

**City of Madison CDBG Office
Foreclosure Prevention Services Proposal
Dane County Housing Authority and GreenPath Debt Solutions**

A. Program Design

The Dane County Housing Authority (DCHA) and GreenPath Debt Solutions (GreenPath) propose to assist 300 city of Madison households by providing foreclosure prevention counseling and referral services. The method by which this will be accomplished includes hosting up to four workshops at community centers across Madison. The purpose of the workshops is to use the available funding in a way that reaches as many homeowners as possible. The overall goal is to prevent foreclosure by empowering residents to take advantage of foreclosure prevention options at the local, state and national levels.

The workshops will teach homeowners to better understand the total cost of homeownership, mortgage types and features, debt-to-income ratios, equity and appreciation and the importance of budgeting and money management strategies. In addition, workshop participants will learn about the foreclosure process according to the statutory timeline in Wisconsin and the steps that lenders take when loan holders default on their mortgages.

In another aspect of the workshops, participants will learn if they qualify for the federal Making Home Affordable Program or other loss mitigation or loan modification options. This project also pledges to look for qualified applicants to receive DCHA foreclosure prevention funds in the form of direct assistance.

This project will also provide the opportunity for one-on-one counseling and referral services after each workshop. Attending a workshop will not be a pre-requisite to obtaining one-on-one counseling but will provide the framework through which people can formulate next steps to address their housing issue(s).

Through DCHA and GreenPath's ongoing community work, the agencies are keenly aware of the resources available in the community to provide referrals as needed. The intention is to

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make referrals to community resources to the extent possible. This includes referrals to the Fair Housing Council of Greater Madison including the STOPP Initiative (Strategies to Overcome Predatory Practices) and law students participating in the UW Consumer Law Litigation Clinic when issues of fair lending and rescue scams arise. This project also proposes referrals to Legal Action of Wisconsin if it is determined that solutions require legal measures. We will also collaborate with UW Law School students from the Consumer Law Litigation Clinic to assist with follow up activities after workshops to continue to engage households to resolve their housing issue(s). Student work will be under the supervision of the Consumer Law Litigation Clinic Instructor Ms. Sarah Orr. Other community referrals may include Energy Services, Food Share Programs and so forth. DCHA and GreenPath already have a library of written materials to share with homeowners providing another tool. Otherwise, the combined experience and expertise of DCHA and GreenPath can cover the gamut of financial concerns in the context of foreclosure and credit counseling.

DCHA and GreenPath are members of the Dane County Foreclosure Prevention Task Force, Financial Educators Network and the Homebuyers Roundtable of Dane County.

DCHA and GreenPath can implement this proposal immediately. Both entities are designated HUD-approved housing-counseling agencies. To our knowledge, DCHA and GreenPath are the only HUD-certified agencies providing foreclosure prevention services in Dane County.

The GreenPath staff person assigned to this project has been providing foreclosure prevention services for the last five years and the DCHA staff member has been providing foreclosure prevention services for four years. The DCHA staff member's previous experience includes working as a housing counselor at the Community Action Coalition of South Central Wisconsin, completion of an internship in the city of Madison CDBG Office and housing and land use planning with a local architecture, engineering and planning firm. Both staff members have had extensive training in the area of foreclosure prevention and

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budget and housing counseling as noted in Section B of this proposal.

B. Qualifications of Agency and Staff

The lead staff person for this project from DCHA is Kate Nardi. She has been providing counseling services with DCHA since 2005. Kate has been in the housing and community development profession for the past 16 years. In addition to five years of housing counseling experience, she brings the following credentials:

B.A. in Sociology from Emory and Henry College and an M.S. in Urban and Regional Planning from the UW

Training through NeighborWorks America:

- Introduction to Housing Counseling
- Foreclosure Intervention and Default Counseling Certification, Part 1
- Using the HOME Program
- Creating a Successful Voucher Homeownership Program

Training through HUD:

- FHA/HUD Loss Mitigation Program

Training through Freddie Mac:

- Alternatives to Foreclosure for Housing Counselors

Training through UW-Extension:

- Homeownership Counseling and Education

Training through National Council of La Raza Learning Alliance:

- Pre-purchase II: Operational Guide for Managing a Housing Counseling Program

The lead staff person for this project from GreenPath is Ellen Bernards. Ellen is a certified housing and credit counselor. She has been providing counseling with GreenPath since July 2004. Prior to this, she owned a small business for 16 years. In addition to five years of financial counseling experience, she brings the following credentials:

BS in Psychology from Edgewood College, graduated magna cum laude, 2004

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Training through NeighborWorks America:

- Foreclosure Basics
- Effective Group/Telephone Foreclosure Counseling Strategies
- Advanced Foreclosure Counseling

Training through GreenPath includes:

- Making Home Affordable Program

Training through the National Foundation for Credit Counseling:

- Certified Consumer Credit Counselor and Housing Counselor
- HECM (reverse mortgage) counseling certified through AARP

Ellen's counseling experience includes budgeting, debt issue and housing counseling including loan modifications, HECM and bankruptcy counseling.

Overall, DCHA has been providing pre and post purchase homeownership education since 2000. A partnership between private industry and local government launched the program to address the need for homeownership education in the community. Since 2000, DCHA has graduated more than 2,000 first time homebuyers from its pre-purchase education series, participated in 155 first time homebuyer purchases with down payment and closing cost assistance using CDBG and HOME funds and counseled more than 300 families in the area of foreclosure prevention. GreenPath is a multi-state organization and Ellen Bernards works at the Madison affiliate office. GreenPath has been providing financial counseling services since 1961.

DCHA and GreenPath currently serve city of Madison residents. Through DCHA, three city households have received foreclosure prevention grants to date. Also, both agencies already field calls from and support city residents outside of direct assistance in the ways described in Section A – Program Design.

C. Outcomes

Through a combination of workshops and one-on-one counseling, 300 city households, 240 of which will be at or below 80 percent County Median Income (CMI), will be served at some level. The level at which households will be served will be determined by at what stage in the continuum their situations fall. Our experience has been that households contact our agencies at every level from being concerned about making mortgage payments to having a sheriff sale date already scheduled. In all cases, our role is to educate and help sort out options.

Based on our experience using multiple funding sources to operate programs within each of our agencies, we have the capacity to submit client-level data. Both agencies use client management systems to track data from initial appointment to final outcomes.

In summary, the outcome is the implementation of four community-based workshops and referrals for one-on-one counseling serving 300 city households between August 15, 2009 and December 31, 2010.

D. Budget-see attachment

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<u>E. References</u>	
Nan Chare Vice President, Community Impact United Way of Dane County 2059 Atwood Ave. Madison, WI 53704 (608) 246-4353	Deb Neubauer, Administrator Financial Education Center 2300 S. Park Street Madison, WI 53713 TEL: (608) 261-5077
Christopher Dodge, Attorney Murphy Desmond S.C. 33 East Main Street, Suite 500 Madison, WI 53701 (608) 257-7181	Bill Wilcox, CEO CBM Credit Education Foundation 2509 S. Stoughton Rd. Madison, WI 53716 TEL: (608) 663-5000
Helene Raynaud Vice President of Housing National Foundation for Credit Counseling 801 Roeder Road, Suite 900 Silver Spring, MD 20910 TEL: (301) 576-2540	Sarah Anstaett Constituent Services Representative Congresswoman Tammy Baldwin's Office 10 E. Doty St, Suite 405 Madison, WI 53703 TEL: (608) 258-9800
The Honorable John W. Markson Dane County Circuit Court, Branch 1 Room 6105 Madison, WI 53703 TEL: (608) 266-4231	

City of Madison RFP - Foreclosure Prevention Services

PROPOSED BUDGET

Date: 6/30/09

Line Item	Total Budget	Grant Funded Portion
A. Personnel		
Salaries	19,000	19,000
Taxes	1,454	1,454
Benefits	7,600	7,600
Subtotal Personnel	28,054	28,054
C. Operating		
Marketing/Outreach	3,300	3,300
Audit	50	50
Document Review-Legal (stipends)	750	750
Postage, Office Supplies	330	330
Telephone	100	100
Materials	100	100
Mileage	200	200
Subtotal Operating	4,830	4,830
D. Space		
Facility rental (4 events)	800	800
Subtotal Space	800	800
E. Special Costs		
One on One Counseling	22,500	
Assistance to Individuals	12,000	
Subtotal Special Costs	34,500	
Total	68,184	33,684