

Foreclosure Counseling Standards Guide

of the Minnesota Homeownership Center's
Homeownership Advisors Network

Effective October 1, 2013

*Prior Revisions October 1, 2010,
October 1, 2011 & October 1, 2012*





Copyright © 2013

Minnesota Homeownership Center
1000 Payne Avenue, Suite 200
St. Paul, MN 55130

www.hocmn.org

Phone: 651-659-9336
Toll Free: 866-462-6466

The Minnesota Homeownership Center's mission is to
Promote and advance successful homeownership in Minnesota

Table of Contents

Introduction	1
The Minnesota Homeownership Center’s Homeownership Advisors Network	2
Operating Standards	3
National Standards	3
Training and Certification	3
Continuing Education	4
Staff Changes	4
Reporting	4
Record Keeping	5
Data Privacy	6
Fair Housing	6
Preferred Language	7
Participant Fees	7
Conflict of Interest	7
Code of Ethics & Conduct	8
Program Standards	9
Counseling Appointment Standards	11
Marketing Standards	12
Appendices	
A. Foreclosure Counseling Program Model	13
B. National Industry Code of Ethics and Conduct for Homeownership Professionals	58
C. Conflict of Interest Disclosure Form	62
D. Homeownership Advisors Network Branding Standards	63

Introduction to Foreclosure Counseling Standards

This document describes the foreclosure counseling standards that Provider Agencies in the Minnesota Homeownership Center's (Center) Homeownership Advisors Network follow upon becoming a member. The primary purpose of these standards is to ensure that consumers and other stakeholders receive effective, high-quality, efficient services from Providers.

Adherence to these standards is part of periodic program reviews conducted by the Center and funding partners.

These standards do not prescribe every aspect of programming delivery. Providers may customize their services within the parameters of the standards' to meet their communities' and consumers' needs.

Providers contracting with an individual or agency to deliver foreclosure counseling ensure the said person or entity adhere to the standards.

This guide was developed with recommendations and input from the Minnesota Homeownership Center staff, Board of Directors, Advisory Council and Providers. Standards were informed by: the policies for administering HUD Housing Counseling programs, the Housing Partnership Network, and the National Industry Standards for Homeownership Education and Counseling (see www.homeownershipstandards.com).

STANDARDS AND BENCHMARKS

Adherence to **Standards** is required by Providers in the Center's network. **Benchmarks** are highly recommended.

The Minnesota Homeownership Center's Homeownership Advisors Network

NETWORK MEMBERS:

Agencies in the Center's ***Homeownership Advisors Network*** are dedicated to providing high-quality, effective, services to consumers. These independent, non-profit and governmental organizations are committed to: following program standards and policies that are based in national best practices but reflect Minnesota's foreclosure and counseling environment; reporting programming outcomes to the Center; participating in periodic program reviews; and collaborating with network partners to promote and advance the professionalism of the network and the foreclosure counseling industry.

To become a foreclosure counseling Provider member of the Homeownership Advisors Network, an agency must receive HECAT funding (see below). Center staff are available to meet with interested organizations to discuss membership and how to prepare for submitting a HECAT application.

THE CENTER'S ROLE

The Center supports Providers by offering technical assistance, capacity building support, certification and training, and coordinated networking. They are available to provide guidance on program delivery, program management, and a range of best practices. The Center conducts public education and outreach and is responsible for research and analysis of program delivery, outcomes and trends. The Center also serves as a funder to Providers (see below). The Center participates in a variety of partnerships with industry stakeholders in an effort to further the mission of the network.

FUNDING

The Homeownership Education, Counseling and Training Fund (HECAT) provides financial support to eligible non-profit and government based organizations to deliver a variety of homebuyer/homeowner education, counseling and training services to Minnesotans. HECAT funded services include pre- and post-purchase education(including Home Stretch), pre- and post-purchase counseling, home equity conversion counseling, and foreclosure counseling and assistance.

Annually funding partners work in partnership to offer funding to Providers via HECAT. Each of the four funding partners contributes financial resources and participates in the grant-making and award process. The funding partners currently include: Greater Minnesota Housing Fund, Minnesota Housing, and the Minnesota Homeownership Center.

In addition, the Center also raises funds through other private and public entities and grants these funds to Providers. Providers also secure their own funding through grants, government contracts and donations.

Operating Standards

NATIONAL STANDARDS

The standards in this document comply with and in some instances exceed the National Industry Standards for Homeownership Education and Counseling www.homeownershipstandards.com. The Center recognizes the importance of promoting professionalism and quality assurance in foreclosure counseling at the national level while supporting the standards that reflect the local counseling industry. Where these standards exceed the National Industry Standards, these standards take precedence.

Standard

Providers adopt the National Industry Standards for Homeownership Education and Counseling: Foreclosure Intervention Specialty upon becoming a Provider.

TRAINING AND CERTIFICATION

Foreclosure advisors must have strong technical knowledge about homeownership, the foreclosure process, the mortgage industry, and loss mitigation practices and be able to provide optimum service to participants. Some of this experience is gained on the job. Formal training and certification is also a critical professional development activity for individual advisors. Training and certification: 1) ensures that advisors have the knowledge to perform foreclosure counseling, 2) encourages excellence in the foreclosure counseling profession and develops criteria for assessing the level of excellence; and 3) demonstrates to homeowners and other stakeholders that foreclosure advisors have achieved a high level of professional development and expertise.

Standard

Advisors must complete coursework and pass the exam for one of the following within 12 months of being hired as a foreclosure advisor or within 12 months of the Provider becoming a member of the Center's network:

- *Minnesota Homeownership Center's Foundations of Foreclosure Counseling.*
- *NeighborWorks® America's HO345rq Foreclosure Intervention and Default Counseling Certification, Part I and the Minnesota Homeownership Center Foreclosure Counseling Program Model training.*
- *NCLR Homeownership Network Learning Alliance's (NHNLA) Fundamentals of Foreclosure Prevention Counseling and the Minnesota Homeownership Center Foreclosure Counseling Program Model training.*

Note: Any foreclosure advisor receiving certification from the Minnesota Mortgage Foreclosure Prevention Association or NeighborWorks® America prior to October 1, 2009 has met the certification standard.

CONTINUING EDUCATION

The Center supports continued learning and professional growth of foreclosure advisors to provide high quality services for participants. The Center does not offer an approved list of continuing education opportunities, but encourages you to participate in seminars, courses, conferences, etc. through relevant and trusted entities.

Standard

You must complete 10 hours of continuing education hours (CEH) annually. One CEH equals one hour of instruction. Continuing education must be on topics relevant to foreclosure counseling. You do not have to submit proof of completion to the Center. However, Providers are responsible for maintaining a record of completed CEHs for advisors for three years. The Center may request documentation during a program review or as needed. Advisors providing multiple services, including foreclosure counseling, pre-purchase education, or pre-purchase counseling do not have to complete more than 10 hours of CEHs annually, but must complete training relevant to all areas of expertise.

STAFF CHANGES

To ensure continuity of services and to facilitate communication with other network members and the Center, inform the Center of attrition or new hires.

Standard

Contact the Center about foreclosure advisors leaving the organization or new hires within 10 business days. The Center will discuss your plan for continuation of services and any changes in programming required as a result of the staff change.

REPORTING

Providers are required to collect and report participant and program data to the Center on a regular basis as defined by the Center. Centralized reporting and evaluation is a professional hallmark of participating in the Center's network. The ability to comprehensively report program outcomes is critical to demonstrating program effectiveness, securing resources, and ensuring ongoing program enhancements.

Annual foreclosure program reports published by the Center are available on the Center's website. The outcomes measured by the Center include the number of households served, foreclosures averted and remedy and community impact including cost savings. You are encouraged to utilize these reports or customized reports for your stakeholder groups.

For detailed reporting instructions, see the Provider section of the Center's website or contact the Center.

Standard

Providers are responsible for timely and accurate reporting. Providers are required to use Counselor Max™, a web-based case management system to report participant and program data to the Center. All participant information must be entered in CounselorMax™ before the last day of each month. Providers also are required to submit a quarterly narrative report to the Center using the format provided by the Center.

CounselorMax™ is a system owned by NeighborWorks America. Providers are responsible for the cost to use the system. Each Provider signs an online terms and conditions agreement when enrolling in the system. These costs are subject to change. Contact the Center for current rates. The Center provides initial user training and ongoing customer service. For questions or training needs contact the Center.

Standard

Providers must authorize Counselor Max™ to share participant data with the Center. Verbal authorization or a signature is need from at least one member of every foreclosure counseling household to share private information with the Center.

Standard

Provider must capture and submit all data using the list of required data fields provided by the Center. The list can be found on the Center's website.

Standard

Advisors resolve cases in CounselorMax™ when the resolution is known. All cases must be closed. Record a resolution for each case created regardless of level of service. Cases cannot be left open indefinitely.

RECORD KEEPING

Participant files are maintained by Providers.

Standard

A file is maintained for each foreclosure counseling participant. Maintain files in a secure location. Keep them for a minimum of 3 years following the end of the program year in which the file was closed.

Benchmarks

- Longer file retention may be necessary if the participant received a foreclosure prevention loan. Loan files typically must be retained until the loan is satisfied.
- At the time of disposal, paper files are shredded and electronic files are permanently deleted.

Standard

At minimum, foreclosure counseling participant files include: 1) intake form; 2) case notes including steps taken and resolution; 3) action plan 4) release of information. Maintain files in either paper or electronic form.

Benchmark

- Advisors use a checklist to ensure files are consistently maintained and meet reporting and quality assurance standards.

DATA PRIVACY

Adhere to federal regulations and statutory laws pertaining to the release of private data about individuals to outside parties.

Standard

Before releasing private participant data, you must secure written or verbal authorization from the participant. The authorization must include the parameters of information to be shared and may not be a blanket waiver. Participants are not required to share private data with advisors or third parties. Provision of service must not be contingent on participants' providing their consent to share data.

FAIR HOUSING

Providers must affirmatively further fair housing by making special efforts to reach and accommodate populations that are typically underserved.

Standard

Providers comply with the Americans with Disabilities Act (ADA) and observe all laws pertaining to fair housing in the administration of foreclosure counseling programs. Providers ensure accessibility of services for people with disabilities and offer reasonable accommodations when necessary. In cases where reasonable accommodations are requested, document all actions taken to facilitate service delivery.

Benchmarks

- The appointment scheduling process includes a question on whether special accommodations are necessary.
- Counseling space is convenient, accessible to the community by public transportation whenever possible and offers private meeting space.

PREFERRED LANGUAGE

Providers accommodate language needs of participants.

Standard

Providers refer homeowners to advisors within their organization or to another Provider that offers language specific services whenever possible.

Standard

If language specific services are not available, interpreters are made available to participants requesting the service. The Center has limited funding available to reimburse Providers for the cost of interpreting services on a first-come, first-served basis. To receive reimbursement, Providers coordinate and pay for the service and then submit the paid invoice to the Center for reimbursement when funds are available.

Benchmark

Providers get at least two bids, selecting the most reasonable rate considering availability. If Providers are unable to obtain at least two bids or the cost of translation exceeds \$100 per hour, contact the Center for prior approval.

PARTICIPANT FEES

Charging homeowners experiencing a financial crisis fees to access foreclosure counseling services would create an undue burden and limit access to services.

Standard

Foreclosure counseling services are provided free of charge.

CONFLICT OF INTEREST

The Center requires providers to disclose any conflicts of interest. A conflict of interest exists when the Provider has a relationship with a participant that has the potential to compromise the Provider's ability to fully represent the best interests of that participant in foreclosure counseling. In order for the participant to make a fully informed decision they must be made aware of any real or potential conflict of interest on the part of the Provider and advisor. The following are examples of conflicts of interest:

- Provider holds or services the mortgage on a participant's property.
- Provider offers real estate services, such as listing, selling or purchasing property, for a fee.
- The participant is a staff or board member of the Provider agency.
- Provider offers lending products that generate income and charge interest for refinancing a mortgage to prevent default or foreclosure.

Standard

When a conflict of interest exists or may exist, Providers give a written disclosure to participants revealing the conflict and stating that the participant is under no obligation to receive additional services from the Provider. Both parties sign the disclosure. Providers offer information on alternative services and programs. The signed disclosure is maintained in the participant file. A sample disclosure is included in Appendix B.

CODE OF ETHICS AND CONDUCT

A Code of Ethics and Conduct for Homeownership Professionals has been developed by the Advisory Council for the National Industry Standards for Homeownership Education and Counseling. Adhering to this code of ethics is critical to demonstrating ethical conduct within the foreclosure counseling profession. This code of ethics is not intended to replace, but rather to supplement, any codes of ethics that Providers already use in their organizations. A copy of the Code of Ethics and Conduct for Homeownership Professionals is located in Appendix C.

Standard

Foreclosure advisors sign and adopt the written National Industry Code of Ethics and Conduct for Homeownership Professionals upon becoming a member of the Center's network.

Programming Standards

PROGRAM MODEL

The Foreclosure Counseling Program Model was created to increase standardization and efficiency among Providers and to promote professionalism through the use of proven best practices in program delivery.

Standard

Providers follow the Foreclosure Counseling Program Model in Appendix A.

Standard

Providers complete a Triage Intake and Assessment with each foreclosure counseling participant and provide referral resources for tenants and landlords.

Standard

Providers offer homeowners direct and immediate access to services. Time-sensitive cases are prioritized. Providers answer calls live (as opposed to voice mail) during business hours whenever possible.

Benchmarks

- Providers give participants access to direct phone numbers or phone extensions to reach foreclosure advisors.
- Providers return participant calls by the end of each business day.
- Providers have trained back-up staff to describe the program, answer basic questions and schedule appointments when advisors are out of the office for more than one business day.

Standard

- *Providers minimize barriers to encourage participation in counseling by scheduling and holding appointments without requiring completed applications as a pre-requisite.*

Benchmarks

- If counseling is not provided immediately following Triage Intake and Assessment, Providers schedule an appointment within 3-5 business days.
- Providers maintain regular communication with participants while a case is active.

Standard

Providers set clear expectations with the participant about program services and participant involvement.

Benchmark

- Providers utilize a written Advisor and Homeowner Agreement. In the agreement, Providers commit to: provide factual information; complete the advisor's action plan steps in a timely manner; make referrals to resources; and provide services confidentially, honestly and respectfully.

FOLLOW UP

Follow up refers to written or verbal contact with participant while file is active. Contact may be initiated by advisor or in response to participant contact.

Standard

Maintain communication with participants when file is active in accordance with the action plan. The frequency of contact depends on the action plan and participant situation. At a minimum follow up contact is made once every 60 days until case is resolved.

Benchmark

- Provide timely responses to participant contact, within 48 business hours.

Standard

If a case has been inactive for 3 months, advisors attempt to contact the participant to determine the resolution. If contact is not possible use best judgment based on last interaction to determine resolution.

In-Depth Counseling Standards

These standards apply to In-Depth counseling cases in the Foreclosure Counseling Program Model.

Standard

Advisors develop a detailed budget with the participant to determine income and expenses and discuss options for making adjustments.

Benchmarks

- Advisors review documentation to verify income and expenses.
- Advisors obtain current credit reports to verify debts.

Standard

In partnership with participants, advisors develop written Action Plans that include both participant action steps and advisor steps.

Standard

Providers help pursue workout options on behalf of participants.

Benchmarks

- Advisors contact mortgage servicers on behalf of participants to discuss loss mitigation options.
- Advisors assume the lead in completing and submitting loss mitigation packages and communicating with servicers on outcomes.
- Advisors contact property tax departments, homeowners associations and other lien holders as needed.

Standard

Providers utilize foreclosure assistance loans, as available, only after exhausting all other options. Providers follow funder's loan criteria and develop additional guidelines as necessary.

Benchmarks

- Providers use a loan review committee for determining loan eligibility.
- Providers have a protocol in place for handling emergency cases that are time sensitive.

Marketing Standards

Reaching homeowners early is key to providing effective services. Early participation increases the likelihood that foreclosure will be averted. Raising awareness about the availability of free foreclosure counseling services is a critical component of foreclosure programming. In support of marketing efforts the Center has outreach materials available for provider use.

Standard

Providers develop, maintain, and utilize a marketing plan that employs a variety of outreach methods for reaching homeowners early. Target audiences for outreach include homeowners at risk of default and professionals in touch with at-risk homeowners such as employers, social service agencies, employment counselors, property tax departments, local banks and utility companies.

Where available, Providers utilize Pre-foreclosure Notices to contact homeowners by mail and/or phone.

Benchmark

- Providers use outreach materials created by the Center. Contact the Center to discuss partnership opportunities.

Standard

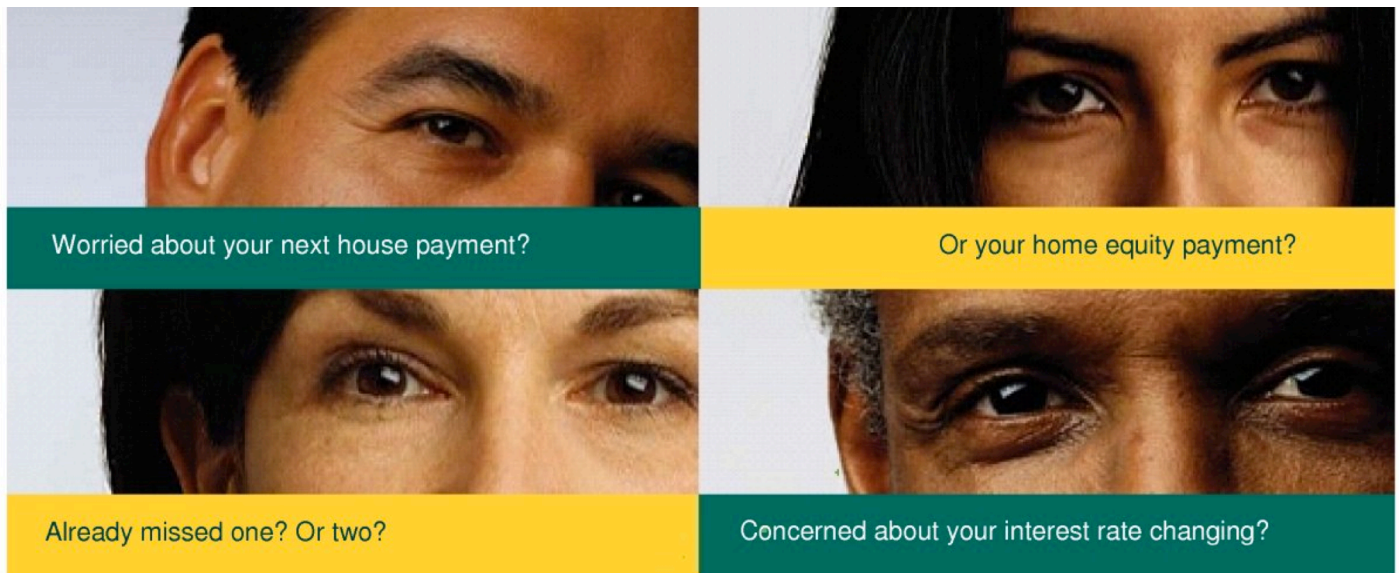
Providers adhere to the Homeownership Advisors Network Branding Standards Manual. A copy of the manual can be found in Appendix D.

Standard

Providers use an affirmative marketing process to communicate that the foreclosure counseling program is administered in a non-discriminatory manner. This may include equal housing opportunity messages, logos or slogans on written materials and tailoring marketing messages to populations less likely to participate in services.

FORECLOSURE COUNSELING PROGRAM MODEL

A guide for foreclosure prevention counseling tailored to consumer needs.



1000 Payne Avenue • Suite 200
Saint Paul, MN 55130

P 651.659.9336 • F 651.659.9518

Toll free 866.462.6466

www.hocmn.org

Foreclosure Counseling Program Model

Table of Contents

Overview	2
Triage Intake	3
Triage Intake Steps	4
Triage Assessment	11
Triage Assessment Tool	112
Service Categories	13
CURRENT.....	14
SMOOTH TRANSITION	15
WORKOUT READY	16
Level of Service	17
BASIC.....	18
IN-DEPTH.....	20
Counseling Tips	23
Sample Forms	24
TRIAGE INTAKE FORM.....	24
BASIC MONTHLY BUDGET	27
ADVISOR AND HOMEOWNER AGREEMENT.....	28
ACTION PLAN TEMPLATE	29
APPOINTMENT LETTER AND CHECKLIST	30
DETAILED MONTHLY BUDGET.....	32
ACTION PLAN IN-DEPTH EXAMPLE	34

Overview

Foreclosure Counseling Program Model

The Foreclosure Counseling Program Model was created to increase standardization and efficiency among providers and to promote professionalism through the use of proven best practices in program delivery. The model utilizes a Triage Intake and Assessment system, outlines Service Categories to guide counseling topics, and provides a framework for Basic and In-Depth counseling. The model includes gathering information to assess the situation, customizing services to best meet homeowners' needs and finally determining a course of action. While providing a standardized approach to foreclosure intervention, the model also takes into account that homeowners benefit from tailored services.

The Foreclosure Counseling Program Model provides flexibility for agencies to adapt and customize the model to account for different staffing structures, operating procedures and capacity. Use the model as a baseline for delivering foreclosure prevention services, and customize it to your program needs and the needs of the homeowners you serve.

The model is organized into four main sections:

Triage Intake and Assessment

This section of the model outlines the process for gathering information to complete the Triage Intake Form and conduct Assessment. The end goal of this section is to determine the Service Category for each homeowner.

Service Categories

Service Categories are determined using the information provided during the Triage Intake and Assessment. Service Categories provide guidelines for minimum discussion topics and help inform whether the homeowner would benefit most from Basic or In-Depth counseling.

Levels of Service

Levels of Service are divided into Basic counseling or In-Depth counseling sessions. Counseling activities such as budgeting, action planning and follow up steps are outlined for each level. This section also provides guidelines for average time spent with each homeowner.

Sample Forms

The final section of the model includes sample forms. Editable versions of these forms are available upon request.

Triage Intake

Purpose

The purpose of the Triage Intake is to gather the information necessary to complete your intake form for each homeowner who contacts your program. This information is necessary not only for reporting, but also to proceed through the Triage Assessment and in turn determine the Service Category. The best practice is to conduct the Triage Intake during the first point of contact.

How the information on the Triage Intake is gathered can vary from agency to agency. This is one area where the model allows for flexibility. Some agencies have the foreclosure advisor gather the intake information and provide counseling during the first call. Other agencies have support staff gather the intake information and schedule an appointment with an advisor to proceed through Assessment and Service Categories. Some others are using technology or group workshops for the intake process. For example, advisors may post a simplified, consumer-friendly version of the Triage Intake Form on their website for homeowners to email in advance. In these cases, use this section of the model as a guide when you read through the homeowners' forms to check for omissions and figure out what additional questions to ask. Then proceed to Triage Assessment to determine the Service Category.

Customize the Triage Intake questions to match your style of counseling and respond to the conversation you have with each homeowner. Homeowners may not always know the information necessary to answer all of your questions, so be creative about how you ask the questions. Help them think about things a different way to gather as much of the information as possible. If you are not getting sufficient information to conduct the Triage Intake you may need to give the homeowner a list of things to gather and schedule a follow-up time to complete it.

The steps in this part of the model follow the Sample Triage Intake Form and are organized into the following categories:

- **Purpose:**
Explains why the particular step is important.
- **Tip:**
Gives you an idea of what you may encounter while working with the homeowner or provides advice that may be helpful.
- **Suggested script:**
An example of how to phrase particular questions or start discussions.
- **Additional comments:**
In parentheses you will find alternative phrasing and more insight on what to expect or how to interact with the homeowner.

*See Sample Forms:
Triage Intake Form*

Triage Intake Steps

STEP ONE – Understand why the homeowner is contacting you

Purpose: To begin to customize your conversation with each homeowner you want to understand the reason they contacted your program and their expectations as soon as possible.

Tip: Homeowners will frequently start by telling you about their situation immediately following your greeting. You may quickly understand why they are contacting you. Homeowners may have tried finding help other places before they reached you and may have a very high stress level. This may result in an outpouring of information that exceeds what you need initially.

Be prepared to politely interrupt and take control of the conversation. The goal of controlling the conversation is to use your time and the homeowner's time most effectively.

Suggested script: politely interrupt

Excuse me, I apologize for interrupting. I want to hear what you have to say. I have some key questions that will help me understand your situation and how I may be able to help you.

STEP TWO – Experience working with other foreclosure advisors

Purpose: Learn if the homeowner is working with another foreclosure counseling organization.

Tip: The homeowner may already be working with another trusted advisor, so to avoid an unnecessary duplication of services you should ask the homeowner early in your conversation. Keep in mind that the quality of services may vary and some organizations are for-profit and charge for the same services you offer free of charge. So, if the homeowner indicate he is working with another organization you should ask more details to determine if he may still benefit from working with you.

Suggested script:

Are you working with another organization to address your concerns about your mortgage?

If yes, ask additional questions as appropriate to find out the name and type of organization.

STEP THREE – Set expectations

Purpose: Help set the stage by conveying to the homeowner what to expect from your program.

Suggested script:

My role is to help homeowners who are concerned about making their mortgage payments or facing foreclosure. I will help you figure out what options might be available to you, and together we will come up with a plan for next steps. I'm not able to help everyone stay in their home, but I will do my best so you know what to expect and can make informed decisions. Before we can talk about options, I need to understand your situation, so I am going to start by asking you some questions. Then we can talk about next steps.

STEP FOUR – Gather demographic information

Purpose: Gather information to meet reporting requirements, including data for your client management system. Get necessary authorizations and review disclosure and privacy policies.

Tip: If it is not clear that the caller is the owner of property she is calling about be sure to ask. This program serves homeowners, not tenants or landlords. The rights of tenants are very different. If you are unable to address the questions for tenants refer them to a local resource for tenants' rights. If you are unable to address the questions for landlords or someone who is contacting you about a second home, you may want to suggest they contact a private attorney.

You also need to ask for authorization to share data for reporting purposes. Verbal authorization is allowed if the Triage Intake is being conducted by phone. Also be sure to review any disclosures and the agency's privacy policy during intake and get signatures as needed.

Suggested script:

I am required to track information for each call so we can report on who we serve and use results to improve our programming.. It will just take a couple minutes to go over our authorization forms (review authorization, privacy policy, etc.). Thank you.

Now let's gather some information about you and your household.

- *What is your first and last name?*
- *What is your property address?*

- *What phone number is best for reaching you during the day? Do you have an alternate phone?*
- *Do you have an email address I can use to contact you?*
- *How many people live in the household? Are any of them children?*
- *Are you married or single?*
- *What is your gender? (you may not need to ask if apparent from their name)*
- *What is your date of birth?*
- *Are you a veteran?*
- *What is the highest level of education you have received?*
- *How did you hear about us?*
- *I'm required to ask the next questions to track who we serve. They do not impact the service I will provide you.*
 - *What race do you identify with?*
 - *Are you Hispanic?*

(Race and ethnicity are gathered for reporting purposes and are extremely important for research and fundraising. For these reasons we ask that you do your best to gather this information. However, please note that race and ethnicity can be a sensitive subject for some people. Homeowners have the right to voluntarily opt out of these questions.)

- *If you were to add up all the income that came into the household over the past year, what is your gross annual income?*
- *Are you employed? Who is your employer? How long have you been there?*

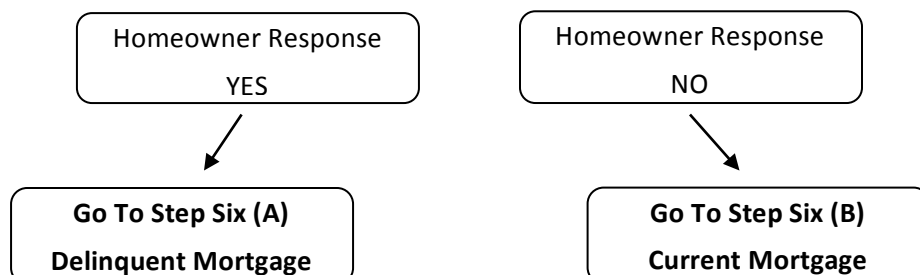
STEP FIVE – Determine the status of the mortgage

Purpose: To determine the subsequent questions to ask during the conversation.

Tip: You may already know the answer to this question from Step 1: Understanding the reason for the call.

Suggested script:

Are you behind on your mortgage payments?



STEP SIX (A) – Delinquent mortgage

Purpose: To obtain details about the loan product, degree of delinquency, stage in the foreclosure process, and reason for falling behind on mortgage payments.

Suggested script: Mortgage product:

- *What is the name of your mortgage company?*
- *Do you know if your loan has an investor such as Fannie Mae or Freddie Mac?*
- *What is your monthly payment amount?*
- *What is your interest rate?*
- *Is your interest rate fixed or adjustable? (you may need to explain the difference)*
 - *If Adjustable Rate Mortgage Has your payment changed? What was your original payment and interest rate?*
- *What is the total principal balance left on the loan?*

Suggested script: Degree of delinquency:

- *How many months do you owe to bring your mortgage current?*

Alternate question: *When was the last time you made a mortgage payment?* If you ask this, you may need to ask more, because even if the homeowner recently made a payment they may still be behind.
- *How much do you owe to bring the mortgage current?*
- *Have you been behind on your payments before?*
- *Have you talked to your mortgage company (or other parties involved)?*
 - *If yes: Please tell me what you discussed with them.*

Suggested script: Stage in the foreclosure process:

- *Have you received anything from an attorney? If so, what have you received?*

Homeowners behind on bills frequently do not open the mail due to fear or avoidance when dealing with this type of stress. Depending on the conversation, you may want to ask if they have opened their mail from the mortgage company and encourage them to do so.
- *Have you received notice about a foreclosure or Sheriff's sale date? If so, when is it?*

You may need to explain that the sale notice would have been served in person and it often looks like something that was clipped from a newspaper.

Suggested script: Reason for default:

- *Please explain what led you to fall behind on payments.* You may not need to ask if already known from your previous questions.

STEP SIX (B) – Current mortgage

Purpose: To obtain details about why the homeowner is concerned about making future payments and gather information about the mortgage.

Tip: You may have learned some of this information during Step 1: Understanding the reason for the call.

Suggested script: Mortgage product:

- *What is the name of your mortgage company?*
- *Do you know if your loan has an investor such as Fannie Mae or Freddie Mac?*
- *What is your current monthly payment?*
- *What is your interest rate?*
- *Is your interest rate fixed or adjustable?* You may need to explain the difference.
 - *If ARM: Has your payment changed? What was your original payment and interest rate?*
- *What is the total principal balance left on the loan?*

Suggested script: Reason for facing default:

- *Why are you concerned about being able to make your future mortgage payments?*
Note at this point you may find out the homeowner is not concerned about her mortgage payment, but rather about property taxes, association liens, or other expenses. These questions will be addressed in Step Seven.

STEP SEVEN – Other housing expenses

Purpose: Learn about other housing related expenses and their status.

Suggested script:

Now I am going to ask you about some other housing related payments. I will also need to know whether you are current or behind on these.

- *Do you have more than one mortgage? If so, how many?*
 - *Are you current or behind on the payments?*
 - *If behind: How far behind are you? How much do you owe?*
- *Do you pay homeowners' association dues/fees? If so, are you current on payments?*
 - *If no: How far behind are you? How much do you owe?*
- *Are your property taxes included in your mortgage payment? (Escrowed)*
 - *If no: Are you current on your property tax payments?*
 - *If no: When was the last time you paid them? How much do you owe?*

- *Is your homeowners' insurance included in your mortgage payment? (Escrowed)*
 - If no: *Are you current on your insurance policy?*
 - If no: *How much do you owe? Have you gotten notice from your mortgage company about force-placing insurance?*

STEP EIGHT – Affordability

Purpose: Understand whether the home is affordable and whether there are realistic adjustments that could make it affordable.

Tip: You may have already discussed some of this in the previous conversation about the reason for their call, the reason for the delinquency or the details about their mortgage product.

Suggested script:

With your current income, do you feel you have enough income to afford to make your mortgage payment and all your other expenses (utilities, car payment, groceries, etc.) every month?

Now I will ask you a few questions about your monthly income and expenses.

Complete the Basic Monthly Budget. This is a simple budget to get a first impression of affordability. A homeowner may not know all the answers to income and expense questions off the top of his head but ask him to give you a best estimate.

*See Sample Forms:
Basic Monthly Budget*

STEP NINE – Stay or move

Purpose: Understand the homeowner's intentions about wanting to stay in the home.

Tip: The discussion about staying in the home or moving can occur at any point in the Triage Intake. It is an important question to ask the homeowner but can be delicate, and the reaction of the homeowner can vary greatly. You will need to use your intuition to figure out how to fit it into the conversation. If you get to the end of the form and it has not come up, ask. Depending on what the homeowner has said to this point, your understanding of the homeowner's situation and state of mind, you can approach this in a number of ways.

Suggested script: Version 1 (the direct approach)

Do you want to stay in your home?

This may be a difficult concept for the homeowner to grasp depending on their situation and emotional state. Use this approach cautiously.

Suggested script: Version 2 (the less-direct approach)

I'm going to ask you a question that may be difficult, but I need to know what you ultimately want to happen. Have you considered whether you want to stay in your home?

Suggested script: Version 3 (follow-up on previous comment)

Earlier in our conversation you said something that led me to wonder what you want ultimately to happen with your home. You said "X". This made me wonder if you are thinking that you may not want to stay in your home.

Suggested script: Version 4 (researched selling)

Have you had your house on the market?

Triage Assessment

Purpose of Assessment

The purpose of Assessment is to evaluate the homeowner's situation using the details provided during intake, with the goal of determining the Service Category you should use to proceed. The key components to consider when assessing the situation are:

- What is the degree of delinquency?
- Does the homeowner want to stay in the home?
- Is there enough time to prevent foreclosure?
 - If not in foreclosure, but at risk for losing the home for another reason such as unpaid taxes, is there enough time?
- Is there potential affordability going forward?

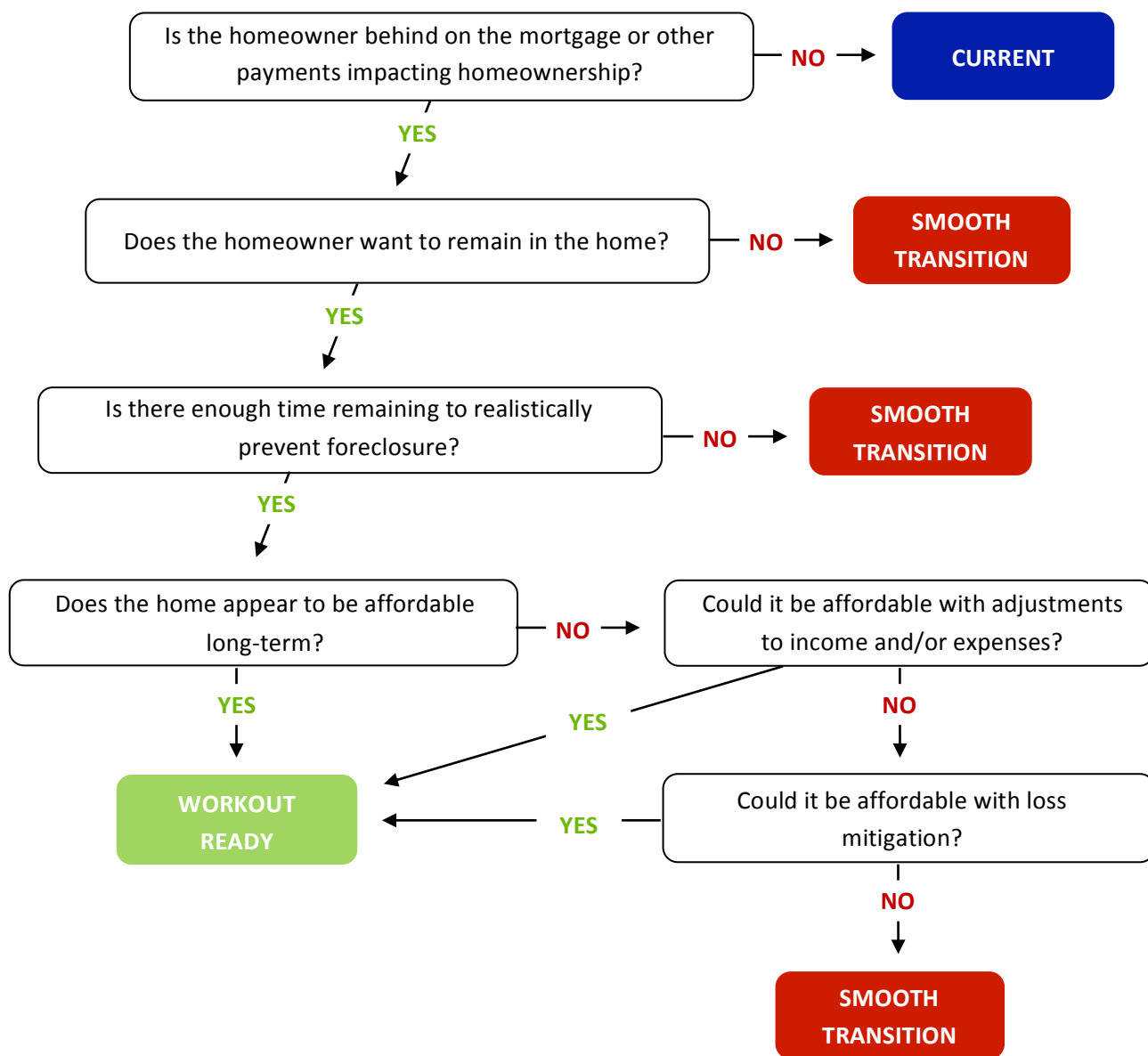
Triage Assessment Tool

Use the Triage Assessment Tool found on the next page to determine Service Categories. Assessment will get easier with practice and will likely become second nature. With time, many advisors find that they have already evaluated the necessary components on the Triage Assessment Tool and know the Service Category before they have completed intake!

The Service Categories provide guidelines for minimum discussion topics and help inform whether the homeowner would benefit most from Basic or In-Depth counseling.

FORECLOSURE COUNSELING PROGRAM MODEL

Triage Assessment Tool



Service Categories

Determine which of the three Service Categories to use based on the information provided during the Triage Intake and Assessment. The categories are:



CURRENT



**SMOOTH
TRANSITION**



**WORKOUT
READY**

These Service Categories were designed to help ensure that standard services are provided to all homeowners regardless of which foreclosure counseling agency they contact. However, this is an area where customization to best meet individual homeowner needs is crucial to providing quality services. Use the Service Categories with flexibility, adapting as needed for unique case scenarios.

Each Service Category is outlined on the following pages with the following:

- A definition of the category and description of likely homeowner situations.
- Which Level of Service is most probable, Basic or In-Depth counseling.
- Minimum discussion topics that should be covered with each homeowner.
- Possible discussion topics that may be helpful depending on the specific case.

Service Categories

CURRENT

Homeowners in this category are current on their mortgage and not at immediate risk of foreclosure. The homeowner has indicated she wants to stay in her home but is concerned she will be unable to continue to make the payments. The concern may be due to a change in income and/or expenses, or perhaps an adjustment in the mortgage payment due to a reset.

Level of Service

Homeowners in this category will most often receive Basic Counseling, including information and referrals to proceed with a self-directed action plan. Additional communication could take place upon the completion of certain action steps.

Some homeowners who are Current may receive In-Depth Counseling if they need help contacting their mortgage servicer, applying for special refinance programs, or exploring loss mitigation options due to imminent default (hardship resulting from death, divorce or disability).

Minimum Discussion Topics

- Depending on reason for hardship, tips on how to address problem
- Tips for talking with mortgage servicer
- Financial counseling (offer in-house or outside referral)
- Caution about predatory practices and scams
- Reminder to call with follow-up questions or change in circumstances

Possible Discussion Topics

- Information about refinance options
- Imminent default and workout options
- Foreclosure process and timeline
- Set expectations for next appointment, if applicable

Service Categories

SMOOTH TRANSITION

Homeowners in this category have either determined they do not want to remain in their home, or you have determined it is not realistic for them to remain in the home. The reason could be due to the stage of the foreclosure process or the lack of affordability of the house.

Level of Service

This group of homeowners will most often receive Basic counseling, including information and referrals to help the homeowner sell the property and/or transition to alternative housing. These homeowners will proceed with a self-directed action plan to resolve their situation and make a smooth exit from their home.

Some homeowners in the Smooth Transition category may receive In-Depth counseling, such as those who need help contacting their mortgage servicer to explore foreclosure alternatives (e.g. short-sale or deed in lieu) or applying for local resources for identifying alternative housing options.

Minimum Discussion Topics

- Foreclosure process and timeline
- Consequences of foreclosure
- Alternatives to foreclosure for disposition of property
- Caution about predatory practices and scams
- Reminder to call with follow-up questions

Possible Discussion Topics

- Other resources and referrals
- Redemption period and eviction, if foreclosure is unavoidable
- Finding alternative housing
- Set expectations for next appointment, if applicable

Service Categories

WORKOUT READY

Homeowners in this category appear to have a situation that, with your help, would result in the homeowner remaining in the home. Based on the information you gathered during the call you have determined that the homeowner wants to remain in the house, there is time remaining before the foreclosure is complete, and it appears the home is affordable or could be with adjustments to income/expenses or loss mitigation.

Level of Service

Homeowners who are Workout Ready and have the ability to pursue a solution to their delinquent payments on their own will only receive Basic counseling. Provide these homeowners information and tips for working with their servicer and a self-directed action plan. Additional counseling could take place if they are not successful working on their own.

Most homeowners who are Workout Ready need In-Depth counseling including an action plan with both homeowner and advisor steps. Provide these homeowners help in contacting their mortgage servicer to apply for loss mitigation options, postponing an upcoming foreclosure sale or other steps towards reaching a solution.

Minimum Discussion Topics

- Types of loss mitigation options or other workouts specific to the situation
- Tips for talking with mortgage servicer
- Financial counseling (offer in-house or outside referral)
- Caution about predatory practices
- Reminder to call with follow-up questions

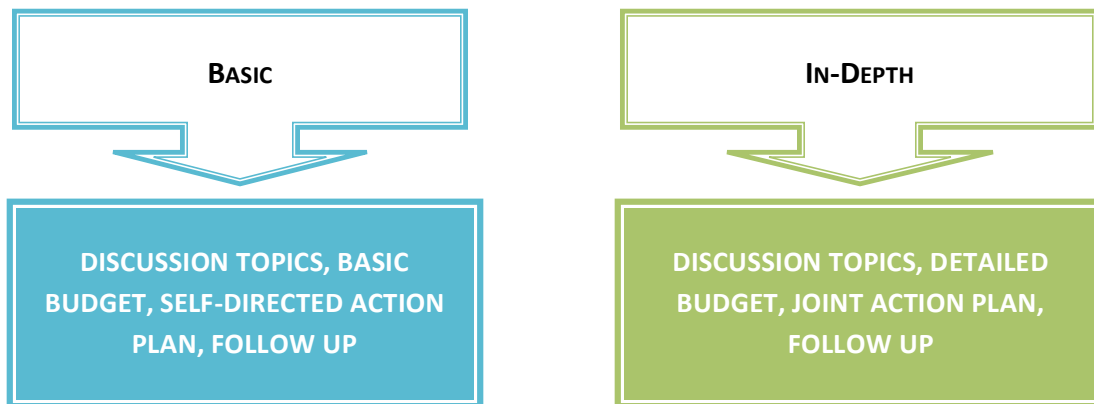
Possible Discussion Topics

- Foreclosure process and timeline
- Other resources and referrals
- Set expectations for next appointment, if applicable

Level of Service

The Level of Service provided to a homeowner depends on a combination of factors including complexity of the situation, whether workout options may be available, and the homeowner's capacity and interest in pursuing next steps alone or with your help. Note the Level of Service depends on content and steps taken, not number of appointments.

Counseling activities are outlined for each Level of Service including budgeting, action planning and follow up steps. The two Levels of Service are Basic and In-Depth counseling:



Counseling Agreement

To establish expectations about counseling services create an agreement that outlines what homeowners can expect from the process and what is expected of them. This counseling agreement should be in writing and signed by both the homeowner and advisor. An agreement is especially recommended for In-Depth counseling.

*See Sample Forms:
Advisor & Homeowner Agreement*

Level of Service

BASIC

All homeowners who contact your agency and complete the Triage Intake are provided Basic service. During Basic counseling you will provide information to the homeowner, develop a simple budget and create a customized, self-directed action plan. Additional communication could take place upon the completion of action steps.

Discussion Topics

During the Basic counseling session, refer back to the Service Category you determined for the homeowner to help guide which discussion topics you will cover.

Basic Counseling Case Example

Scenario: Homeowners Mr. and Mrs. Johnson have a permanently reduced income and there is not enough time remaining to prevent the foreclosure sale from taking place. The Johnson family needs help making a graceful exit from their home and into other stable housing.

Service Category: Smooth Transition

Discussion: Make sure the Johnsons understand what happens after the foreclosure sale and their rights during the redemption period. Talk about why some alternatives to foreclosure, such as short sale or deed-in-lieu, are not likely options in their case due to the limited time remaining before the sale. Make sure they know they don't have to move right away and can use the time during redemption to save money for a security deposit and first month's rent. Caution them about any offers during the redemption period that seem "too good to be true" and remind them they can always contact you with questions. Discuss credit and possible tax implications of foreclosure.

Basic Budget

The goal of creating a basic budget is to get an outline of the household financial situation. To start, revisit the income and expense information gathered during the Triage Intake. At the Basic counseling level, estimates in each budget category are sufficient. Many times you will be developing the budget based on the homeowner's verbal responses to your questions about spending. It is certainly helpful if the homeowner has income documentation and bills to reference to develop a clear picture, but it is not necessary.

Basic budgeting should also include a rough evaluation of the affordability of the house payment. Two quick ways to consider affordability are by looking at the budget bottom line (is there a deficit or surplus, and how much) and calculating the homeowner's housing ratio (front end DTI).

***See Sample Forms:
Basic Monthly Budget***

Action Plan

Develop an action plan with next steps for the homeowner based on your conversation about the situation and the next steps agreed upon. All action plans should be in writing and shared with the homeowner.

*See Sample Forms:
Action Plan Template*

A self-directed action plan is most common at the Basic counseling level, as generally only the homeowner will have additional steps to resolve the situation. If the homeowner would benefit from In-Depth counseling, one of the action steps will be to gather documents to prepare for the next appointment. Then at the In-Depth session the action plan will be revisited and your action steps can be added.

Follow-up Steps

After the Basic session is over, complete any case notes and necessary data entry. Send the homeowner a follow-up packet electronically or via mail.

The follow-up packet should include:

- Brief summary of what was discussed
- Copy of action plan
- Informational sheets and referrals as appropriate
- Date and time of next appointment, if applicable
- Checklist of documents needed for appointment, if applicable

*See Sample Forms:
Appointment Letter & Checklist*

Average Time

Basic counseling sessions are generally somewhat short in duration. You can expect the time spent per homeowner to be between 30 - 60 minutes *on average*.

Level of Service

IN-DEPTH

During In-Depth counseling you will spend time getting a better understanding of the homeowner's situation, provide information, develop a detailed budget and create a customized action plan that includes steps for you and the homeowner to take towards a solution. In most cases you will have provided Basic counseling followed by a separate appointment to allow time for any necessary documentation to be gathered, but In-Depth service could be provided during the first session.

Discussion Topics

During an In-Depth counseling session, refer back to the Service Category you determined for the homeowner to help guide which discussion topics you will cover. If you have already done Basic counseling with the homeowner, ask the homeowner if anything has changed since you last spoke and determine if any discussion topics need to be revisited.

In-Depth Counseling Case Example

Scenario: Homeowner Ms. Garcia recently lost her job and just began receiving unemployment benefits. She is one month behind on her mortgage and is looking for work. This is the first time you've had an appointment with her, but she has some paperwork with her today including unemployment insurance benefits and her mortgage statement.

Service Category: Workout Ready

Discussion: Based on Ms. Garcia's recent loss of work and income from unemployment benefits, discuss the possibility of applying for unemployment forbearance with her loan servicer. Make sure she knows that forbearance is a temporary workout option, and that a permanent solution will hinge on income and affordability. Let her know that you'll take a close look at the household budget and can recommend additional financial counseling as needed. Discuss the steps and paperwork required to request forbearance and set expectations about what role you will play in facilitating the process. Finally, caution her about any offers of "help" she may receive to resolve her situation and remind her she should never have to pay someone for help with her mortgage.

Detailed Budget

The goal of creating a detailed budget is to get a clear picture of the household finances. The best practice for creating a complete and accurate budget is to review documentation of income, expenses and debts. Examples of common budget documentation are listed on the next page.

***See Sample Forms:
Detailed Monthly Budget***

Budget Documentation Examples	
Income	Expenses/Debts
<ul style="list-style-type: none"> • Paystubs 	<ul style="list-style-type: none"> • Mortgage statement
<ul style="list-style-type: none"> • Unemployment letter 	<ul style="list-style-type: none"> • Credit report
<ul style="list-style-type: none"> • Benefit award letter 	<ul style="list-style-type: none"> • Utility bills
<ul style="list-style-type: none"> • Bank statements 	<ul style="list-style-type: none"> • Bank statements
<ul style="list-style-type: none"> • Tax returns 	<ul style="list-style-type: none"> • Property taxes, if not escrowed
<ul style="list-style-type: none"> • Profit and Loss statements 	<ul style="list-style-type: none"> • Insurance statement, if not escrowed

It might not always be realistic to get all budget documentation in-hand for developing the budget if distance or access to technology limits the homeowner's ability to provide you with it. In this case, the next best thing is to have the homeowner review the documentation as you enter the budget information. Pulling a credit report is a best practice to verify debts and other information that may impact the feasibility of a workout such as bankruptcy, liens and judgments. *Note that some funding sources may require counseling files to include specific budget verification.*

Evaluating affordability for In-Depth cases should include determining the amount of monthly surplus or deficit from the detailed budget, calculating the homeowner's housing ratio, looking at available assets or savings, and discussing the impact of these factors on available workout options.

Discussing the detailed budget with the homeowner, including spending priorities, needs vs. wants, and whether to develop a short-term/crisis budget will vary based on each homeowner's situation. During the counseling session, focus on how the budget impacts the housing situation, workout options, and the ultimate goal. Advise the homeowner on ways to increase income or reduce expenses and debt as appropriate. Additional budgeting advice can be provided as time and your comfort level allows. You may want to refer homeowners to additional, outside financial or credit counseling.

Action Plan

Develop a joint action plan based on the conversation about the homeowner's situation and the next steps agreed upon. The primary difference between an action plan for In-Depth counseling compared with Basic counseling is the addition of steps you will take on the homeowner's behalf, such as contacting the mortgage servicer, assisting in submitting a workout package and more.

If you provided Basic counseling in a separate session, update the original action plan with the additional steps. Remember, all action plans should be in writing and shared with the homeowner.

See Sample Forms:
Action Plan In-Depth Example

Follow-up Steps

After the session, complete any case notes and necessary data entry. Send the homeowner a follow-up packet electronically or via mail.

The follow-up packet should include:

- Brief summary of what was discussed
- Copy of action plan
- Informational sheets and referrals as appropriate
- List of additional documents needed, if applicable
- Reminder to follow up with advisor if situation changes

At the In-Depth level you will also provide ongoing case management and follow through on any future steps for which you are responsible based on the action plan.

Average Time

In-Depth counseling generally takes longer than Basic counseling due to the additional time involved in helping the homeowner pursue a solution. In addition to the time spent on Basic service, you can expect an additional 2 - 4 hours *on average* per homeowner depending on the situation and the amount of follow-up required.

Counseling Tips

Follow these best practices for conducting successful and efficient counseling sessions:

- In order to understand the homeowner's situation and provide the best advice possible, you will ask personal questions or ones that may be perceived as embarrassing, so it is important to build trust. It may help to start with some small talk to make the homeowner feel comfortable. Taking the time to introduce yourself, talking about your role, your experience and your organization's experience with foreclosure counseling may help build credibility.
- Take notes. It is easy to confuse cases when you have a large caseload and try to rely on memory. To ease potential homeowner concerns about writing things down or typing while you meet, tell the homeowner upfront that you will be taking notes because you want to accurately remember the discussion.
- Sometimes it helps a homeowner feel comfortable to let them talk first. You can do this several ways, for example:
 - Ask the homeowner about their expectations and goals for the meeting.
 - Ask the homeowner to explain the reason they are worried about their home.
 - Ask when and what they last heard from their mortgage company.
- Set expectations at each stage of the process by giving an overview of what will happen.
- Try to remain in control of the conversation. The goal of controlling the conversation is to utilize your time and the homeowner's time most effectively. Be prepared to politely interrupt and refocus the conversation if needed.
- When meeting with homeowners in person, the environment should be conducive to open and honest communication:
 - Avoid interruptions during appointment.
 - Have a box of tissues available. Many homeowners are under a lot of stress.
 - Offer the homeowner water or coffee.
 - Use a meeting room that ensures some privacy while keeping safety in mind.
- Have a plan for what to do if you do not complete everything in the time you have. For example, during In-Depth counseling you may not have enough time to pull a credit report for verifying debts. Complete the detailed budget without the verified information. Pulling and reviewing the credit report can be on your part of the action plan to complete later.
- As a time saver, copy only the paperwork essential to adequately document the case.



FORECLOSURE COUNSELING – TRIAGE INTAKE FORM

Organization Name: _____

Reason for Call

Other Counseling Organization

Are you working with any other foreclosure counseling organization? ☐ Yes ☐ No

Organization: _____

Authorization / Release

Reviewed Release and gave authorization ☐ Yes ☐ No

Demographic Information

Name: _____

Other name(s) / Co-owner: _____

Property Address: _____

City: _____ State: _____ Zip code: _____

Home Phone: _____ Other Phone: _____

Email: _____

Number of people in household: _____ Children: ☐ Yes ☐ No Marital Status: ☐ Single ☐ Married

Gender: ☐ Male ☐ Female Date of birth: _____

Veteran: ☐ Yes ☐ No Education Level: _____ How referred: _____

Ethnicity: ☐ Hispanic ☐ Non-Hispanic

Single Race

- ☐ American Indian / Alaskan Native
- ☐ Asian
- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
- ☐ White
- ☐ Undisclosed

Multiple Race

- ☐ American Indian / Alaskan Native & White
- ☐ American Indian / Alaskan Native & Black
- ☐ Asian & White
- ☐ Black or African American & White
- ☐ Native Hawaiian/Other Pacific Islander & Black
- ☐ Other multiple race: _____

Household gross annual income from all sources: \$ _____

Employer _____ Start Date _____ Title/Position _____

Status of the Mortgage

Delinquent Mortgage

Mortgage company: _____

Current Monthly payment: \$ _____ Investor: _____

☐ Fixed: Rate _____% ☐ ARM: Rate _____% Rate prior to reset _____% Previous payment \$ _____

Term type (30 yr, 2/28, etc.) _____ Current Principal Balance _____

Delinquency: # Months _____ Past Due Amount \$ _____

Prior delinquency: ☐ Yes ☐ No

Talked to mortgage company: ☐ Yes ☐ No *If Yes, what was discussed:*

Heard from attorney: ☐ Yes ☐ No _____

Sheriff's Sale: ☐ Yes ☐ No Date: _____

Reason for delinquency: _____

Proceed to Other Housing Expenses (Next Page)

Current Mortgage

Mortgage company: _____

Current Monthly payment: \$ _____ Investor: _____

☐ Fixed: Rate _____% ☐ ARM: Rate _____% Rate prior to reset _____% Previous payment \$ _____

Term type (30 yr, 2/28, etc.) _____ Current Principal Balance _____

Reason concerned:

Other Housing Expenses

	Company	(#) Months Delinquent	Monthly Payment	(\$) Amount Delinquent
2 nd Mortgage:				
3 rd Mortgage:				
Homeowners Association:				

	Escrowed	(#) Months Behind	Monthly Amount	(\$) Amount Delinquent
Property Taxes:	<input type="checkbox"/> Yes <input type="checkbox"/> No			

	Escrowed	Policy lapsed?	Notice of Force-Placed?	(\$) Amount Delinquent
Homeowners Insurance:	<input type="checkbox"/> Yes <input type="checkbox"/> No			

Affordability

Complete Basic Monthly Budget.

Likely affordability: ☐ Yes ☐ No

Notes:

Commitment

Wants to stay in home: ☐ Yes ☐ No

Other steps taken to resolve the situation:

Proceed to Triage Assessment Tool

<<<Agency Name>>>

Foreclosure Counseling Program

BASIC MONTHLY BUDGET

Homeowner Name _____

Co-Owner Name _____

Date: _____

NET INCOME	Monthly Net	Gross	Notes
MONTHLY INCOME (employment)			
MONTHLY INCOME (other)			
MONTHLY INCOME (other)			
TOTAL INCOME	\$ -	\$ -	
MONTHLY EXPENSES	Monthly	Outstanding Balance	Notes
MONTHLY HOUSING EXPENSES			
1ST MORTGAGE			
2ND MORTGAGE			
PROPERTY TAXES (if not escrowed)			
HOMEOWNERS INSURANCE (if not escrowed)			
ASSOCIATION DUES			
OTHER MONTHLY EXPENSES			
ALL UTILITIES (including water, sewer, trash, electricity, cable, cell phone, internet)			
TRANSPORTATION (car payment, gas, insurance, repairs, bus fare)			
CREDIT CARDS			
HEALTH CARE (insurance, co-pays)			
CHILD CARE			
FOOD / HOUSEHOLD			
OTHER FLEXIBLE SPENDING (clothing, entertainment, pets, etc.)			
TOTAL EXPENSES	\$ -	\$ -	
NET SURPLUS / (DEFICIT)	\$ -		

SAVINGS / cash on hand \$ _____

<<<Agency Name>>>
Foreclosure Counseling Program
ADVISOR & HOMEOWNER AGREEMENT

Organization and its advisors agree to provide professional foreclosure counseling services to Homeowner(s) (you).

What to expect

The advisor will help you:

- Understand the foreclosure process so that you know what to expect and when;
- Explore options available to you for preventing foreclosure.

Advisors are not able to prevent foreclosure in every situation but are committed to working with you so you can make the best decisions possible.

The advisor will work with you to understand:

- The amount and cause of the mortgage default;
- Your income and expenses by developing a budget;
- Solutions to the cause of default and adjustments to your budget, as needed;
- Your mortgage product and communication with your mortgage company;
- Available options for preventing foreclosure including the pros and cons of each.

Together with the advisor you will develop an action plan with next steps.

Advisor Commitment

The advisor agrees to:

- Provide you with factual information;
- Complete any advisor action steps in a timely manner;
- Make referrals to needed resources;
- Provide services confidentially, honestly and respectfully.

Homeowner Commitment

You understand that in order for the advisor to provide you with the best service possible, you agree to:

- Provide honest and complete information.
- Provide all necessary documentation and complete action plan steps within the timeframe requested.
- Notify the advisor immediately, preferably 6 hours before a scheduled appointment, if you will be unable to attend an appointment.
- Be on time for appointments. If you are late for an appointment, the appointment will still end at the scheduled time and the advisor may need to reschedule.
- Contact the advisor about any changes in your situation immediately.

Signatures

Homeowner

Date

Homeowner

Date

Advisor

Date

<<<Agency Name>>>
FORECLOSURE COUNSELING PROGRAM

ACTION PLAN

Homeowner(s): _____

Advisor: _____

Plan Start Date: _____

Reason(s) for actual or potential default:	
--	--

Homeowner's assessment of property condition:	<input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	Est. Property Value	\$	
---	--	---------------------	----	--

Goal: (given the analysis of the homeowner's financial and overall situation and possible solutions)

HOMEOWNER ACTION	Comments	DUE DATE	DATE COMPLETED

COUNSELOR ACTION	Comments	DUE DATE	DATE COMPLETED

Advisor Name:

Phone:

Email:

DATE

NAME

ADDRESS

CITY, STATE ZIP

Dear **FIRST NAME:**

Thank you for taking the time to speak with me today. I understand you are experiencing a very stressful time right now. I am committed to working with you to understand what to expect when you have missed house payments, explore your options and answer your questions.

We are scheduled to meet as follows:

DATE: **MONTH DAY, YEAR**

TIME: **X:XX x.m. - X:XX x.m.**

LOCATION: **STREET ADDRESS, CITY, STATE ZIP. A map with directions is enclosed.**

*(or if meeting by phone: I will call you at this number: **PHONE NUMBER.***

In order to use our time as effectively as possible page 2 of this letter includes a checklist to help you prepare for the meeting. Please do your best to complete bring the documentation listed on the checklist *(or if meeting by phone: Please do your best to send the documentation in advance of our call).*

This appointment will last **an hour**. Please be on time. I often have appointments back to back so if we start late, I will only be able to work with you for the remaining time of your appointment. If you are unable to keep this appointment, please contact me to reschedule.

You can reach me at **PHONE NUMBER** and **EMAIL ADDRESS**.

I look forward to working with you.

Sincerely,

ADVISOR NAME

TITLE

enclosure

<<<Agency Name>>>

Foreclosure Counseling Program

APPOINTMENT CHECKLIST

Please gather the following documents in preparation for your appointment. Information about your mortgage will help me understand the status of your mortgage and what options are available to you. To get a better understanding of your financial situation and available workout options, we will also develop a monthly budget with the income and expense information you provide.

√	Document Checklist: please bring to appointment (or send in advance for phone appointment)
	Most recent month of check stubs for all jobs. If self-employed, bring most recent Profit & Loss statement.
	Documentation of other income, if any (child support, disability, retirement, etc.)
	Most recent federal tax return with all schedules.
	Most recent 2 months of bank statements (checking and savings if applicable)
	Latest bills: homeowners association, gas, electric, water/garbage, phone, cell phone, internet, cable TV, car loan(s), credit cards, student loans, other loans or bills.
	Most recent mortgage statement from your lender(s). If you also received a letter about missing payments or anything from the lender's attorney, please include those.

Please do your best to gather these documents as it will make our time together more effective. However, if you cannot find some of these documents please still keep the appointment and bring/send the papers you can find.

<<<Agency Name>>>

Foreclosure Counseling Program

DETAILED MONTHLY BUDGET

Date: _____

Homeowner Name _____

Co-Owner Name _____

NET INCOME	Monthly	Gross	Notes
EMPLOYMENT INCOME			
EMPLOYMENT INCOME			
FOOD STAMPS			
MFIP			
CHILD SUPPORT			
RENTAL			
SSI			
SOCIAL SECURITY			
OTHER			
TOTAL NET INCOME	\$ -	\$ -	
MONTHLY EXPENSES	Monthly	Outstanding Balance	Notes
MONTHLY HOUSING EXPENSES			
1ST MORTGAGE			
2ND MORTGAGE			
PROPERTY TAXES (if not escrowed)			
HOMEOWNERS INSURANCE (if not escrowed)			
ASSOCIATION DUES			
OTHER MONTHLY EXPENSES			
ELECTRICITY			
HEAT / GAS			
TELEPHONE: LOCAL			
LONG DISTANCE			
PAGER/CELL PHONE			
WATER / SEWER / TRASH			
FOOD / GROCERIES			
AUTOMOBILE PAYMENT			
GAS / OIL FOR AUTOMOBILE			
BUS FARE / PARKING			
CHILD CARE			
ALIMONY / CHILD SUPPORT			
STUDENT LOANS			
CREDIT CARD			
CREDIT CARD			

LOAN			
LOAN			
CHAPTER 13 TRUSTEE PAYMENTS			
PERIODIC EXPENSES			
AUTO INSURANCE			
AUTO REPAIR / MAINTENANCE			
LICENSE TABS			
HEALTH INSURANCE			
DOCTOR / DENTIST/ RX / CO PAY			
LIFE INSURANCE			
HOUSE MAINTENANCE			

FLEXIBLE EXPENSES			
SAVINGS			
SCHOOL LUNCHES			
WORK RELATED FOOD / EXPENSE			
EDUCATION			
CLOTHING			
DRY CLEANING / LAUNDRY			
HOUSEHOLD SUPPLIES			
TOILETRIES / HAIRCUTS			
ENTERTAINMENT / HOBBIES			
CABLE / DISH			
INTERNET			
CLUB MEMBERSHIPS / HEALTH			
PET FOOD / VET CARE			
GIFTS / PRESENTS/ HOLIDAYS			
SMOKING / ALCOHOL / SODA			
ALLOWANCES			
DONATIONS / TITHING			
TOTAL EXPENSES	\$	-	\$ -
NET SURPLUS / (LOSS)	\$	-	

ASSETS AND LIABILITIES			
	Value/Amount	Description	Notes
CASH ON HAND			
CHECKING ACCOUNT			
SAVINGS ACCOUNT			
RETIREMENT ACCOUNT			
OTHER REAL ESTATE			
VEHICLE #1			
VEHICLE #2			
VEHICLE #3			
OTHER			
OTHER FINANCIAL INFORMATION			
	Date	Chapter	Discharge Date/Notes
BANKRUPTCY			
	Date	Amount	Details/Notes
LIENS (TAX, MECHANICS, ETC.)			
JUDGEMENT(S)			

<<<Agency Name>>>

FORECLOSURE COUNSELING PROGRAM

ACTION PLAN (IN-DEPTH EXAMPLE)

Homeowner(s): Sue & Bob Doe

Counselor: Janet Counselor

Plan Start Date: 6/18/11

Goal: Stay in the home. Pursue Loan Modification with ABC Mortgage.

HOMEOWNER ACTION	Comments	DUE DATE	DATE COMPLETED
Save money for mortgage.	Goal: \$1,500	7/15/08	
Write hardship letter to ABC Mortgage.	Mail, email or drop off for counselor.	6/25/08	
Provide documentation of job layoff.	Mail, email or drop off for counselor	6/25/08	
Update counselor on any changes in your situation or communication from your lender or their attorney.	Call counselor as needed	ongoing	

COUNSELOR ACTION	Comments	DUE DATE	DATE COMPLETED
Pull credit report.	Talk to homeowner and update budget as needed.	6/20/08	
Contact ABC to explore Loss Mitigation options.	Loan Modification is best choice.	6/20/08	
Complete & submit Loss Mit package to ABC.	Need hardship letter from homeowner to complete. Verify with homeowner before submitting package.	6/26/08	
Follow-up with ABC and homeowner as needed.		ongoing	

Janet Counselor Phone: 218-555-1111 Email: janet@xyzorganization.org

National Industry Code of Ethics and Conduct for Homeownership Professionals

The National Industry Code of Ethics and Conduct for Homeownership Professionals is a voluntary, self-governing standard for professional performance/conduct for homeownership counselors and educators that provide homeownership education and counseling services to consumers. The National Industry Code of Ethics and Conduct was developed by a collaborative group of industry partners. Homeownership Professionals include both homeownership educators and counselors.

A National Industry Code of Ethics and Conduct for Homeownership Professionals offers a set of values and principles to guide conduct and decision-making in the homeownership education and counseling field. Homeownership professionals who adhere to the National Industry Code of Ethics and Conduct agree to provide quality education and counseling to participants.

National Industry Standards help organizations:

- Promote sustainability for homeownership in the community
- Create consistencies in content delivered to participants across the nation
- Raise awareness for the organization and homeownership counseling/education field
- Gain the public's trust
- Encourage practitioners to perform to the highest level of professionalism
- Promote sustainability for organizations that adopt the standards by reassuring funders and fee-paying participants of the quality and consistency of their services
- Allow consumers to identify organizations that adopt the standards to ensure they are receiving high quality, ethical service
- Elevate the industry reputation for quality service delivery

1. Commitment to Participants

- a. The primary responsibility of homeownership educators and counselors is to provide high quality education and counseling services to prospective and existing homeowners.
- b. Homeownership educators and counselors will act on behalf of a participant and observe his/her best interest.

2. Participant Decision-Making

- a. Homeownership educators/counselors will provide necessary tools, resources and information to assist their participants in making decisions about finances, home buying or homeownership based on the participant's needs and preferences.

- b. In instances when participants experience literacy or language challenges, homeownership educators/counselors will take steps to ensure participants' comprehension. This shall include arranging for a qualified interpreter or translator or referring the participant to a qualified language educator/counselor.

3. Competence

- a. Homeownership educators/counselors will provide services only within the boundaries of their education, training, certification or other relevant professional experience. Referrals will be provided to participants when essential services are beyond the scope of the individual or agency to provide.
- b. Homeownership educators/ counselors shall be culturally competent in their service area and sensitive to cultural differences and needs.

4. Conflicts of Interest

- a. Homeownership educators/ counselors will avoid actual and the appearance of conflicts of interest. They will inform participants when a real or potential conflict of interest arises and take all necessary steps to resolve the issue in a manner that makes the participants' interests primary and protects participants' interests. In some cases, protecting participants' interests may require termination of the professional relationship with proper referral of the participant.
- b. Homeownership educators/counselors will not take unfair advantage of any professional relationship or exploit others to further their personal, religious, political, or business interests.
- c. Any potential conflicts of interest (such as a counseling agency providing low-cost loans), will be disclosed to participants in a written disclosure document.

5. Privacy and Confidentiality

- a. Homeownership educators/counselors will respect participants' right to privacy. Private information will not be requested from participants unless it is critical to providing services. Once private information is shared, privacy laws apply as well as participant confidentiality.
- b. Homeownership educators/counselors will disclose confidential information only as specified by a valid written consent of participant.
- c. Homeownership educators/counselors will not discuss confidential information in any setting unless privacy can be ensured. Counselors and educators will abide by privacy laws and keep information confidential and protected.
- d. Homeownership educators/counselors will not disclose participants' information, including their identity when responding to requests from members of the media without the participant's express consent.
- e. Homeownership educators/counselors will protect the confidentiality of participants' written and electronic records and other sensitive information. Participants' records shall be stored in a secure location and not made available to others who are not authorized to have access.

- f. Homeownership educators/counselors will take precautions to ensure and maintain the confidentiality of information transmitted to other parties through the use of computers, electronic mail, facsimile machines, telephones and telephone answering machines, and other electronic or computer technology. Disclosure of identifying information will be avoided unless specifically permitted by participant.
- g. Homeownership educators/counselors will dispose of participants' records in a manner that protects participants' confidentiality and is consistent with state statutes governing records and social work licensure.
- h. Homeownership educators and counselors will be familiar with relevant laws and regulations with regard to local, regional, national privacy and confidentiality.

6. Professional Behaviors

- a. Homeownership educators/counselors will not practice, condone, facilitate, or collaborate with any form of discrimination on the basis of race, ethnicity, national origin, sex, sexual orientation, age, marital status, political belief, religion, or mental or physical disability.
- b. Homeownership educators/counselors will not use derogatory language in their written or verbal communications to or about participants. Accurate and respectful language will be used in all communications to and about participants.
- c. Homeownership educators/ counselors will not participate in, condone, or be associated with dishonesty, fraud, or deception.
- d. Homeownership educators/ counselors will not permit their private conduct to interfere with their ability to fulfill their professional responsibilities.

7. Payment for Services

- a. When setting fees, homeownership educators/ counselors will ensure that the fees are fair, reasonable, and commensurate with the services performed. Participants will be informed of any applicable fees prior to the delivery of any services.
- b. Homeownership educators/ counselors will not solicit a private fee or other personal remuneration for providing services to participants.

8. Discontinuation of Services

- a. Homeownership educators/ counselors will close files and discontinue services to participants when such services are no longer required or no longer serve the participants' needs or interests.

9. Consultation

- a. Homeownership educators/ counselors will seek the advice and counsel of more experienced colleagues whenever such consultation is in the best interests of participants. Consultation will

only be sought from colleagues who have demonstrated knowledge, expertise, and competence related to the subject of the consultation.

- b. When consulting with colleagues about participants, homeownership educators/ counselors will disclose the least amount of information necessary to achieve the purposes of the consultation.
- c. Participant information will only be shared with other colleagues with the written consent of the participant.

10. Referrals

- a. Homeownership educators/ counselors will limit services to those within their training and expertise and refrain from giving legal, tax, accounting advice unless licensed to do so. Non-homeownership issues should be referred to other appropriate agencies to serve participants fully.
- b. Homeownership educators/ counselors shall not give payment or receive payment from an outside source for a referral unless professional services of comparable value have been provided.

11. Integrity of the Homeownership Education and Counseling Profession

- a. Homeownership educators/ counselors will work toward the maintenance and promotion of high standards of practice for the industry.
- b. Homeownership educators/ counselors will uphold and advance the values, ethics, knowledge, and mission of the profession. They will protect, enhance, and improve the integrity of the profession through service development, partnerships and active participation in the industry.
- c. Homeownership educators/ counselors will contribute time and professional expertise to activities that promote respect for the value, integrity, and competence of their profession.

Conflict of Interest Disclosure Form

The Minnesota Homeownership Center and [Name of Agency] require full disclosure of potential and actual conflicts of interest so that you are in a position to make fully informed decisions. It is up to you to choose whom you would like to work with; you are not obligated to receive any mortgage or real estate services.

Agency/Individual Disclosure

In working with you to provide foreclosure counseling, I and/or my agency may have one or more of the following conflicts through referral or in fact:

- ☐ We hold or service a mortgage secured against your property and have a stake in the performance of the loan;
- ☐ We provide real estate services for a fee such as listing, selling or purchasing property for the prevention of default or foreclosure;
- ☐ We provide lending products that generate income and charge interest for the prevention of default or foreclosure.

You understand that you are not obligated to receive any other services offered by our agency or exclusive partners.

You further understand that our agency is required to:

- Provide you with information about the foreclosure process and alternatives to foreclosure;
- Provide objective advice about alternatives to foreclosure;
- Allow you to select lenders, lending products and real estate services of your own choosing.

Signature Date Signature Date



Homeownership
**Advisors
Network**

Homeownership Advisors Network

BRANDING STANDARDS MANUAL

APRIL, 2011

Table of Contents

TABLE OF CONTENTS	1
INTRODUCTION	2
INTRODUCTION TO BRANDING	2
BRAND CONCEPTS	3
POSITIONING STATEMENT	4
ADVISORS	4
THE LOGO	5
GRAPHIC SYMBOLISM	5
TERMS OF USE, GENERAL	6
TERMS OF USE, NETWORK MEMBERS	7

Introduction

INTRODUCTION TO THE HOMEOWNERSHIP ADVISORS NETWORK BRAND

The Homeownership Advisors Network is a statewide association of agencies providing homebuyer services, foreclosure prevention counseling, reverse mortgages, and other homeownership support. Led by the Minnesota Homeownership Center, the Network's certified advisors offer non-biased, trusted education and advising on topics related to preparing to buy a home and sustaining homeownership.

The agencies and individuals working in the Center's network are dedicated to providing high-quality, professional services to homebuyers and homeowners with a primary goal of successful homeownership.

The member organizations of the Homeownership Advisors Network want Minnesotans to be successful at every stage of homeownership. Through the use of the network brand, we want to send a consistent message and promise about the importance of working with trusted advisors at every point in the homeownership process.

Branding is more than a name, logo or slogan. In its purest sense the brand of an organization is really its *reputation*. By branding the network we are able to combine the successful reputations of the network members as well as that of the Minnesota Homeownership Center.

BRAND CONCEPTS AND ATTRIBUTES

The name “Homeownership Advisors Network” reflects the essence of the work and mission of the statewide network of more than 50 community-based non-profit, government, tribal and for-profit organizations that deliver homebuyer education and counseling, post purchase education and counseling, reverse mortgage counseling and foreclosure counseling.

Agencies in the network are dedicated to providing high-quality, effective services to consumers with the ultimate goal of empowering Minnesotans to be successful homeowners.

The Homeownership Advisors Network Brand Attributes are:

- Quality
- Trusted & Trustworthy
- Unbiased / Objective
- Knowledgeable / Experts
- Dedicated
- Connected / “Inside Scoop”
- Personalized / Customized
- Confidential
- Local

POSITIONING STATEMENT

The Homeownership Advisors network brand is based on the concepts and attributes that we've outlined, and allows us to create a point of difference from competing service providers and other industry professionals that offer similar services.

The Homeownership Advisors Network is the definitive source of non-biased homeownership education and counseling services in Minnesota.

Use of the brand is critical to advancing this concept and increasing recognition among consumers and partners including industry, government, funders and others. The brand will be used to further marketing and outreach activities that raise awareness about the availability of the high quality, trustworthy services provided by network members.

ADVISORS

The Minnesota Homeownership Center understands that network members have several different job titles depending on their organization's structure, time within the network and other reasons.

Historically, these terms include, but are not limited to:

- Homeownership Counselor;
- Mortgage Advisor
- Financial Counselor

As we continue to advance the concept of a singular brand and to increase recognition, the preferred term for the individuals that offer these services is: **Homeownership Advisor.**

The Logo

GRAPHIC SYMBOLISM

Below is a breakdown of how the Homeownership Advisors Network logo graphically demonstrates the message of our goal:

Information Sharing

The “i” as Universal
symbol for Information

Knowledge / Experts

Unbiased Information



Call Out Boxes

Denote conversational
method.

Closeness denotes
confidentiality and
personalized information.

Homeownership
**Advisors
Network**

Network

Large Font denotes

Quality / Stability (Anchor)

TERMS OF USE

Working together to promote successful homeownership in Minnesota – as a unified network under one brand – we want a consistent image reinforced.

The “Homeownership Advisors Network” logo is available for use in .eps, .jpeg and .pdf formats. The colors should not be changed and every attempt should be made to match the following colors as closely as possible:

LIGHT GREEN

PMS 369C or

PMS 368U or

CMYK:

C-60, M-0, Y-100, K-5



Homeownership
Advisors
Network

TEAL

PMS 3292C or

PMS 328U or

CMYK:

C-100, M-0, Y-50, K-45

The logo may also be used in black and white where necessary.

The logo is freely available to Network members by contacting the Minnesota Homeownership Center.

TERMS OF USE

Organizations that are members of the Homeownership Advisors Network may elect to identify themselves as a member on their own promotional materials by including the text “Member of” above the logo.

Even when adding “Member of”, the colors should not be changed.

Example:



Stone Sans ITC is our primary and preferred typeface, but Calibri may be used in the absence of the Stone Sans font. The “A Member of” text should never extend past the callout boxes or be larger than the word “Homeownership” in the network name. The “Member of” text should be at least 7pt to be legible.

Annually, the Center will produce an “Annual Member” version of the logo in electronic format that lets consumers know that a given agency is a current member of the network:



Any additional changes to the text or layout of the logo require written permission from the Minnesota Homeownership Center.