

Affordable Homeownership

Creating and preserving opportunity in low-income communities

NeighborWorks America is committed to strengthening communities by creating opportunity for low- and moderate-income families to purchase, maintain and retain their own homes. We strongly believe that homeownership gives families a vested stake in their communities and provides them with an asset-building tool that is critical to achieving economic prosperity.

NeighborWorks' Affordable Homeownership Initiative was created to achieve these goals.

Our 235 member community development organizations use an approach so unique to the NeighborWorks network that we registered the name – Full-Cycle Lending®. This approach recognizes that it isn't enough just to get low-income families into home ownership; the real outcome is measured by whether they are successful long-term homeowners.

To strengthen the chances of long-term success, a comprehensive set of pre-purchase and post-purchase services was developed and implemented by NeighborWorks organizations for all homeowners assisted. It includes:

- ▶ Homeownership education and counseling for potential buyers
- ▶ Assistance to the borrower from loan intake through closing
- ▶ Financing products that include property rehabilitation
- ▶ Technical assistance with property inspections and rehabilitation services
- ▶ Post-purchase counseling and early intervention delinquency counseling

This Full-Cycle Lending® process sets NeighborWorks organizations apart from other homeownership programs. The standards of Full-Cycle Lending® are regularly reviewed and enhanced by network leadership, and NeighborWorks America provides quality control over the Full-Cycle Lending® system by providing a training and certification process for NeighborWorks organizations.

Real Solutions for Real People.

Studies show that high quality homebuyer education and counseling can reduce 90-day delinquencies by up to 34 percent. Since our Campaign for Homeownership began in 1993, the NeighborWorks Network has:

- ▶ Assisted **111,447 households** to become homeowners
- ▶ Counseled **637,639 people** about the home-buying process
- ▶ Invested **\$12.27 billion** in America's communities



Kerwin Stenstrom, in Honolulu, HI, got help from a NeighborWorks organization to purchase a home where his son can grow and play.

NeighborWorks Affordable Homeownership Initiative also supports:

- ▶ 97 community-based **NeighborWorks HomeOwnership Centers** across the country – one-stop shops that offer a full spectrum of education and counseling services that pull together all the elements of an otherwise complex and segmented process to help homebuyers understand the specialized terminology, the many players and up-front costs of the homeownership transaction that too often scare them off. The Centers also educate homeowners about the risks of unsafe lending practices and how to evaluate a variety of flexible loan products, and offer post-purchase education like delinquency counseling and loss mitigation services.
- ▶ Lending in low-income communities. NeighborWorks America provides support to a core group of nonprofit mortgage brokerages to **create loan products** for second mortgages for rehabilitation, downpayment and closing cost assistance to families who too often become victims of fraudulent and/or overly aggressive marketing techniques designed to reach low-income communities with high-cost loans.
- ▶ **NeighborWorks Center for Foreclosure Solutions** was launched in 2005 to preserve homeownership in the face of rising foreclosure rates. It focuses on:
 - ✓ Building the capacity of local foreclosure efforts through support to local/regional foreclosure coalitions and technical assistance to housing counseling nonprofits.
 - ✓ Providing Foreclosure Intervention Counseling Training.
 - ✓ Launching multilingual, multimedia public awareness campaigns to direct homeowners to trusted sources of help and information. Our foreclosure Ad Campaign generated more than \$155 million in donated media nationwide.
 - ✓ Advancing innovative solutions to foreclosure-related challenges through partnerships with industry leaders.

NeighborWorks' experience in delivering foreclosure services and counseling is so effective, the federal government has entrusted NeighborWorks America to:

- ▶ Administer the **National Foreclosure Mitigation Counseling (NFMC) Program**, created by Congress in 2007, to provide a rapid expansion of foreclosure intervention counseling in response to the nationwide foreclosure crisis. Program services are delivered by more than 1,700 nonprofit counseling agencies and local NeighborWorks organizations across the country. To date, the NFMC Program has provided nearly 780,000 struggling homeowners in every state in the country with foreclosure counseling and legal assistance, and access to loan modifications that result in significantly lower mortgage payments than would have been received without the help of the program. In addition, more than 5,000 scholarships have been provided to train foreclosure counselors to meet the challenges of foreclosure counseling in a stressed economic environment.
- ▶ Launch a national, **multilingual, multimedia public education campaign** to increase consumer awareness about the dangers of foreclosure rescue scams. Working with partners HUD and Treasury, the campaign targets 25 key markets where foreclosure activity is most significant. It provides consumers with an information resource, a vehicle for reporting scams and a direct connection to trusted sources of information and counseling.