyoming	26	59.09%
North Dakota	22	57.89%
Oklahoma	175	54.01%
West Virginia	110	53.92%
Arkansas	192	52.17%
Louisiana	368	49.53%
Alabama	288	49.06%
Indiana	470	47.96%
Kansas	123	47.49%
Kentucky	442	44.33%
Ohio	3,135	44.03%
Texas	1,617	42.24%
Georgia	2,174	41.08%
Iowa	282	40.99%
North Carolina	1,053	40.91%
Montana	74	40.00%
South Carolina	669	39.82%
New Mexico	133	38.44%
Alaska	55	37.93%
Maine	115	37.34%
Idaho	54	36.99%
Nebraska	72	36.55%
Puerto Rico	176	35.48%
Wisconsin	418	35.45%
Michigan	1,464	34.66%
Missouri	805	34.56%
Pennsylvania	1,282	34.04%

State or Territory	Number of Clients Paying Less than 30% of Income to PITI	Percent of Clients Paying Less than 30% of Income to PITI
Tennessee	696	33.57%
Virgin Islands	1	33.33%
Utah	72	32.73%
Vermont	16	32.65%
Delaware	169	32.13%
Oregon	107	26.88%
Minnesota	757	25.87%
Illinois	1,123	24.06%
New Hampshire	64	23.19%
Colorado	586	23.16%
Virginia	538	22.27%
New York	680	21.94%
Nevada	280	21.66%
Arizona	608	20.67%
Florida	1,576	20.42%
Maryland	1,192	20.39%
Connecticut	266	20.23%
Hawaii	14	20.00%
Washington	125	19.78%
Massachusetts	633	19.67%
California	2,978	18.32%
New Jersey	371	18.15%
District of Columbia	74	14.34%
Rhode Island	105	12.01%
Guam	0	0.00%
TOTAL:	***29,423***	***28.86%***

7. Units of Counseling Delivered to MSAs of Greatest Need

Reference Table 4.13, page 34. Source: NFMC Program Reported Data.

Metropolitan Statistical Area	Total Counseling Units Delivered
Washington-Arlington-Alexandria, DC-VA-MD-WV	6,822
Chicago-Naperville-Joliet, IL-IN-WI	4,463
Los Angeles-Long Beach-Santa Ana, CA	4,399
New York-Northern New Jersey-Long Island, NY-NJ-PA	3,877
Atlanta-Sandy Springs-Marietta, GA	3,821
Riverside-San Bernardino-Ontario, CA	3,548
Miami-Fort Lauderdale-Pompano Beach, FL	3,100
Minneapolis-St. Paul-Bloomington, MN-WI	2,724
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,529
Detroit-Warren-Livonia, MI	2,504
Phoenix-Mesa-Scottsdale, AZ	2,420
Denver-Aurora, CO	2,345
Boston-Cambridge-Quincy, MA-NH	2,323
San Francisco-Oakland-Fremont, CA	2,000
Cleveland-Elyria-Mentor, OH	1,920
San Diego-Carlsbad-San Marcos, CA	1,789
Baltimore-Towson, MD	1,771
St. Louis, MO-IL	1,671
Columbus, OH	1,481
Cincinnati-Middletown, OH-KY-IN	1,453
Houston-Sugar Land-Baytown, TX	1,313
Dallas-Fort Worth-Arlington, TX	1,285
Las Vegas-Paradise, NV	1,268
Providence-New Bedford-Fall River, RI-MA	1,135
Tampa-St. Petersburg-Clearwater, FL	1,119
Orlando-Kissimmee, FL	1,051
Jacksonville, FL	1,039
Sacramento--Arden-Arcade--Roseville, CA	985
Memphis, TN-MS-AR	921
Flint, MI	847
Kansas City, MO-KS	845

Metropolitan Statistical Area	Total Counseling Units Delivered
Dayton, OH	832
Charlotte-Gastonia-Concord, NC-SC	792
Nashville-Davidson--Murfreesboro--Franklin, TN	783
Pittsburgh, PA	684
Milwaukee-Waukesha-West Allis, WI	673
Springfield, MA	611
Louisville/Jefferson County, KY-IN	582
Stockton, CA	528
Tucson, AZ	490
Akron, OH	486
Bakersfield, CA	468
Toledo, OH	439
Bridgeport-Stamford-Norwalk, CT	427
San Jose-Sunnyvale-Santa Clara, CA	424
New Haven-Milford, CT	409
Indianapolis-Carmel, IN	408
San Antonio, TX	404
Fresno, CA	383
Hartford-West Hartford-East Hartford, CT	378
Worcester, MA	375
Oxnard-Thousand Oaks-Ventura, CA	362
Cape Coral-Fort Myers, FL	361
Seattle-Tacoma-Bellevue, WA	353
Virginia Beach-Norfolk-Newport News, VA-NC	337
New Orleans-Metairie-Kenner, LA	328
Youngstown-Warren-Boardman, OH-PA	319
Allentown-Bethlehem-Easton, PA-NJ	302
Vallejo-Fairfield, CA	302
Jackson, MS	301
Modesto, CA	300
Portland-Vancouver-Beaverton, OR-WA	274
Port St. Lucie, FL	266
Oklahoma City, OK	236
Birmingham-Hoover, AL	235
McAllen-Edinburg-Mission, TX	235

Metropolitan Statistical Area	Total Counseling Units Delivered
Richmond, VA	229
Visalia-Porterville, CA	224
Des Moines-West Des Moines, IA	215
Greensboro-High Point, NC	213
Palm Bay-Melbourne-Titusville, FL	212
Rockford, IL	206
Canton-Massillon, OH	196
Augusta-Richmond County, GA-SC	194
Battle Creek, MI	193
Sarasota-Bradenton-Venice, FL	192
Poughkeepsie-Newburgh-Middletown, NY	176
Sioux Falls, SD	174
Greeley, CO	172
Columbus, GA-AL	167
Albany, GA	166
Baton Rouge, LA	166
Grand Rapids-Wyoming, MI	164
Springfield, OH	154
Merced, CA	152
Deltona-Daytona Beach-Ormond Beach, FL	149
Punta Gorda, FL	149
Austin-Round Rock, TX	145
Durham, NC	144
Valdosta, GA	138
Omaha-Council Bluffs, NE-IA	136
Savannah, GA	135
El Paso, TX	132
Ann Arbor, MI	128
Barnstable Town, MA	128
Macon, GA	128
Lansing-East Lansing, MI	123
Spartanburg, SC	119
Kalamazoo-Portage, MI	117
Salt Lake City, UT	117
Brownsville-Harlingen, TX	107

Metropolitan Statistical Area	Total Counseling Units Delivered
Saginaw-Saginaw Township North, MI	105
Naples-Marco Island, FL	103
Mobile, AL	100
Jackson, MI	91
El Centro, CA	88
Ocala, FL	86
Davenport-Moline-Rock Island, IA-IL	85
Florence, SC	81
Charleston, WV	79
Fort Wayne, IN	79
Hattiesburg, MS	77
Madera, CA	77
Erie, PA	76
Corpus Christi, TX	74
Morristown, TN	73
Rochester, MN	73
Dalton, GA	72
Burlington, NC	71
St. Cloud, MN	71
Muskegon-Norton Shores, MI	70
Salisbury, MD	70
Green Bay, WI	68
Pueblo, CO	68
Vineland-Millville-Bridgeton, NJ	68
Elkhart-Goshen, IN	62
Chattanooga, TN-GA	52
Sumter, SC	52
Sandusky, OH	51
South Bend-Mishawaka, IN-MI	49
Appleton, WI	48
Pascagoula, MS	48
Hanford-Corcoran, CA	47
Monroe, MI	47
Janesville, WI	46
Bangor, ME	45

Metropolitan Statistical Area	Total Counseling Units Delivered
Niles-Benton Harbor, MI	45
Pittsfield, MA	43
Shreveport-Bossier City, LA	43
Holland-Grand Haven, MI	42
Montgomery, AL	41
Rocky Mount, NC	41
Sheboygan, WI	41
Yuba City, CA	41
Oshkosh-Neenah, WI	40
Warner Robins, GA	40
Bay City, MI	39
Evansville, IN-KY	39
Huntington-Ashland, WV-KY-OH	38
Mansfield, OH	33
Beaumont-Port Arthur, TX	29
Lake Charles, LA	29
Tuscaloosa, AL	29
Goldsboro, NC	28
Ames, IA	27
Altoona, PA	26
Jackson, TN	25
Anderson, IN	24
Clarksville, TN-KY	24
Lewiston-Auburn, ME	24
Alexandria, LA	23
St. Joseph, MO-KS	21
Danville, VA	20
Monroe, LA	19
Weirton-Steubenville, WV-OH	19
Dubuque, IA	18
La Crosse, WI-MN	18
Dothan, AL	17
Muncie, IN	17
Eau Claire, WI	16
Fond du Lac, WI	16

Metropolitan Statistical Area	Total Counseling Units Delivered
Sioux City, IA-NE-SD	16
Kokomo, IN	15
Laredo, TX	15
Pine Bluff, AR	14
Anniston-Oxford, AL	13
Decatur, AL	13
Kankakee-Bradley, IL	13
Terre Haute, IN	13
Danville, IL	12
Decatur, IL	12
Jonesboro, AR	11
Lima, OH	11
Lafayette, IN	10
Wausau, WI	10
Wichita Falls, TX	10
Cleveland, TN	9
Gadsden, AL	9
Joplin, MO	9
Sherman-Denison, TX	8
Texarkana, TX-Texarkana, AR	6
Odessa, TX	2
TOTAL:	***93,233***

8. Units of Counseling Delivered to States with Rural Areas of Greatest Need

Reference Table 4.14, page 34. Source: NFMC Program Reported Data.

Location	Total Units Delivered
Georgia	769
Ohio	723
North Carolina	609
Minnesota	564
Michigan	447
California	376
Mississippi	312
South Carolina	308
Kentucky	278
Iowa	264
Florida	231
Tennessee	225
Maryland	217
Wisconsin	204
Texas	201
Indiana	196
Virginia	182
Illinois	176
Maine	147
Arizona	127
Alabama	126
Delaware	120
Connecticut	117
Louisiana	117
New Hampshire	106
Nevada	72
Oklahoma	69
Hawaii	44
Utah	19
TOTAL:	***7,346***

9. States by Percentage of Total Units Delivered

Reference Table 4.15, page 34. Source: NFMC Program Reported Data

State	Number of Units Delivered	Percentage of Total Units Delivered
California	17,273	15%
Florida	8,528	8%
Ohio	8,011	7%
Maryland	6,673	6%
Georgia	5,866	5%
Illinois	5,065	4%
Michigan	4,978	4%
Texas	4,162	4%
Pennsylvania	4,064	4%
Massachusetts	3,648	3%
Minnesota	3,577	3%
New York	3,546	3%
Arizona	3,173	3%
Colorado	3,085	3%
North Carolina	2,897	3%
Virginia	2,649	2%
Missouri	2,615	2%
New Jersey	2,215	2%
Tennessee	2,213	2%
South Carolina	1,924	2%
Nevada	1,504	1%
Connecticut	1,411	1%
Wisconsin	1,328	1%
Kentucky	1,118	1%
Indiana	1,070	1%
Rhode Island	933	1%
Mississippi	842	1%
Louisiana	788	1%
Iowa	727	1%
Washington	710	1%
Puerto Rico	701	1%
Alabama	636	1%
Washington, DC	610	1%
Delaware	552	0%
Oklahoma	504	0%
Oregon	425	0%
Arkansas	403	0%
New Mexico	369	0%

State	Number of Units Delivered	Percentage of Total Units Delivered
Maine	323	0%
South Dakota	320	0%
New Hampshire	304	0%
Kansas	288	0%
West Virginia	267	0%
Utah	232	0%
Nebraska	208	0%
Alaska	205	0%
Montana	188	0%
Idaho	148	0%
Hawaii	72	0%
North Dakota	49	0%
Vermont	49	0%
Wyoming	44	0%
Virgin Islands	3	0%
Guam	1	0%
TOTAL:	***113,494***	***100%***

10. NFMC Program Penetration in MSAs of Greatest Need

Sources: NFMC Program Reported Data; 2006 Population from U.S. Bureau of the Census, 2006 American Communities Survey; Delinquent Loans from LoanPerformance.Com, April 2008.

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
		TOTAL:	**668,668**	**387,645**		**93,233**	**14%**
Valdosta	GA	126,305	175	97	55.4%	138	78.9%
Sioux Falls	SD	212,911	230	539	234.3%	174	75.7%
Albany	GA	163,961	323	858	265.6%	166	51.4%
Flint	MI	441,966	2,152	1,954	90.8%	847	39.4%
Battle Creek	MI	137,991	491	262	53.4%	193	39.3%
Ames	IA	80,145	70	238	340.0%	27	38.6%
Dayton	OH	838,940	2,189	5,047	230.6%	832	38.0%
Denver-Aurora	CO	2,408,750	6,953	6,885	99.0%	2,345	33.7%
Washington-Arlington-Alexandria	DC-VA-MD-WV	5,290,400	18,808	14,258	75.8%	6,822	36.3%
Springfield	OH	206,112	441	849	192.5%	154	34.9%
Columbus	OH	1,725,570	4,623	6,604	142.9%	1,481	32.0%
Cleveland-Elyria-Mentor	OH	2,114,155	6,966	11,937	171.4%	1,920	27.6%
Springfield	MA	446,706	2,033	2,954	145.3%	611	30.1%
Sheboygan	WI	114,756	138	461	334.1%	41	29.7%
Hattiesburg	MS	134,744	267	376	140.8%	77	28.8%
Minneapolis-St. Paul-Bloomington	MN-WI	3,175,041	9,546	12,566	131.6%	2,724	28.5%
Cincinnati-Middletown	OH-KY-IN	2,104,218	5,557	4,744	85.4%	1,453	26.1%
Rochester	MN	179,573	269	328	121.9%	73	27.1%
Charleston	WV	305,526	297	245	82.5%	79	26.6%
Akron	OH	700,943	2,064	2,087	101.1%	486	23.5%
Toledo	OH	653,695	1,728	1,912	110.6%	439	25.4%
Dalton	GA	134,397	278	447	160.8%	72	25.9%
Sandusky	OH	78,116	210	184	87.6%	51	24.3%
Greeley	CO	236,857	703	628	89.3%	172	24.5%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delinquent as of April 2008	Awarded NFMC Counseling Units	Awarded Penetration/ Coverage	Actual Counseling Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Youngstown-Warren-Boardman	OH-PA	586,939	1,649	1,151	69.8%	319	19.3%
Dubuque	IA	92,384	78	214	274.4%	18	23.1%
Sumter	SC	104,430	227	366	161.2%	52	22.9%
Oshkosh-Neenah	WI	160,593	175	379	216.6%	40	22.9%
Tucson	AZ	946,362	2,162	2,097	97.0%	490	22.7%
Pittsfield	MA	131,117	193	172	89.1%	43	22.3%
Providence-New Bedford-Fall River	RI-MA	1,612,989	5,274	3,661	69.4%	1,135	21.5%
Columbus	GA-AL	288,847	762	715	93.8%	167	21.9%
Baltimore-Towson	MD	2,658,405	8,055	7,139	88.6%	1,771	22.0%
Appleton	WI	217,313	220	263	119.5%	48	21.8%
Rockford	IL	348,252	949	379	39.9%	206	21.7%
Morristown	TN	132,851	338	316	93.5%	73	21.6%
Augusta-Richmond County	GA-SC	523,249	899	998	111.0%	194	21.6%
Jacksonville	FL	1,277,997	4,901	4,203	85.8%	1,039	21.2%
La Crosse	WI-MN	129,236	85	194	228.2%	18	21.2%
St. Cloud	MN	686,174	337	262	77.7%	71	21.1%
Charlotte-Gastonia-Concord	NC-SC	603,178	3,895	7,584	194.7%	792	20.3%
Des Moines-West Des Moines	IA	534,230	1,067	2,225	208.5%	215	20.1%
Canton-Massillon	OH	409,764	1,206	600	49.8%	196	16.3%
Boston-Cambridge-Quincy	MA-NH	4,455,217	11,818	6,909	58.5%	2,323	19.7%
Salisbury	MD	117,761	357	516	144.5%	70	19.6%
Spartanburg	SC	271,087	615	239	38.9%	119	19.3%
Louisville/Jefferson County	KY-IN	1,222,216	3,177	2,926	92.1%	582	18.3%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delinquent as of April 2008	Awarded NFMC Counseling Units	Awarded Penetration/ Coverage	Actual Counseling Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Atlanta-Sandy Springs-Marietta	GA	5,138,223	20,013	9,208	46.0%	3,821	19.1%
Burlington	NC	142,661	372	584	157.0%	71	19.1%
Durham	NC	464,389	776	1,547	199.4%	144	18.6%
Erie	PA	279,811	498	277	55.6%	76	15.3%
Punta Gorda	FL	154,438	818	133	16.3%	149	18.2%
Ann Arbor	MI	344,047	729	301	41.3%	128	17.6%
Macon	GA	229,326	810	607	74.9%	128	15.8%
Goldsboro	NC	113,847	160	430	268.8%	28	17.5%
Saginaw-Saginaw Township North	MI	206,300	601	438	72.9%	105	17.5%
Florence	SC	198,848	475	327	68.8%	81	17.1%
Green Bay	WI	299,003	395	257	65.1%	68	17.2%
Philadelphia-Camden-Wilmington	PA-NJ-DE-MD	5,826,742	15,884	11,366	71.6%	2,529	15.9%
Milwaukee-Waukesha-West Allis	WI	1,509,981	3,968	2,996	75.5%	673	17.0%
St. Louis	MO-IL	141,872	10,172	7,262	71.4%	1,671	16.4%
San Diego-Carlsbad-San Marcos	CA	2,941,454	10,988	5,095	46.4%	1,789	16.3%
Warner Robins	GA	127,530	272	138	50.7%	40	14.7%
Bridgeport-Stamford-Norwalk	CT	900,440	2,640	1,016	38.5%	427	16.2%
Nashville-Davidson-Murfreesboro-Franklin	TN	1,455,097	5,119	3,079	60.1%	783	15.3%
Barnstable Town	MA	224,816	806	969	120.2%	128	15.9%
Phoenix-Mesa-Scottsdale	AZ	4,039,182	15,358	7,026	45.7%	2,420	15.8%
Kalamazoo-Portage	MI	319,738	753	314	41.7%	117	15.5%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Fond du Lac	WI	99,243	103	230	223.3%	16	15.5%
San Francisco-Oakland-Fremont	CA	4,180,027	13,397	7,910	59.0%	2,000	14.9%
Chicago-Naperville-Joliet	IL-IN-WI	9,505,748	30,312	14,938	49.3%	4,463	14.7%
Davenport-Moline-Rock Island	IA-IL	377,291	580	507	87.4%	85	14.7%
Jackson	MI	163,851	623	192	30.8%	91	14.6%
Vineland-Millville-Bridgeton	NJ	154,823	471	323	68.6%	68	14.4%
Savannah	GA	320,013	938	1,202	128.1%	135	14.4%
Bay City	MI	108,390	276	17	6.2%	39	14.1%
Las Vegas-Paradise	NV	1,777,539	9,237	5,946	64.4%	1,268	13.7%
Jackson	MS	529,456	2,140	1,797	84.0%	301	14.1%
Kansas City	MO-KS	1,967,405	6,422	3,354	52.2%	845	13.2%
Bangor	ME	147,180	321	58	18.1%	45	14.0%
Allentown-Bethlehem-Easton	PA-NJ	800,336	2,184	1,086	49.7%	302	13.8%
Elkhart-Goshen	IN	88,641	449	46	10.2%	62	13.8%
New Haven-Milford	CT	845,244	2,981	925	31.0%	409	13.7%
Worcester	MA	784,992	2,750	1,470	53.5%	375	13.6%
Pascagoula	MS	152,405	354	120	33.9%	48	13.6%
Orlando-Kissimmee	FL	1,984,855	7,988	2,191	27.4%	1,051	13.2%
Houston-Sugar Land-Baytown	TX	5,539,949	9,807	3,185	32.5%	1,313	13.4%
McAllen-Edinburg-Mission	TX	700,634	1,784	728	40.8%	235	13.2%
Greensboro-High Point	NC	685,378	1,617	1,281	79.2%	213	13.2%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Hartford-West Hartford-East Hartford	CT	1,188,841	2905	1,357	46.7%	378	13.0%
Janesville	WI	159,153	362	139	38.4%	46	12.7%
Mansfield	OH	127,010	282	195	69.1%	33	11.7%
Oxnard-Thousand Oaks-Ventura	CA	799,720	3,015	3,258	108.1%	362	12.0%
Danville	VA	107,087	169	155	91.7%	20	11.8%
Visalia-Porterville	CA	419,909	1,899	1,166	61.4%	224	11.8%
Pittsburgh	PA	2,370,776	5,901	3,917	66.4%	684	11.6%
Brownsville-Harlingen	TX	387,717	947	732	77.3%	107	11.3%
Rocky Mount	NC	146,276	363	248	68.3%	41	11.3%
Danville	IL	81,941	108	98	90.7%	12	11.1%
Pueblo	CO	152,912	622	376	60.5%	68	10.9%
Port St. Lucie	FL	513,667	2,454	782	31.9%	266	10.8%
Detroit-Warren-Livonia	MI	4,468,966	23,307	27,834	119.4%	2,504	10.7%
Muskegon-Norton Shores	MI	175,231	658	97	14.7%	70	10.6%
Riverside-San Bernardino-Ontario	CA	4,026,135	33,743	10,779	31.9%	3,548	10.5%
New Orleans-Metairie-Kenner	LA	1,024,678	3,146	2,674	85.0%	328	10.4%
Memphis	TN-MS-AR	1,274,704	8,960	5,145	57.4%	921	10.3%
Miami-Fort Lauderdale-Pompano Beach	FL	5,463,857	31,631	6,922	21.9%	3,100	9.8%
Vallejo-Fairfield	CA	411,680	3,013	751	24.9%	302	10.0%
Tampa-St. Petersburg-Clearwater	FL	2,697,731	11,462	4,172	36.4%	1,119	9.8%
Eau Claire	WI	155,041	162	37	22.8%	16	9.9%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
New York-Northern New Jersey-Long Island	NY-NJ	18,818,536	39,974	19,129	47.9%	3,877	9.7%
San Antonio	TX	1,942,217	4,131	2,538	61.4%	404	9.8%
Stockton	CA	673,170	5,411	2,746	50.7%	528	9.8%
Oklahoma City	OK	1,172,339	2,447	585	23.9%	236	9.6%
Holland-Grand Haven	MI	257,671	434	156	35.9%	42	9.7%
Indianapolis-Carmel	IN	1,666,032	4,286	3,057	71.3%	408	9.5%
Los Angeles-Long Beach-Santa Ana	CA	12,950,129	47,297	26,582	56.2%	4,399	9.3%
Bakersfield	CA	780,117	4,913	2,272	46.2%	468	9.5%
Palm Bay-Melbourne-Titusville	FL	534,359	2,245	374	16.7%	212	9.4%
Hanford-Corcoran	CA	146,153	503	270	53.7%	47	9.3%
Monroe	MI	155,035	507	51	10.1%	47	9.3%
Altoona	PA	126,494	287	216	75.3%	26	9.1%
Lake Charles	LA	192,316	321	30	9.3%	29	9.0%
Lansing-East Lansing	MI	454,044	1,374	338	24.6%	123	9.0%
Weirton-Steubenville	WV-OH	125,168	246	305	124.0%	19	7.7%
Huntington-Ashland	WV-KY-OH	285,475	443	243	54.9%	38	8.6%
El Centro	CA	160,301	1,015	252	24.8%	88	8.7%
Fresno	CA	891,756	4,419	2,581	58.4%	383	8.7%
Niles-Benton Harbor	MI	161,705	521	161	30.9%	45	8.6%
Lewiston-Auburn	ME	107,552	278	101	36.3%	24	8.6%
Cape Coral-Fort Myers	FL	571,344	4,222	1,116	26.4%	361	8.6%
Sacramento--Arden--Arcade--Roseville	CA	2,067,117	11,658	2,989	25.6%	985	8.4%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
San Jose-Sunnyvale-Santa Clara	CA	1,787,123	5,009	2,147	42.9%	424	8.5%
El Paso	TX	110,878	1,587	976	61.5%	132	8.3%
Grand Rapids-Wyoming	MI	774,084	2,162	430	19.9%	164	7.6%
Madera	CA	146,345	925	316	34.2%	77	8.3%
Poughkeepsie-Newburgh-Middletown	NY	671,538	2,154	963	44.7%	176	8.2%
Merced	CA	245,658	1,873	446	23.8%	152	8.1%
Alexandria	LA	150,080	284	23	8.1%	23	8.1%
Ocala	FL	316,183	1,097	116	10.6%	86	7.8%
St. Joseph	MO-KS	2,796,368	337	416	123.4%	21	6.2%
Wausau	WI	130,223	125	89	71.2%	10	8.0%
Tuscaloosa	AL	198,769	367	364	99.2%	29	7.9%
Dallas-Fort Worth-Arlington	TX	6,003,967	16,296	3,962	24.3%	1,285	7.9%
Corpus Christi	TX	415,810	967	343	35.5%	74	7.7%
Dothan	AL	138,234	223	50	22.4%	17	7.6%
Fort Wayne	IN	408,071	1,062	575	54.1%	79	7.4%
Modesto	CA	512,138	4,040	1,084	26.8%	300	7.4%
Virginia Beach-Norfolk-Newport News	VA-NC	1,649,457	4,589	1,016	22.1%	337	7.3%
Naples-Marco Island	FL	314,649	1,419	111	7.8%	103	7.3%
Sioux City	IA-NE-SD	143,474	224	267	119.2%	16	7.1%
Omaha-Council Bluffs	NE-IA	822,549	1,917	1,450	75.6%	136	7.1%
Sarasota-Bradenton-Venice	FL	682,833	2,742	1,001	36.5%	192	7.0%
Decatur	IL	109,309	172	251	145.9%	12	7.0%
Pine Bluff	AR	103,638	202	386	191.1%	14	6.9%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Mobile	AL	404,157	1,475	353	23.9%	100	6.8%
Baton Rouge	LA	766,514	2,479	667	26.9%	166	6.7%
Austin-Round Rock	TX	1,513,565	2,177	635	29.2%	145	6.7%
Jonesboro	AR	113,330	166	510	307.2%	11	6.6%
Richmond	VA	1,194,008	3,700	1,006	27.2%	229	6.2%
Muncie	IN	114,879	275	76	27.6%	17	6.2%
Deltona-Daytona Beach-Ormond Beach	FL	496,575	2,570	430	16.7%	149	5.8%
Portland-Vancouver-Beaverton	OR-WA	392,117	4,715	1,390	29.5%	274	5.8%
Birmingham-Hoover	AL	1,100,019	4,102	1,407	34.3%	235	5.7%
Monroe	LA	172,223	349	49	14.0%	19	5.4%
Jackson	TN	111,937	468	118	25.2%	25	5.3%
Evansville	IN-KY	350,356	754	318	42.2%	39	5.2%
Anderson	IN	130,575	467	162	34.7%	24	5.1%
Anniston-Oxford	AL	112,903	265	37	14.0%	13	4.9%
South Bend-Mishawaka	IN-MI	318,007	1,023	183	17.9%	49	4.8%
Decatur	AL	149,549	274	42	15.3%	13	4.7%
Salt Lake City	UT	1,067,722	2,473	1,372	55.5%	117	4.7%
Seattle-Tacoma-Bellevue	WA	3,263,497	7,553	1,483	19.6%	353	4.7%
Clarksville	TN-KY	240,500	525	255	48.6%	24	4.6%
Montgomery	AL	361,748	897	446	49.7%	41	4.6%
Wichita Falls	TX	592,126	223	11	4.9%	10	4.5%
Kankakee-Bradley	IL	109,090	292	94	32.2%	13	4.5%
Kokomo	IN	100,877	337	133	39.5%	15	4.5%
Lima	OH	105,788	296	63	21.3%	11	3.7%
Gadsden	AL	103,362	217	105	48.4%	9	4.1%
Yuba City	CA	161,806	1,002	224	22.4%	41	4.1%
Beaumont-Port Arthur	TX	379,640	713	184	25.8%	29	4.1%
Lafayette	IN	185,745	247	87	35.2%	10	4.0%

Metropolitan Statistical Area	State	2006 Population	Sub-Prime & Alt-A Loans Delin-quent as of April 2008	Awarded NFMC Counsel-ing Units	Awarded Penetration/ Coverage	Actual Counsel-ing Units Delivered as of 9/15/08	Actual Penetration/ Coverage
Shreveport-Bossier City	LA	386,778	1,141	93	8.2%	43	3.8%
Terre Haute	IN	168,217	357	87	24.4%	13	3.6%
Texarkana	TX-AR	134,510	186	171	91.9%	6	3.2%
Sherman-Denison	TX	118,478	264	81	30.7%	8	3.0%
Cleveland	TN	109,477	331	58	17.5%	9	2.7%
Joplin	MO	168,552	340	471	138.5%	9	2.6%
Chattanooga	TN-GA	496,704	2,050	113	5.5%	52	2.5%
Laredo	TX	231,470	685	88	12.8%	15	2.2%
Odessa	TX	127,462	175	91	52.0%	2	1.1%

11. Alphabetical Listing of Units of Counseling Delivered to All Metropolitan Statistical Areas (by State, then MSA)

Source: NFMC Program Reported Data
Shaded rows are Areas of Greatest Need

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
TOTAL:		**104,310**	**71,689**	**9,231**	**23,390**
Fairbanks, AK	AK	42	32	5	5
Anniston-Oxford, AL	**AL**	**13**	**8**	**3**	**2**
Auburn-Opelika, AL	AL	16	13	0	3
Birmingham-Hoover, AL	**AL**	**235**	**156**	**38**	**41**
Decatur, AL	**AL**	**13**	**10**	**0**	**3**
Dothan, AL	**AL**	**17**	**14**	**1**	**2**
Florence-Muscle Shoals, AL	AL	10	10	0	0
Gadsden, AL	**AL**	**9**	**7**	**1**	**1**
Huntsville, AL	AL	24	22	0	2
Mobile, AL	**AL**	**100**	**40**	**1**	**59**
Montgomery, AL	**AL**	**41**	**40**	**1**	**0**
Tuscaloosa, AL	**AL**	**29**	**29**	**0**	**0**
Hot Springs, AR	AR	2	2	0	0
Jonesboro, AR	**AR**	**11**	**8**	**0**	**3**
Little Rock-North Little Rock-Conway, AR	AR	135	89	6	40
Pine Bluff, AR	**AR**	**14**	**9**	**0**	**5**
Fayetteville-Springdale-Rogers, AR-MO	AR-MO	113	104	5	4
Fort Smith, AR-OK	AR-OK	28	27	0	1
Flagstaff, AZ	AZ	14	12	1	1
Phoenix-Mesa-Scottsdale, AZ	**AZ**	**2,420**	**1,758**	**215**	**447**
Prescott, AZ	AZ	63	59	1	3
Tucson, AZ	**AZ**	**490**	**353**	**54**	**83**
Yuma, AZ	AZ	76	70	2	4
Bakersfield, CA	**CA**	**468**	**387**	**6**	**75**
Chico, CA	CA	50	39	0	11
El Centro, CA	**CA**	**88**	**61**	**3**	**24**
Fresno, CA	**CA**	**383**	**275**	**18**	**90**
Hanford-Corcoran, CA	**CA**	**47**	**41**	**2**	**4**
Los Angeles-Long Beach-Santa Ana, CA	**CA**	**4,399**	**3,773**	**163**	**463**
Madera, CA	**CA**	**77**	**60**	**2**	**15**
Merced, CA	**CA**	**152**	**134**	**4**	**14**
Modesto, CA	**CA**	**300**	**283**	**6**	**11**
Napa, CA	CA	52	46	3	3
Oxnard-Thousand Oaks-Ventura, CA	**CA**	**362**	**265**	**14**	**83**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Redding, CA	CA	44	43	0	1
Riverside-San Bernardino-Ontario, CA	**CA**	**3,548**	**2,905**	**98**	**545**
Sacramento--Arden-Arcade--Roseville, CA	**CA**	**985**	**803**	**40**	**142**
Salinas, CA	CA	162	124	2	36
San Diego-Carlsbad-San Marcos, CA	**CA**	**1,789**	**1,442**	**246**	**101**
San Francisco-Oakland-Fremont, CA	**CA**	**2,000**	**1,523**	**137**	**340**
San Jose-Sunnyvale-Santa Clara, CA	**CA**	**424**	**308**	**21**	**95**
San Luis Obispo-Paso Robles, CA	CA	50	40	2	8
Santa Barbara-Santa Maria-Goleta, CA*	CA	172	120	3	49
Santa Cruz-Watsonville, CA	CA	64	48	4	12
Santa Rosa-Petaluma, CA	CA	161	134	12	15
Stockton, CA	**CA**	**528**	**449**	**39**	**40**
Vallejo-Fairfield, CA	**CA**	**302**	**246**	**10**	**46**
Visalia-Porterville, CA	**CA**	**224**	**179**	**6**	**39**
Yuba City, CA	**CA**	**41**	**33**	**1**	**7**
Boulder, CO	CO	90	57	5	28
Colorado Springs, CO	CO	69	38	25	6
Denver-Aurora, CO	**CO**	**2,345**	**1,476**	**366**	**503**
Fort Collins-Loveland, CO	CO	150	111	18	21
Grand Junction, CO	CO	44	37	5	2
Greeley, CO	**CO**	**172**	**128**	**14**	**30**
Pueblo, CO	**CO**	**68**	**53**	**1**	**14**
Bridgeport-Stamford-Norwalk, CT	**CT**	**427**	**192**	**14**	**221**
Hartford-West Hartford-East Hartford, CT	**CT**	**378**	**276**	**9**	**93**
New Haven-Milford, CT	**CT**	**409**	**242**	**31**	**136**
Norwich-New London, CT	CT	65	54	2	9
Washington-Arlington-Alexandria, DC-VA-MD-WV	**DC-VA-MD-WV**	**6,822**	**3,028**	**252**	**3,542**
Dover, DE	DE	117	91	3	23
Cape Coral-Fort Myers, FL	**FL**	**361**	**262**	**8**	**91**
Deltona-Daytona Beach-Ormond Beach, FL	**FL**	**149**	**126**	**4**	**19**
Fort Walton Beach-Crestview-Destin, FL	FL	26	15	0	11
Gainesville, FL	FL	28	26	1	1
Jacksonville, FL	**FL**	**1,039**	**795**	**16**	**228**
Lakeland, FL*	FL	173	150	9	14
Miami-Fort Lauderdale-Pompano Beach, FL	**FL**	**3,100**	**2,454**	**383**	**263**
Naples-Marco Island, FL	**FL**	**103**	**89**	**2**	**12**
Ocala, FL	**FL**	**86**	**77**	**4**	**5**
Orlando-Kissimmee, FL	**FL**	**1,051**	**813**	**55**	**183**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Palm Bay-Melbourne-Titusville, FL	**FL**	**212**	**191**	**5**	**16**
Panama City-Lynn Haven, FL	FL	25	22	0	3
Pensacola-Ferry Pass-Brent, FL	FL	122	75	1	46
Port St. Lucie, FL	**FL**	**266**	**255**	**4**	**7**
Punta Gorda, FL	**FL**	**149**	**131**	**16**	**2**
Sarasota-Bradenton-Venice, FL	**FL**	**192**	**146**	**4**	**42**
Sebastian-Vero Beach, FL*	FL	39	39	0	0
Tallahassee, FL	FL	63	63	0	0
Tampa-St. Petersburg-Clearwater, FL	**FL**	**1,119**	**832**	**73**	**214**
Albany, GA	**GA**	**166**	**162**	**2**	**2**
Athens-Clarke County, GA	GA	41	32	3	6
Atlanta-Sandy Springs-Marietta, GA	**GA**	**3,821**	**2,766**	**288**	**767**
Brunswick, GA	GA	38	37	0	1
Dalton, GA	**GA**	**72**	**54**	**18**	**0**
Gainesville, GA	GA	118	67	2	49
Hinesville-Fort Stewart, GA	GA	36	8	6	22
Macon, GA	**GA**	**128**	**96**	**12**	**20**
Rome, GA	GA	22	19	1	2
Savannah, GA	**GA**	**135**	**119**	**2**	**14**
Valdosta, GA	**GA**	**138**	**137**	**1**	**0**
Warner Robins, GA	**GA**	**40**	**35**	**2**	**3**
Columbus, GA-AL	**GA-AL**	**167**	**144**	**5**	**18**
Augusta-Richmond County, GA-SC	**GA-SC**	**194**	**163**	**11**	**20**
Honolulu, HI	HI	28	27	0	1
Ames, IA	**IA**	**27**	**16**	**9**	**2**
Cedar Rapids, IA	IA	42	25	8	9
Des Moines-West Des Moines, IA	**IA**	**215**	**145**	**58**	**12**
Dubuque, IA	**IA**	**18**	**4**	**1**	**13**
Iowa City, IA	IA	14	11	3	0
Waterloo-Cedar Falls, IA	IA	59	36	20	3
Davenport-Moline-Rock Island, IA-IL	**IA-IL**	**85**	**65**	**7**	**13**
Sioux City, IA-NE-SD	**IA-NE-SD**	**16**	**13**	**3**	**0**
Boise City-Nampa, ID	ID	52	45	7	0
Coeur d'Alene, ID	ID	39	38	0	1
Pocatello, ID	ID	3	3	0	0
Lewiston, ID-WA	ID-WA	4	4	0	0
Bloomington-Normal, IL	IL	14	12	0	2
Champaign-Urbana, IL	IL	17	13	0	4
Danville, IL	**IL**	**12**	**10**	**0**	**2**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Decatur, IL	**IL**	**12**	**11**	**1**	**0**
Kankakee-Bradley, IL	**IL**	**13**	**10**	**0**	**3**
Peoria, IL	IL	91	49	6	36
Rockford, IL	**IL**	**206**	**140**	**10**	**56**
Springfield, IL	IL	17	16	0	1
Chicago-Naperville-Joliet, IL-IN-WI	**IL-IN-WI**	**4,463**	**2,425**	**202**	**1,836**
Anderson, IN	**IN**	**24**	**21**	**2**	**1**
Bloomington, IN	IN	9	9	0	0
Columbus, IN	IN	11	8	2	1
Elkhart-Goshen, IN	**IN**	**62**	**56**	**1**	**5**
Fort Wayne, IN	**IN**	**79**	**45**	**0**	**34**
Indianapolis-Carmel, IN	**IN**	**408**	**352**	**28**	**28**
Kokomo, IN	**IN**	**15**	**13**	**2**	**0**
Lafayette, IN	**IN**	**10**	**10**	**0**	**0**
Michigan City-La Porte, IN	IN	20	18	0	2
Muncie, IN	**IN**	**17**	**13**	**2**	**2**
Terre Haute, IN	**IN**	**13**	**12**	**0**	**1**
Evansville, IN-KY	**IN-KY**	**39**	**34**	**2**	**3**
South Bend-Mishawaka, IN-MI	**IN-MI**	**49**	**48**	**0**	**1**
Lawrence, KS	KS	12	8	1	3
Topeka, KS	KS	19	16	0	3
Wichita, KS	KS	51	43	7	1
Bowling Green, KY	KY	7	7	0	0
Elizabethtown, KY	KY	16	12	2	2
Lexington-Fayette, KY	KY	122	91	21	10
Owensboro, KY	KY	9	7	1	1
Louisville/Jefferson County, KY-IN	**KY-IN**	**582**	**482**	**22**	**78**
Alexandria, LA	**LA**	**23**	**22**	**1**	**0**
Baton Rouge, LA	**LA**	**166**	**152**	**2**	**12**
Houma-Bayou Cane-Thibodaux, LA	LA	18	16	0	2
Lafayette, LA	LA	39	39	0	0
Lake Charles, LA	**LA**	**29**	**26**	**2**	**1**
Monroe, LA	**LA**	**19**	**17**	**0**	**2**
New Orleans-Metairie-Kenner, LA	**LA**	**328**	**251**	**16**	**61**
Shreveport-Bossier City, LA	**LA**	**43**	**42**	**0**	**1**
Barnstable Town, MA	**MA**	**128**	**102**	**21**	**5**
Pittsfield, MA	**MA**	**43**	**39**	**1**	**3**
Springfield, MA	**MA**	**611**	**367**	**99**	**145**
Worcester, MA	**MA**	**375**	**275**	**43**	**57**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Boston-Cambridge-Quincy, MA-NH	**MA-NH**	**2,323**	**1,619**	**273**	**431**
Baltimore-Towson, MD	**MD**	**1,771**	**1,258**	**114**	**399**
Salisbury, MD	**MD**	**70**	**50**	**8**	**12**
Cumberland, MD-WV	MD-WV	12	12	0	0
Hagerstown-Martinsburg, MD-WV	MD-WV	135	110	7	18
Bangor, ME	**ME**	**45**	**44**	**0**	**1**
Lewiston-Auburn, ME	**ME**	**24**	**23**	**0**	**1**
Portland-South Portland-Biddeford, ME	ME	109	96	5	8
Ann Arbor, MI	**MI**	**128**	**105**	**15**	**8**
Battle Creek, MI	**MI**	**193**	**145**	**25**	**23**
Bay City, MI	**MI**	**39**	**37**	**2**	**0**
Detroit-Warren-Livonia, MI	**MI**	**2,504**	**1,864**	**374**	**266**
Flint, MI	**MI**	**847**	**447**	**347**	**53**
Grand Rapids-Wyoming, MI	**MI**	**164**	**138**	**7**	**19**
Holland-Grand Haven, MI	**MI**	**42**	**41**	**1**	**0**
Jackson, MI	**MI**	**91**	**82**	**5**	**4**
Kalamazoo-Portage, MI	**MI**	**117**	**93**	**12**	**12**
Lansing-East Lansing, MI	**MI**	**123**	**76**	**12**	**35**
Monroe, MI	**MI**	**47**	**30**	**2**	**15**
Muskegon-Norton Shores, MI	**MI**	**70**	**65**	**1**	**4**
Niles-Benton Harbor, MI	**MI**	**45**	**42**	**1**	**2**
Saginaw-Saginaw Township North, MI	**MI**	**105**	**96**	**8**	**1**
Rochester, MN	**MN**	**73**	**72**	**0**	**1**
St. Cloud, MN	**MN**	**71**	**50**	**0**	**21**
Duluth, MN-WI	MN-WI	144	121	0	23
Minneapolis-St. Paul-Bloomington, MN-WI	**MN-WI**	**2,724**	**2,119**	**72**	**533**
Columbia, MO	MO	16	12	1	3
Jefferson City, MO	MO	15	12	2	1
Joplin, MO	**MO**	**9**	**6**	**1**	**2**
Springfield, MO	MO	84	49	5	30
St. Louis, MO-IL	**MO-IL**	**1,671**	**838**	**357**	**476**
Kansas City, MO-KS	**MO-KS**	**845**	**507**	**186**	**152**
St. Joseph, MO-KS	**MO-KS**	**21**	**14**	**1**	**6**
Gulfport-Biloxi, MS	MS	63	56	4	3
Hattiesburg, MS	**MS**	**77**	**48**	**23**	**6**
Jackson, MS	**MS**	**301**	**211**	**32**	**58**
Pascagoula, MS	**MS**	**48**	**44**	**2**	**2**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Billings, MT	MT	12	12	0	0
Great Falls, MT	MT	33	31	2	0
Missoula, MT	MT	31	30	1	0
Asheville, NC	NC	66	62	2	2
Burlington, NC	**NC**	**71**	**67**	**0**	**4**
Durham, NC	**NC**	**144**	**85**	**33**	**26**
Fayetteville, NC	NC	103	63	6	34
Goldsboro, NC	**NC**	**28**	**21**	**2**	**5**
Greensboro-High Point, NC	**NC**	**213**	**189**	**8**	**16**
Greenville, NC	NC	92	54	25	13
Hickory-Lenoir-Morganton, NC	NC	129	115	9	5
Jacksonville, NC*	NC	12	11	0	1
Raleigh-Cary, NC	NC	434	245	80	109
Rocky Mount, NC	**NC**	**41**	**31**	**4**	**6**
Wilmington, NC	NC	56	52	2	2
Winston-Salem, NC	NC	160	131	6	23
Charlotte-Gastonia-Concord, NC-SC	**NC-SC**	**792**	**495**	**78**	**219**
Bismarck, ND	ND	4	4	0	0
Fargo, ND-MN	ND-MN	37	34	1	2
Grand Forks, ND-MN	ND-MN	19	16	0	3
Lincoln, NE	NE	41	30	3	8
Omaha-Council Bluffs, NE-IA	**NE-IA**	**136**	**103**	**17**	**16**
Manchester-Nashua, NH	NH	124	69	15	40
Atlantic City, NJ	NJ	73	62	5	6
Ocean City, NJ	NJ	15	14	0	1
Trenton-Ewing, NJ*	NJ	89	73	4	12
Vineland-Millville-Bridgeton, NJ	**NJ**	**68**	**50**	**11**	**7**
Albuquerque, NM	NM	221	192	5	24
Farmington, NM	NM	22	22	0	0
Las Cruces, NM	NM	39	32	6	1
Santa Fe, NM	NM	31	30	1	0
Carson City, NV	NV	10	10	0	0
Las Vegas-Paradise, NV	**NV**	**1,268**	**887**	**74**	**307**
Reno-Sparks, NV	NV	158	143	4	11
Albany-Schenectady-Troy, NY	NY	119	88	11	20
Binghamton, NY	NY	18	17	0	1
Buffalo-Niagara Falls, NY	NY	173	130	15	28
Elmira, NY	NY	12	4	0	8
Glens Falls, NY	NY	16	13	2	1
Ithaca, NY	NY	2	2	0	0

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Kingston, NY	NY	37	35	0	2
Poughkeepsie-Newburgh-Middletown, NY	**NY**	**176**	**154**	**12**	**10**
Rochester, NY	NY	369	138	2	229
Syracuse, NY	NY	118	53	4	61
Utica-Rome, NY	NY	22	16	0	6
New York-Northern New Jersey-Long Island, NY-NJ-PA	**NY-NJ-PA**	**3,877**	**2,895**	**441**	**541**
Akron, OH	**OH**	**486**	**317**	**114**	**55**
Canton-Massillon, OH	**OH**	**196**	**176**	**9**	**11**
Cleveland-Elyria-Mentor, OH	**OH**	**1,920**	**1,000**	**302**	**618**
Columbus, OH	**OH**	**1,481**	**692**	**162**	**627**
Dayton, OH	**OH**	**832**	**473**	**230**	**129**
Lima, OH	**OH**	**11**	**11**	**0**	**0**
Mansfield, OH	**OH**	**33**	**30**	**2**	**1**
Sandusky, OH	**OH**	**51**	**41**	**4**	**6**
Springfield, OH	**OH**	**154**	**102**	**48**	**4**
Toledo, OH	**OH**	**439**	**310**	**60**	**69**
Cincinnati-Middletown, OH-KY-IN	**OH-KY-IN**	**1,453**	**1,005**	**281**	**167**
Youngstown-Warren-Boardman, OH-PA	**OH-PA**	**319**	**192**	**68**	**59**
Lawton, OK	OK	17	12	5	0
Oklahoma City, OK	**OK**	**236**	**171**	**48**	**17**
Tulsa, OK	OK	181	61	22	98
Bend, OR	OR	65	62	1	2
Corvallis, OR	OR	3	3	0	0
Eugene-Springfield, OR	OR	39	39	0	0
Medford, OR	OR	17	17	0	0
Salem, OR	OR	22	21	1	0
Portland-Vancouver-Beaverton, OR-WA	**OR-WA**	**274**	**218**	**7**	**49**
Altoona, PA	**PA**	**26**	**10**	**0**	**16**
Erie, PA	**PA**	**76**	**46**	**0**	**30**
Harrisburg-Carlisle, PA	PA	68	26	0	42
Johnstown, PA	PA	22	9	2	11
Lancaster, PA	PA	171	82	27	62
Lebanon, PA	PA	30	11	4	15
Pittsburgh, PA	**PA**	**684**	**233**	**46**	**405**
Reading, PA	PA	61	56	1	4
Scranton--Wilkes-Barre, PA	PA	141	115	21	5
State College, PA	PA	9	8	1	0
Williamsport, PA	PA	35	28	6	1

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
York-Hanover, PA	PA	217	56	8	153
Allentown-Bethlehem-Easton, PA-NJ	**PA-NJ**	**302**	**228**	**4**	**70**
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	**PA-NJ-DE-MD**	**2,529**	**806**	**88**	**1,635**
Puerto Rico	PR	701	543	128	30
Providence-New Bedford-Fall River, RI-MA	**RI-MA**	**1,135**	**423**	**97**	**615**
Anderson, SC	SC	43	34	7	2
Charleston-North Charleston, SC	SC	697	308	266	123
Columbia, SC	SC	290	208	40	42
Florence, SC	**SC**	**81**	**60**	**9**	**12**
Greenville-Mauldin-Easley, SC	SC	143	91	28	24
Myrtle Beach-Conway-North Myrtle Beach, SC	SC	85	54	13	18
Spartanburg, SC	**SC**	**119**	**70**	**30**	**19**
Sumter, SC	**SC**	**52**	**36**	**14**	**2**
Rapid City, SD	SD	19	15	1	3
Sioux Falls, SD	**SD**	**174**	**159**	**1**	**14**
Cleveland, TN	**TN**	**9**	**8**	**1**	**0**
Jackson, TN	**TN**	**25**	**23**	**0**	**2**
Johnson City, TN	TN	17	17	0	0
Knoxville, TN	TN	134	122	9	3
Morristown, TN	**TN**	**73**	**50**	**23**	**0**
Nashville-Davidson--Murfreesboro--Franklin, TN	**TN**	**783**	**486**	**174**	**123**
Chattanooga, TN-GA	**TN-GA**	**52**	**51**	**0**	**1**
Clarksville, TN-KY	**TN-KY**	**24**	**19**	**3**	**2**
Memphis, TN-MS-AR	**TN-MS-AR**	**921**	**666**	**114**	**141**
Kingsport-Bristol-Bristol, TN-VA	TN-VA	41	37	3	1
Abilene, TX	TX	11	11	0	0
Amarillo, TX	TX	11	11	0	0
Austin-Round Rock, TX	**TX**	**145**	**114**	**17**	**14**
Beaumont-Port Arthur, TX	**TX**	**29**	**29**	**0**	**0**
Brownsville-Harlingen, TX	**TX**	**107**	**67**	**11**	**29**
College Station-Bryan, TX	TX	18	17	0	1
Corpus Christi, TX	**TX**	**74**	**54**	**0**	**20**
Dallas-Fort Worth-Arlington, TX	**TX**	**1,285**	**923**	**101**	**261**

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
El Paso, TX	**TX**	**132**	**83**	**8**	**41**
Houston-Sugar Land-Baytown, TX	**TX**	**1,313**	**1,040**	**64**	**209**
Killeen-Temple-Fort Hood, TX	TX	38	31	5	2
Laredo, TX	**TX**	**15**	**15**	**0**	**0**
Longview, TX	TX	16	14	1	1
Lubbock, TX	TX	31	31	0	0
McAllen-Edinburg-Mission, TX	**TX**	**235**	**139**	**7**	**89**
Midland, TX	TX	3	3	0	0
Odessa, TX	**TX**	**2**	**2**	**0**	**0**
San Angelo, TX	TX	7	7	0	0
San Antonio, TX	**TX**	**404**	**308**	**29**	**67**
Sherman-Denison, TX	**TX**	**8**	**7**	**0**	**1**
Tyler, TX	TX	16	13	2	1
Victoria, TX	TX	6	4	0	2
Waco, TX	TX	46	25	21	0
Wichita Falls, TX	**TX**	**10**	**9**	**1**	**0**
Texarkana, TX-Texarkana, AR	**TX-AR**	**6**	**5**	**0**	**1**
Ogden-Clearfield, UT	UT	34	28	4	2
Provo-Orem, UT	UT	21	20	0	1
Salt Lake City, UT	**UT**	**117**	**99**	**8**	**10**
St. George, UT	UT	36	36	0	0
Logan, UT-ID	UT-ID	7	6	1	0
Blacksburg-Christiansburg-Radford, VA	VA	18	15	1	2
Charlottesville, VA	VA	34	26	2	6
Danville, VA	**VA**	**20**	**18**	**0**	**2**
Harrisonburg, VA	VA	5	5	0	0
Lynchburg, VA	VA	34	26	1	7
Richmond, VA	**VA**	**229**	**172**	**14**	**43**
Roanoke, VA	VA	87	86	0	1
Virginia Beach-Norfolk-Newport News, VA-NC	**VA-NC**	**337**	**200**	**5**	**132**
Winchester, VA-WV	VA-WV	27	24	1	2
Burlington-South Burlington, VT	VT	18	18	0	0
Bellingham, WA	WA	14	14	0	0
Bremerton-Silverdale, WA	WA	21	19	1	1
Kennewick-Richland-Pasco, WA	WA	12	6	0	6
Longview, WA	WA	7	7	0	0
Mount Vernon-Anacortes, WA	WA	9	7	0	2
Olympia, WA	WA	11	9	0	2
Seattle-Tacoma-Bellevue, WA	**WA**	**353**	**261**	**10**	**82**
Spokane, WA	WA	45	45	0	0
Wenatchee, WA	WA	15	15	0	0

Metropolitan Statistical Area	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Yakima, WA	WA	88	84	1	3
Appleton, WI	**WI**	**48**	**41**	**0**	**7**
Eau Claire, WI	**WI**	**16**	**16**	**0**	**0**
Fond du Lac, WI	**WI**	**16**	**13**	**2**	**1**
Green Bay, WI	**WI**	**68**	**58**	**0**	**10**
Janesville, WI	**WI**	**46**	**45**	**0**	**1**
Madison, WI	WI	71	64	2	5
Milwaukee-Waukesha-West Allis, WI	**WI**	**673**	**463**	**68**	**142**
Oshkosh-Neenah, WI	**WI**	**40**	**30**	**3**	**7**
Racine, WI	WI	33	30	0	3
Sheboygan, WI	**WI**	**41**	**20**	**13**	**8**
Wausau, WI	**WI**	**10**	**10**	**0**	**0**
La Crosse, WI-MN	**WI-MN**	**18**	**17**	**1**	**0**
Charleston, WV	**WV**	**79**	**71**	**2**	**6**
Morgantown, WV	WV	11	11	0	0
Huntington-Ashland, WV-KY-OH	**WV-KY-OH**	**38**	**31**	**0**	**7**
Parkersburg-Marietta-Vienna, WV-OH	WV-OH	34	25	8	1
Weirton-Steubenville, WV-OH	**WV-OH**	**19**	**17**	**1**	**1**
Wheeling, WV-OH	WV-OH	25	22	3	0
Casper, WY	WY	4	4	0	0
Cheyenne, WY	WY	21	20	1	0
	TOTAL:	***104,310***	***71,689***	***9,231***	***23,390***

*Newly Identified MSAs after ratified grant agreements

12. Alphabetical Listing of Units of Counseling Delivered to All Rural Areas of States

Source: NFMC Program Reported Data
Shaded rows are Areas of Greatest Need

Rural Area of State	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
TOTALS		*9,184*	*7,479*	*596*	*1,109*
Alabama - Rural	**AL**	**126**	**103**	**3**	**20**
Alaska - Rural	AK	24	19	0	5
Arizona - Rural	**AZ**	**127**	**112**	**10**	**5**
Arkansas - Rural	AR	92	84	1	7
California - Rural	**CA**	**376**	**340**	**9**	**27**
Colorado - Rural	CO	136	99	16	21
Connecticut - Rural	**CT**	**117**	**97**	**5**	**15**
Delaware - Rural	**DE**	**120**	**74**	**3**	**43**
Florida - Rural	**FL**	**231**	**211**	**6**	**14**
Georgia - Rural	**GA**	**769**	**713**	**9**	**47**
Guam*	GU	1	1	0	0
Hawaii - Rural	**HI**	**44**	**44**	**0**	**0**
Idaho - Rural	ID	42	41	1	0
Illinois - Rural	**IL**	**176**	**132**	**2**	**42**
Indiana - Rural	**IN**	**196**	**169**	**3**	**24**
Iowa - Rural	**IA**	**264**	**176**	**68**	**20**
Kansas - Rural	KS	37	30	1	6
Kentucky - Rural	**KY**	**278**	**229**	**37**	**12**

Rural Area of State	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
Louisiana - Rural	**LA**	**117**	**104**	**3**	**10**
Maine - Rural	**ME**	**147**	**143**	**0**	**4**
Maryland - Rural	**MD**	**217**	**120**	**11**	**86**
Massachusetts - Rural	MA	16	13	0	3
Michigan - Rural	**MI**	**447**	**381**	**39**	**27**
Minnesota - Rural	**MN**	**564**	**471**	**4**	**89**
Mississippi - Rural	**MS**	**312**	**276**	**14**	**22**
Missouri - Rural	MO	255	117	11	127
Montana - Rural	MT	112	106	5	1
Nebraska - Rural	NE	46	36	6	4
Nevada - Rural	**NV**	**72**	**65**	**0**	**7**
New Hampshire - Rural	**NH**	**106**	**77**	**3**	**26**
New Jersey - Rural		0	0	0	0
New Mexico - Rural	NM	55	50	1	4
New York - Rural	NY	150	125	4	21
North Carolina - Rural	**NC**	**609**	**494**	**51**	**64**
North Dakota - Rural	ND	20	19	0	1
Ohio - Rural	**OH**	**723**	**572**	**89**	**62**
Oklahoma - Rural	**OK**	**69**	**56**	**4**	**9**
Oregon - Rural	OR	67	63	0	4
Pennsylvania - Rural	PA	454	304	78	72
Rhode Island - Rural		0	0	0	0

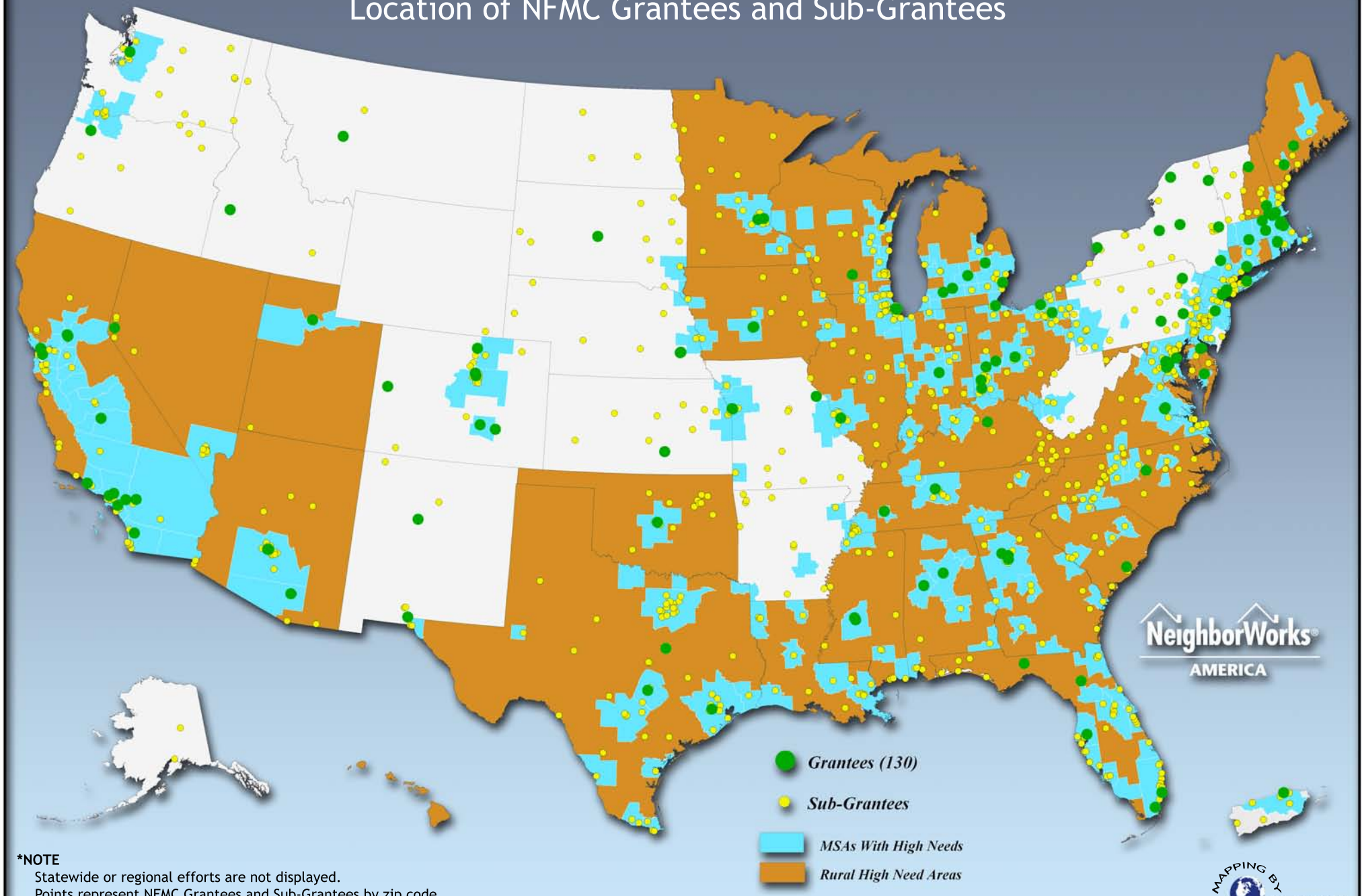
Rural Area of State	State	Total Counseling Units Delivered as of 9/15/08	Level 1 Counseling Units Delivered	Level 2 Counseling Units Delivered	Level 3 Counseling Units Delivered
South Carolina - Rural	**SC**	**308**	**215**	**53**	**40**
South Dakota - Rural	SD	124	99	6	19
Tennessee - Rural	**TN**	**225**	**187**	**18**	**20**
Texas - Rural	**TX**	**201**	**179**	**10**	**12**
Utah - Rural	**UT**	**19**	**18**	**1**	**0**
Vermont - Rural	VT	32	31	0	1
Virgin Islands*	VI	3	3	0	0
Virginia - Rural	**VA**	**182**	**145**	**0**	**37**
Washington - Rural	WA	79	68	1	10
West Virginia - Rural	WV	71	63	1	7
Wisconsin - Rural	**WI**	**204**	**185**	**9**	**10**
Wyoming - Rural	WY	22	20	0	2
TOTAL:		**9,184**	**7,479**	**596**	**1,109**

*Newly Identified MSAs after ratified grant agreements

Appendix H: Maps

National Foreclosure Mitigation Counseling Program

Location of NFMC Grantees and Sub-Grantees



*NOTE
Statewide or regional efforts are not displayed.
Points represent NFMC Grantees and Sub-Grantees by zip code.

Data Source: NeighborWorks® America 05/2008

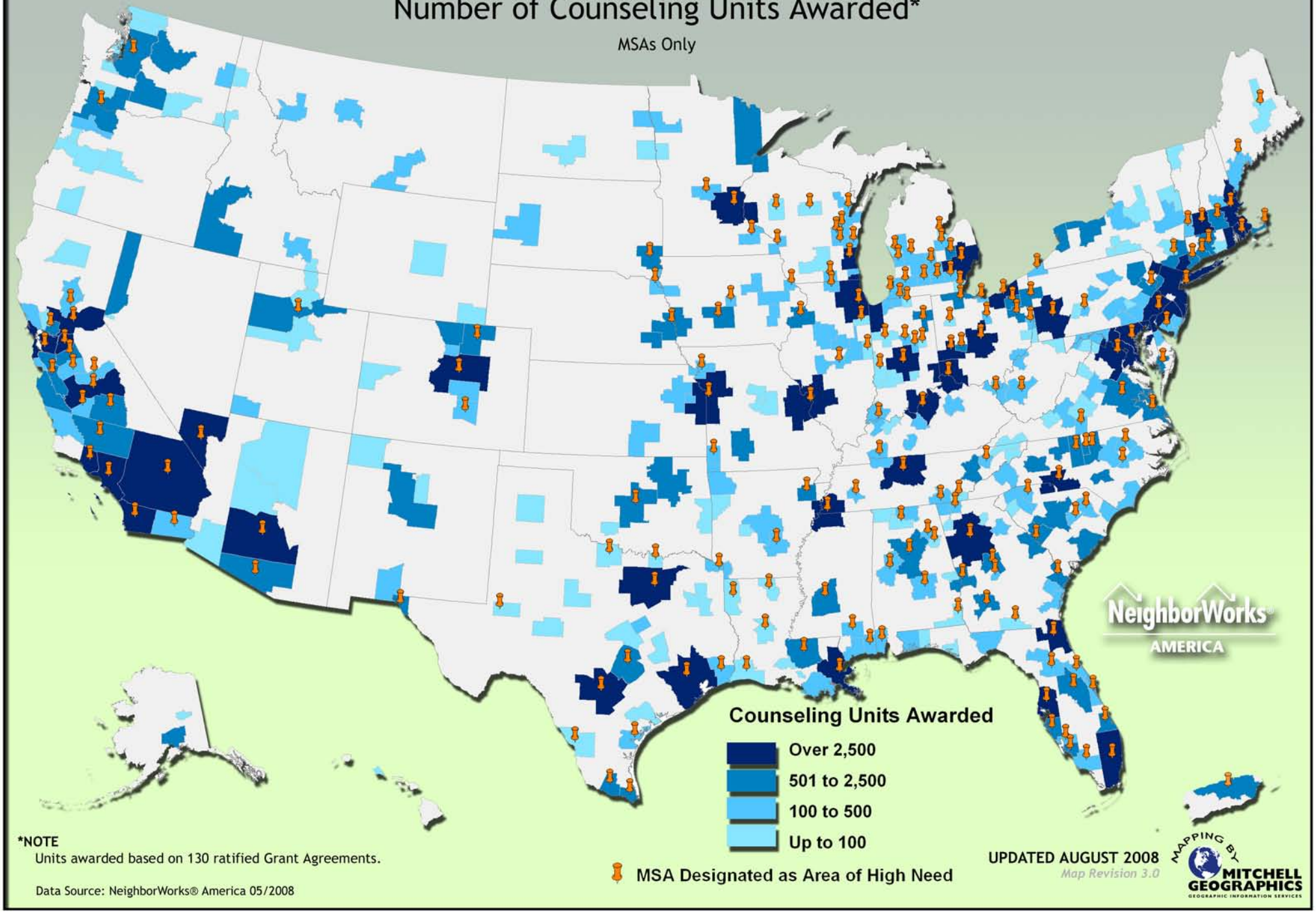
UPDATED AUGUST 2008
Map Revision 2.1

MAPPING BY MITCHELL GEOGRAPHICS
GEOGRAPHIC INFORMATION SERVICES

National Foreclosure Mitigation Counseling Program

Number of Counseling Units Awarded*

MSAs Only

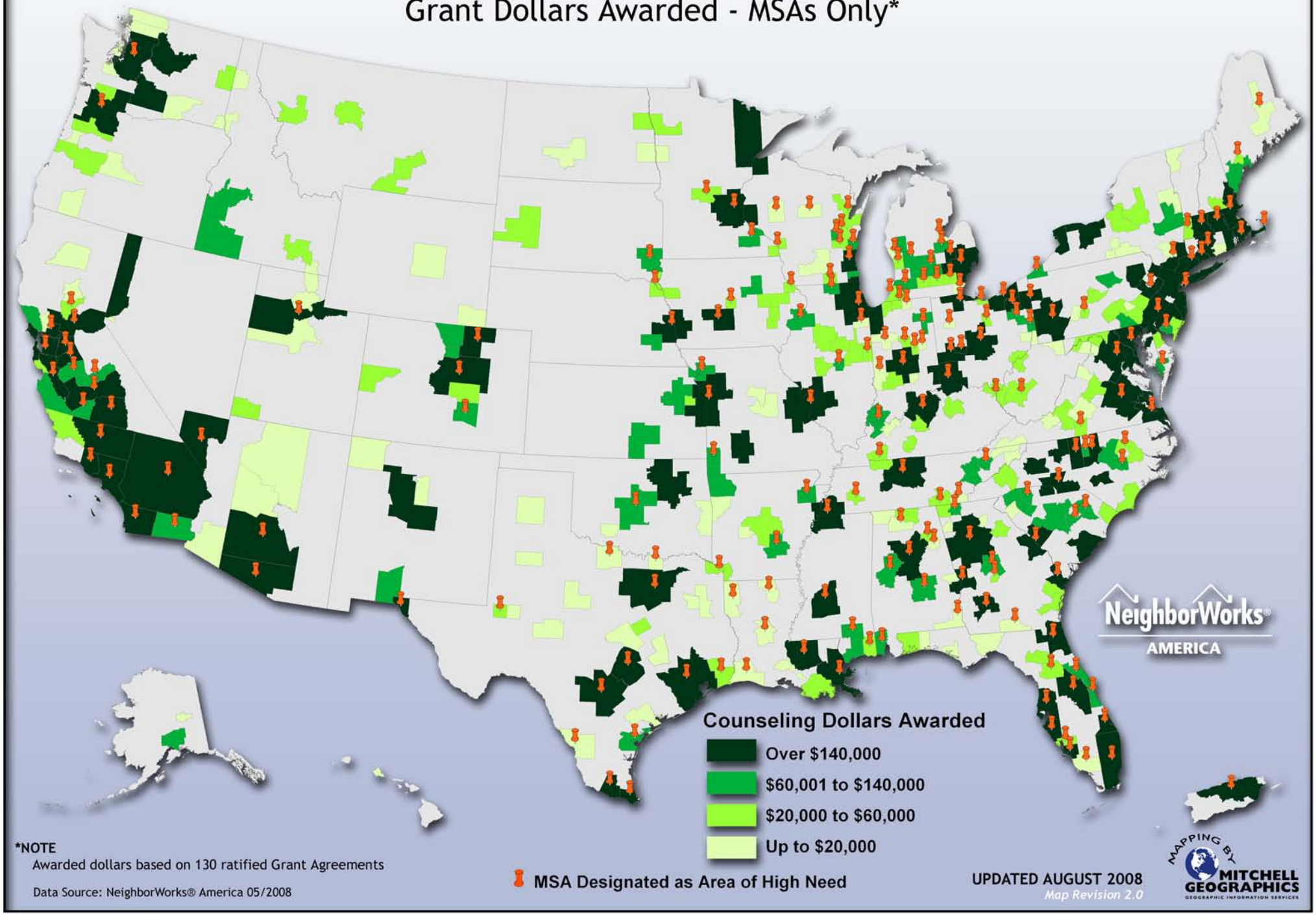


*NOTE
Units awarded based on 130 ratified Grant Agreements.

Data Source: NeighborWorks® America 05/2008

National Foreclosure Mitigation Counseling Program

Grant Dollars Awarded - MSAs Only*



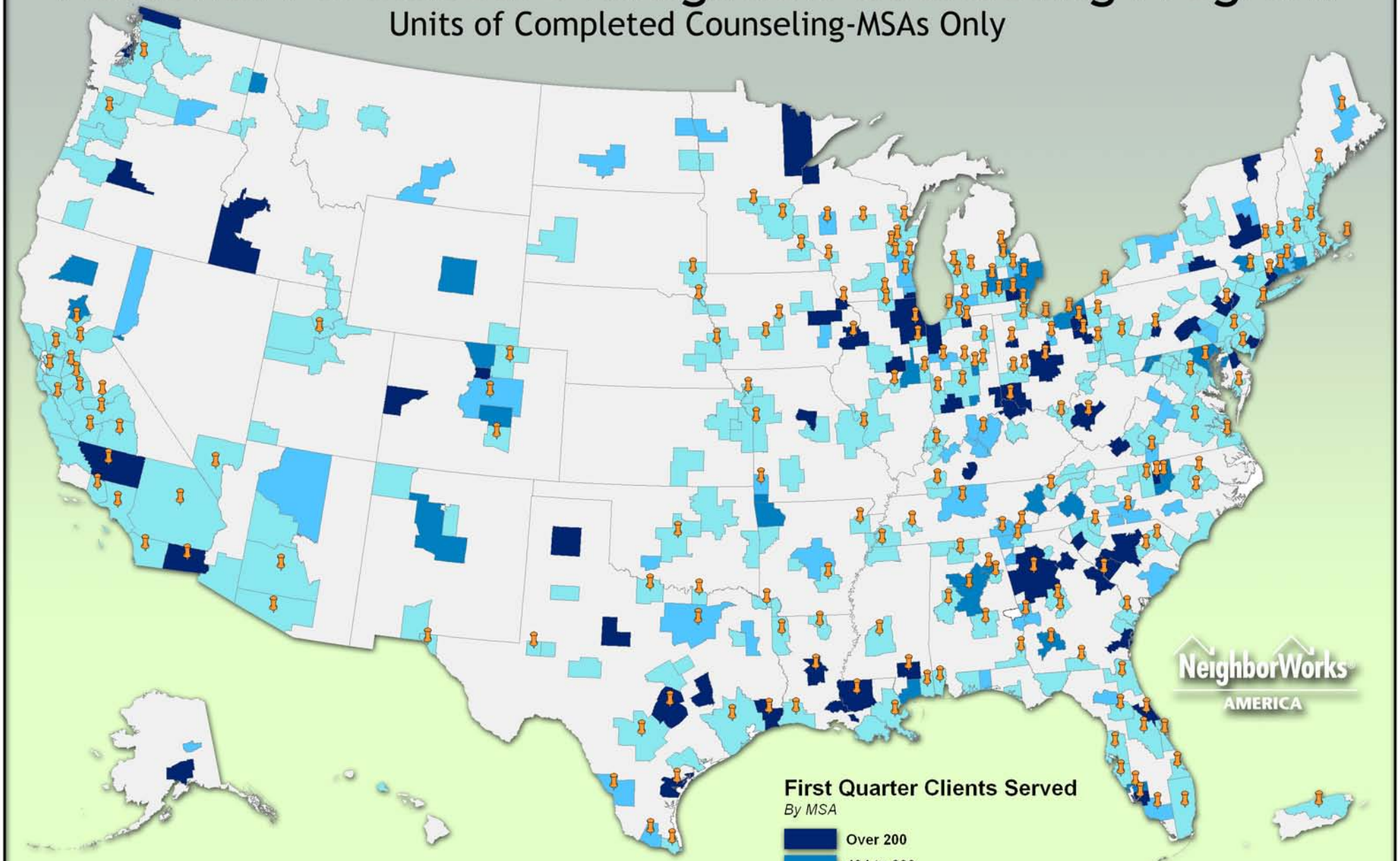
*NOTE
Awarded dollars based on 130 ratified Grant Agreements

Data Source: NeighborWorks® America 05/2008

UPDATED AUGUST 2008
Map Revision 2.0

National Foreclosure Mitigation Counseling Program

Units of Completed Counseling-MSAs Only



*NOTE Units are based on reported counseling units as of September 15,2008

Data Source: NeighborWorks® America 10/2008

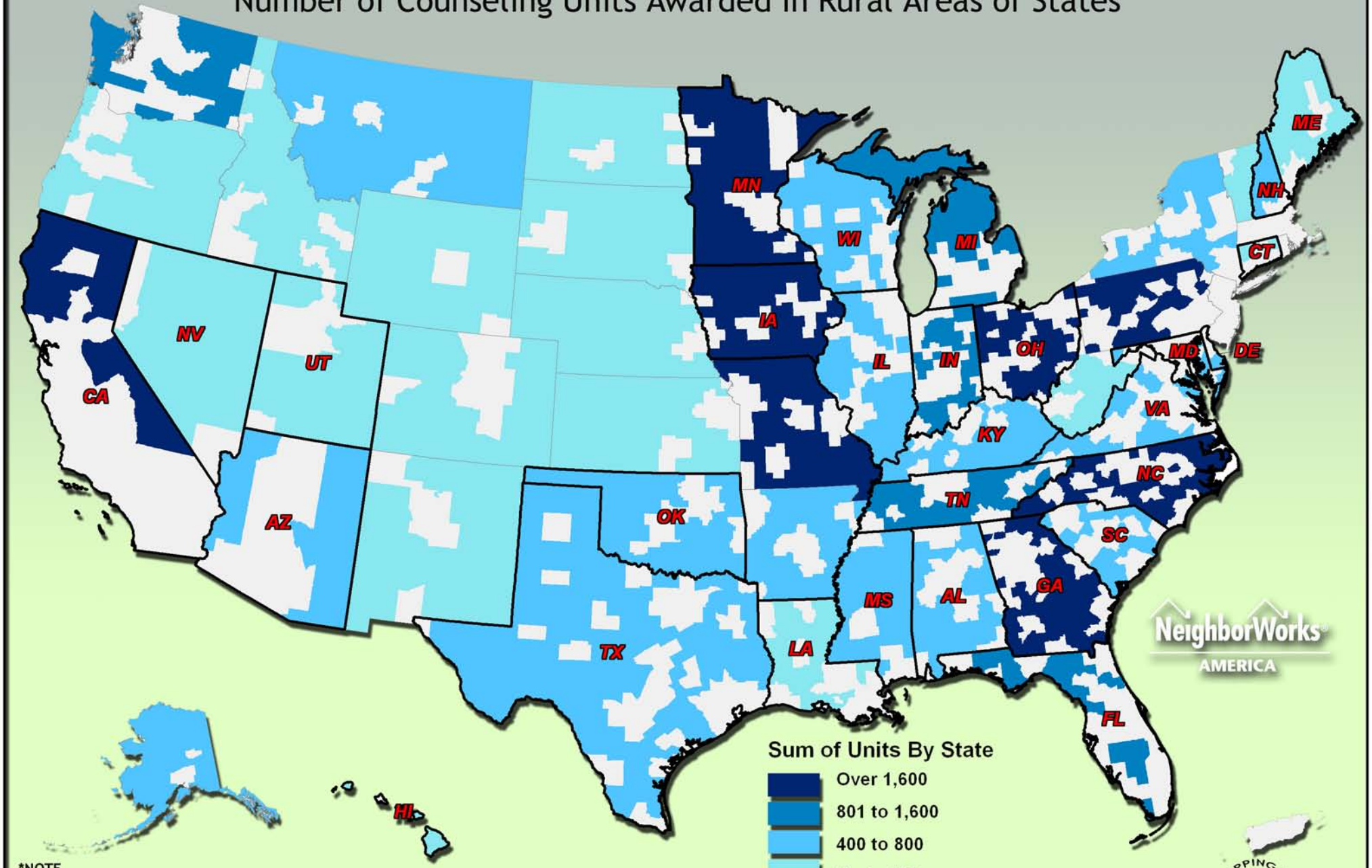
UPDATED October 2008

Map Revision 1.0

MAPPING BY MITCHELL GEOGRAPHICS
GEOGRAPHIC INFORMATION SERVICES

National Foreclosure Mitigation Counseling Program

Number of Counseling Units Awarded In Rural Areas of States*



*NOTE
Units awarded based on 130 ratified Grant Agreements.

Data Source: NeighborWorks® America 05/2008

XX States Designated as Areas of High Need

UPDATED AUGUST 2008
Map Revision 3.0

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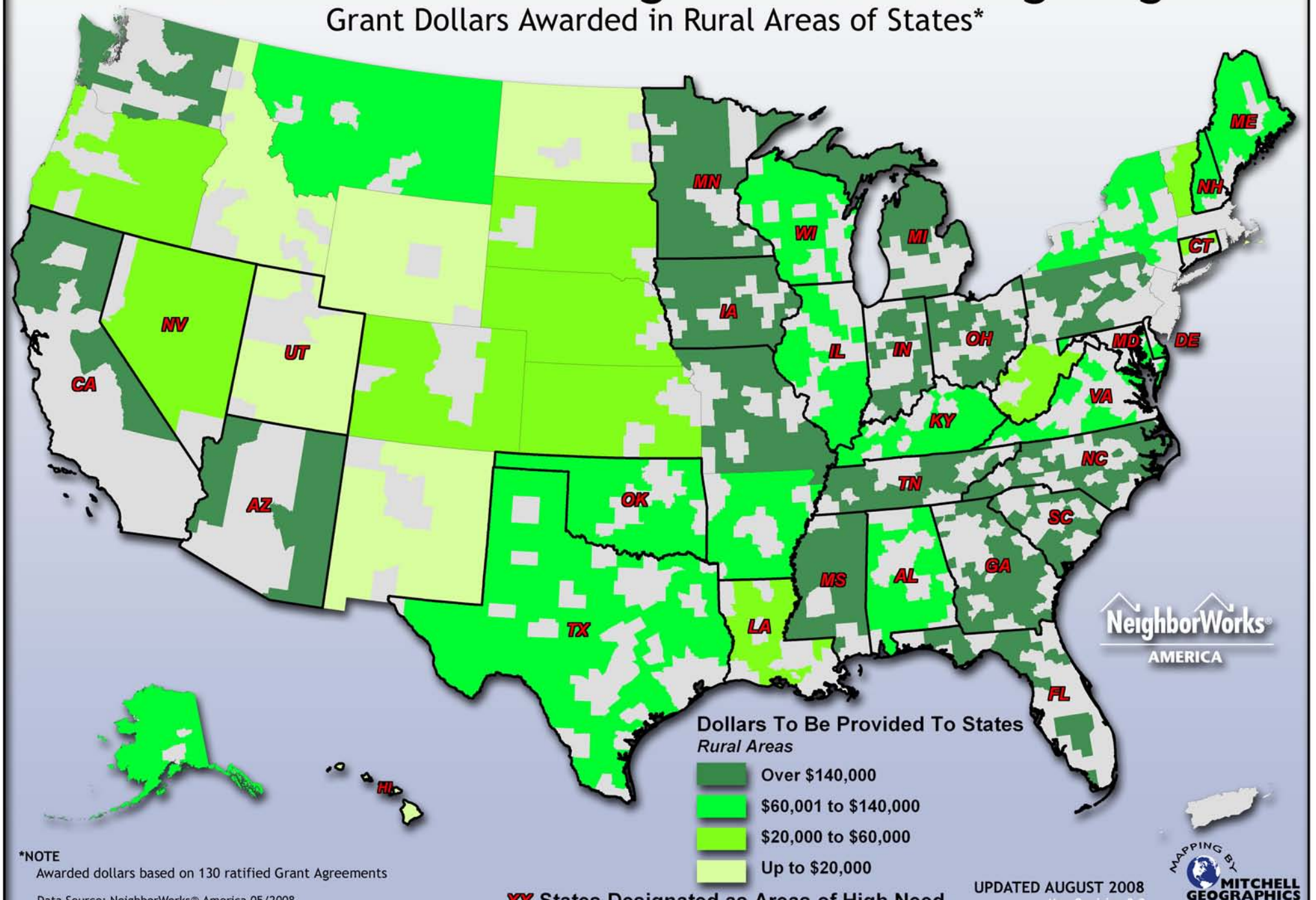
GEOGRAPHIC INFORMATION SERVICES

National Foreclosure Mitigation Counseling Program

Grant Dollars Awarded in Rural Areas of States*



*NOTE
Awarded dollars based on 130 ratified Grant Agreements

Data Source: NeighborWorks® America 05/2008

UPDATED AUGUST 2008
Map Revision 2.0

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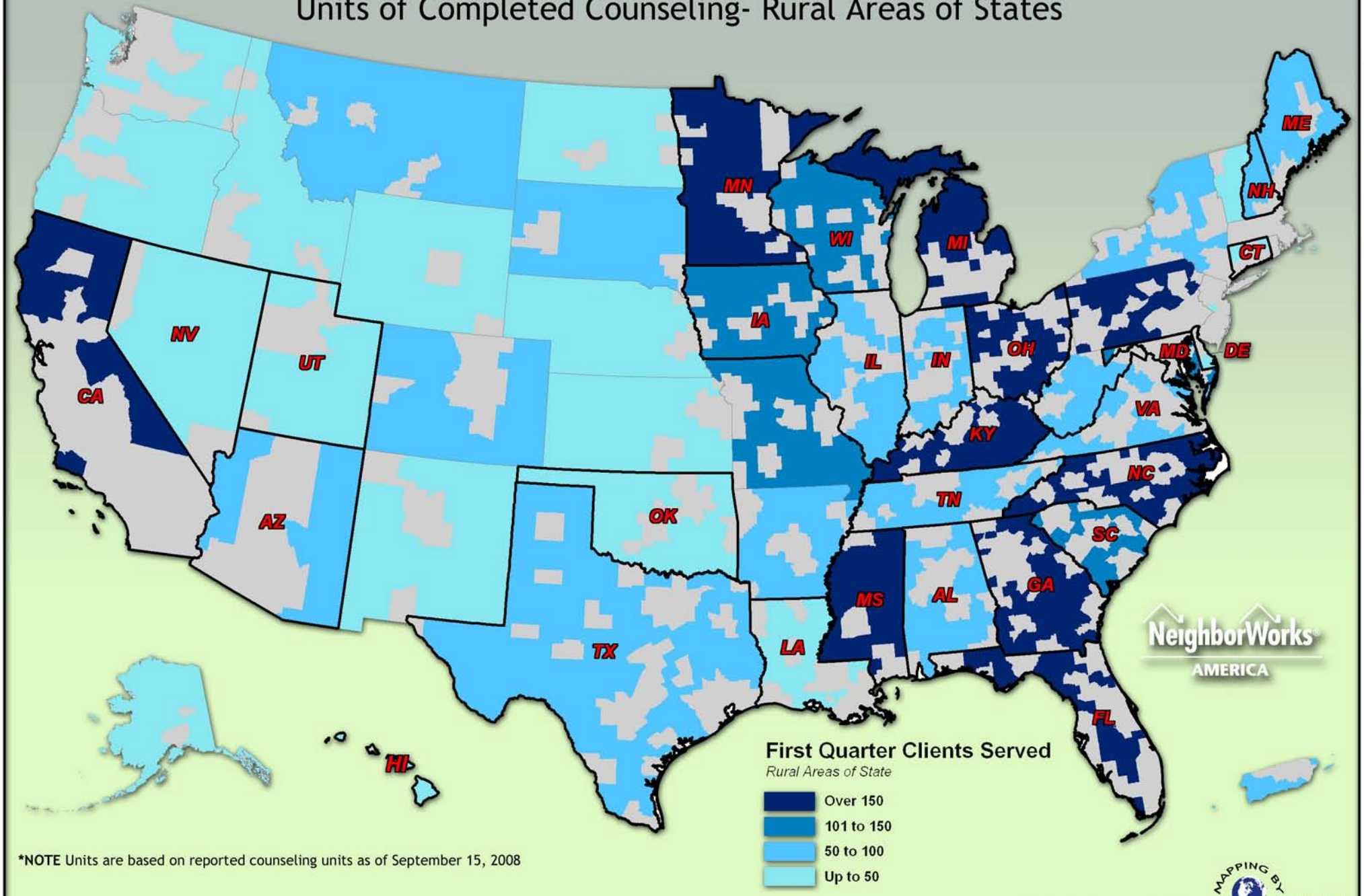
National Foreclosure Mitigation Counseling Program

Units of Completed Counseling- Rural Areas of States



*NOTE Units are based on reported counseling units as of September 15, 2008

Data Source: NeighborWorks® America 10/2008

XX States Designated as Areas of High Need

UPDATED October 2008

Map Revision 1.0

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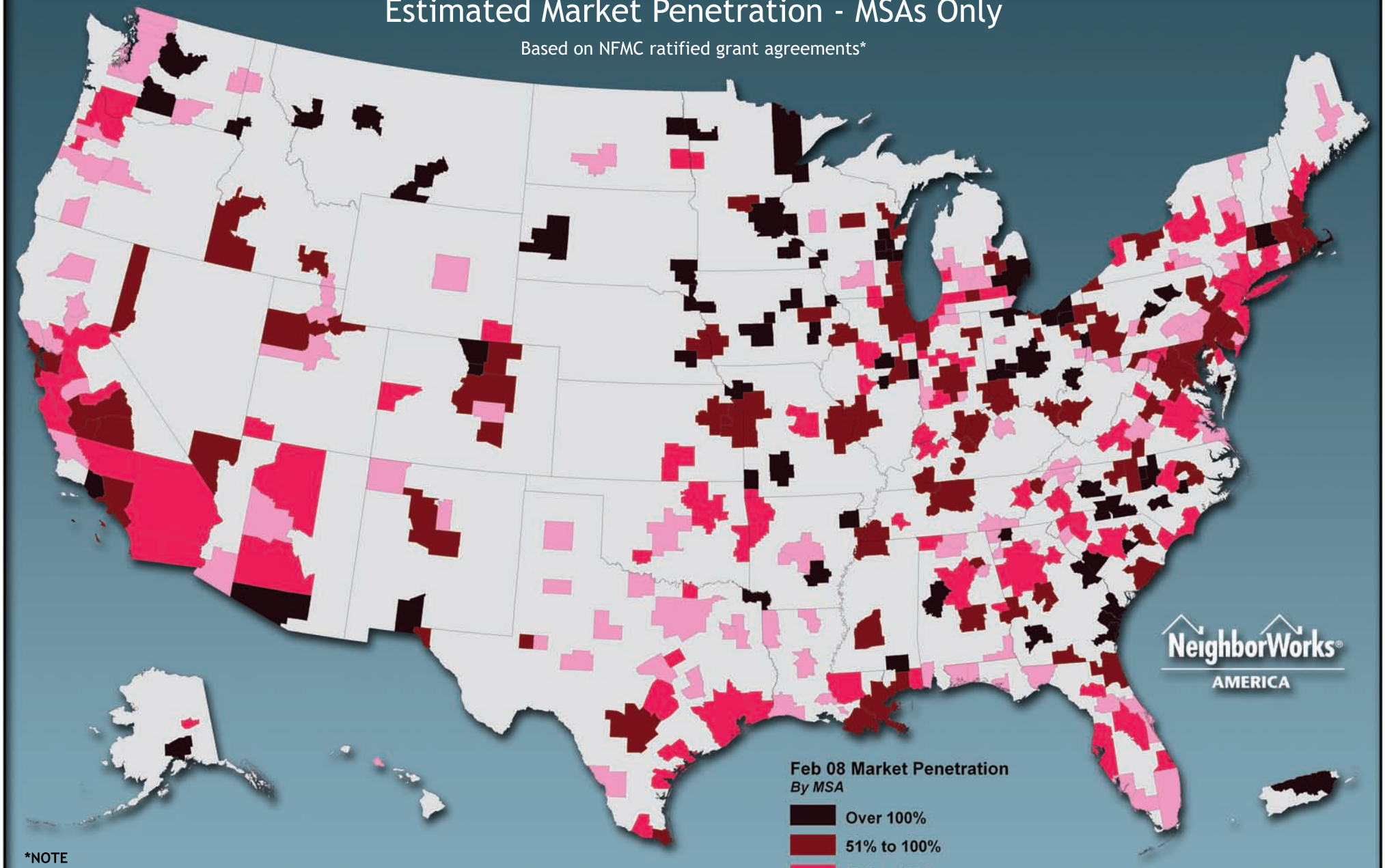
National Foreclosure Mitigation Counseling Program

Estimated Market Penetration - MSAs Only

Based on NFMC ratified grant agreements*



*NOTE

Percentage estimates are based on 130 Processed Grant Agreements. Percentages are based on the number of counseling units expected to be delivered as a result of program funds divided by the number of delinquent subprime loans in a given MSA.

Data Source: First American LoanPerformance ABS Data 02/2008. Counseling will be available to both prime and sub-prime borrowers under this program.

UPDATED AUGUST 2008

Map Revision 2.0

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