



Statement of
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before the
Subcommittee on Housing and Community Opportunity
of the
Committee on Financial Services
United States House of Representatives
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Hearing on
“Examining the Making Home Affordable Plan”
2128 Rayburn House Office Building

Chairwoman Waters, Ranking Member Capito, and Members of the Committee, I am Faith Schwartz, Executive Director of the HOPE NOW Alliance. I appreciate the opportunity to appear before you today to talk about what the members of the HOPE NOW Alliance are doing to help at-risk homeowners stay in their homes during this challenging time. I will discuss our work with the Administration on the President's Making Home Affordable Plan to help servicers prepare to implement the program, the latest HOPE NOW data regarding loan modifications and other workouts for homeowners, the upgrades to the HOPE NOW website making it more useful for homeowners who are seeking help, and our in-person outreach events across the country.

The HOPE NOW Alliance is a broad-based voluntary collaboration between lenders, HUD-approved housing counselors, investors, mortgage market participants and trade associations. Currently, we have 34 servicer members which account for over ninety percent of the subprime market and nearly seventy percent of the prime market. A full list of HOPE NOW members is attached for your reference.

HOPE NOW utilizes a coordinated, national approach working to enhance our ability to reach out to borrowers who may have or expect to have difficulty making their mortgage payments and to offer them workable options to avoid foreclosure. We connect distressed homeowners with counselors and their servicers at no-cost to the homeowner.

Briefly, here are some of the key roles performed by the HOPE NOW Alliance:

1. HOPE NOW supports the national 888-995-HOPE hotline to connect concerned homeowners to trained non-profit counselors at HUD-certified agencies.
2. HOPE NOW reaches out to at-risk homeowners through events in communities across the nation to enable homeowners to talk in-person with their servicer or a trained counselor.
3. HOPE NOW operates a website that is continually upgraded to provide homeowners with another option to contact their servicer or a certified counselor.
4. HOPE NOW conducts an on-going direct mail campaign to the most at-risk homeowners urging them to seek assistance.
5. HOPE NOW serves as a clearing house for servicers as they work toward best practices in servicing.
6. HOPE NOW coordinates and shares information between the government, the GSEs and servicers as they develop policies to apply to loan modification efforts.
7. HOPE NOW serves as a contact and facilitator between counseling agencies and servicers.
8. HOPE NOW collects data on actual loan workouts and modifications and voluntarily publishes these results.

I am pleased to have the opportunity to comment on the HOPE NOW Alliance's efforts to respond to the Administration's program, as well as our on-going efforts to reach and assist troubled homeowners.

ADMINISTRATION'S MAKING HOME AFFORDABLE PLAN

HOPE NOW applauds the President for the "Homeowner Affordability and Stability Plan" (HASP) and supports the Administration's efforts to help at-risk homeowners. Over the past year, the HOPE NOW Alliance has promoted cooperation with mortgage servicers and counselors to minimize foreclosures and keep as many people in their homes as possible. We will continue to work toward this goal and are committed to working with the Administration to make the President's program as effective as possible. We are already working with representatives from Treasury, HUD and the GSEs to understand and implement this important program and will do our best to make it a success.

The Administration's loan modification program is consistent with and expands on the streamlined approach to loan modifications that the GSEs and servicers began in December. The purpose of this type of approach is to produce an affordable payment for at-risk homeowners through a combination of methods including rate reductions, term extension, and principal forbearance; this can have a positive impact on large numbers of at-risk homeowners and to make the loan modification process more timely and efficient. We appreciate the willingness of the Administration to work with servicers in developing the implementation guidelines of the program and to answer many questions servicers have about how they must implement the program.

The President's plan is the first wide scale program for uniform modifications that will provide an affordability ratio of 31% housing debt to income for homeowners who need to have their payments reduced to be able to stay in their homes. First, servicers are required to make changes to reduce the borrowers' housing debt ratio to 38% and then the government will share the cost of reducing it to a more affordable 31%.

For homeowners with significant other household debt- debts greater than 55% of income- counseling is required. The program directs servicers to validate the borrower's hardship and income and for the loan to remain current for 90 days at the new terms in order for servicers to complete the modification. In addition to the loan modification program, the Administration's plan also calls for the GSEs to offer a refinance program to help borrowers who are current on their payments but were unable to refinance their homes. This is very significant and may help millions of homeowners receive a lower rate and a more affordable solution if they have a Fannie Mae or Freddie Mac-owned loan and are current on their payments.

HOPE NOW is working with its mortgage servicer member companies to help them understand the details of the Administration's Making Home Affordable Plan. We are hopeful that the plan will help millions of Americans avoid foreclosure. As you know, a number of major servicers have stated that they would like to participate in the program. All servicers handling Fannie Mae and Freddie Mac loans will participate for GSE-owned loans. Servicers for private label securities are examining their ability to apply the program to loans in private mortgage-backed securities (MBS). It is too early to know the full acceptance rate for companies that manage their own portfolios and loans in private MBS, but our view is that servicers are optimistic about the program and want it to succeed.

We are working with our HOPE NOW servicers, Treasury, HUD, Fannie Mae, Freddie Mac, and with the Housing Policy Council and the Mortgage Bankers Association in identifying issues about implementation of the program and getting these issues resolved and questions answered. We have had four very productive calls with Administration and GSE officials coordinated by the Mortgage Bankers Association, HOPE NOW and the Housing Policy Council to answer the questions of the servicing industry on the specifics of the program. These calls have been productive and we await final official documents from the appropriate agencies to enable full implementation to begin.

To participate in the program for lender portfolio and non-GSE-owned loans, servicers will have to sign a contract with the Department of Treasury. It is our understanding that Treasury is working to finalize the contract form and provide it to servicers.

To help ensure that homeowners are aware of the options the government program will provide, the HOPE NOW Alliance will help educate borrowers on the Administration's program through the Homeowner's HOPE Hotline and our homeownership preservation events across the country. HOPE NOW will be including Making Home Affordable information in all outreach initiatives. This includes handouts and facilitating information sessions at all outreach events, prominently including program qualifications on the HOPE NOW website, devoting a session throughout planned radio programming, and incorporating the theme throughout all campaigns. This also includes making the program a clear option for borrowers who call the Homeowner's HOPE Hotline, 888-995-HOPE.

EXPANDING CAPACITY TO HELP BORROWERS

There is a great deal of public interest in the President's program and individual servicers and the Homeownership Preservation Foundation's Homeowner's HOPE Hotline are reporting significant increases in calls from homeowners. Since the program guidelines were announced on March 4, more than 124,000 homeowners have called the HOPE Hotline, 888-995-HOPE. On average, more than 13,500 homeowners have called the Hotline each day since the announcement, which is about 3 times the average number of daily calls prior to the release. HOPE NOW and its members have taken many actions to handle the increase of borrowers seeking refinances or modifications under the new program. Servicers have expanded call centers, phone messages, and websites to deal with the expanded volume.

HOPE NOW has expanded our website, www.hopenow.com, to link borrowers directly into the home preservation sites of all HOPE NOW servicers as well as provide links to government sites including HUD, Fannie Mae, Freddie Mac, and the Financial Stability website. Most importantly, we created a customer intake form on the HOPE NOW website which allows borrowers to input personal information including their financial situation which is then sent directly to the servicer. This way, day or night, the homeowner can go to the HOPE NOW website and request for assistance without even making a call. HOPE NOW and its members will continue to expand capacity and assist borrowers.

In addition, the Homeowner's HOPE Hotline, 888-995-HOPE, through a grant from Fannie Mae, added capacity at their triage call center. This enabled them to take up to 20,000 calls a day; this is up from 7,000 calls a day. The Homeownership Preservation Foundation has upgraded their technology making it easier for counselors to enter in data, thus freeing up more of their time to assist more homeowners. The ten network agencies that handle the Hotline's calls have added counselors; there are now a total of 580 counselors available to the HOPE Hotline, 500 of them full time, the rest available to be re-deployed during spike times. This is up from 450 counselors at the beginning of the year. The Homeownership Preservation Foundation continues to work to maximize capacity, efficiency, and effectiveness in providing free HUD-approved counseling to at-risk homeowners.

HOPE NOW'S DATA ON FORECLOSURE PREVENTION RESULTS

Collecting data on our foreclosure prevention efforts is a key component of the HOPE NOW Alliance's mission. We have tried to document the real efforts that servicers have made to provide solutions to troubled homeowners. Each HOPE NOW servicer submits detailed loan-level data: survey data on their foreclosure prevention efforts as well as loan delinquency numbers for mortgages that they service. In reporting our data, we are candid about the serious challenges facing the mortgage and housing market, as well as the very real steps servicers are taking to meet these challenges and help homeowners.

Members of the HOPE NOW Alliance have made an unprecedented voluntary effort to document their results. Via legal agreements with our members, we have put together a comprehensive, wide-reaching, and market representative database of first lien mortgage delinquency and loan modification data. This data represents roughly 75% of the entire American mortgage universe and adds up to more than \$6 trillion in outstanding unpaid principal balance. Equally important, our data is not restricted to federally chartered and regulated institutions. We collect detailed data from a broad range of banks, servicers, sub-servicers, and mortgage originators, making our database one of the most complete sets of information available. Included in our data over the coming months will be statistics around foreclosure prevention efforts performed under the Administration's recently announced loan modification initiative.

A few highlights from our latest data include the following:

- In January, 2009, 2.9 million first lien mortgage loans were 60 or more days past due.
- 1 in 10 mortgages were at least 30 days delinquent, in foreclosure process, or in completed foreclosure sale also called REO inventory.
- The trend line of modifications completed each month continues to point upward, with the last month for which data was collected – January 2009 – showing the largest number of modifications yet at 123,000.
- For the past 2 months modifications have represented half of all workout solutions.
- One quarter of all loans lost to foreclosures in 2008 were non-owner occupied properties, e.g. investor properties or vacation homes.
- Nearly half of all loan modifications went to borrowers with FICO scores below 620.

More homeowners are facing new challenges. By reaching out across the industry to collect information from all sizes of servicing operations, we report on a very broad section of the market and provide valuable information on what is happening to homeowners.

HOPE NOW's WEBSITE: WWW.HOPENOW.COM

HOPE NOW's website is a trusted, reliable source, available to consumers at no cost to them. To better assist at-risk homeowners, HOPE NOW has made some significant changes to our website, www.hopenow.com. The purpose of the website is to be a national online center to inform, educate, and assist consumers to preserve homeownership. The recent changes make it easier for homeowners to get information and reach their servicer and get assistance.

HOPE NOW's website, www.hopenow.com, now has two new ways borrowers can connect with their servicer. The first is direct links to mortgage companies' loss mitigation websites where homeowners can find more information about how to reach their servicer and what information they will need to provide. This is another tool for borrowers to get in contact with their mortgage servicers. If a borrower's servicer is not listed, the website provides information about how they can obtain free counseling by HUD-approved counseling agencies. This free counseling is available through HUD-approved housing counselors and the Homeowner's HOPE Hotline, managed by the Homeownership Preservation Foundation, 888-995-HOPE. The hotline is available 24 hours a day, seven days a week. After the announcement of the Administration's plan, calls often spiked to nearly 16,000-23,000 a day with almost half being Spanish-speaking homeowners. Homeowners are hungry for information and HOPE NOW and the HOPE Hotline are trusted sources of information for distressed homeowners.

In addition to these links, the HOPE NOW website now has a simplified input tool for borrowers to reach their servicers and servicers obtain basic information about the borrowers upfront. On the homepage of www.hopenow.com, homeowners can submit a request for assistance by filling out some basic information about themselves, their mortgage, and their income. This form is then sent directly to the mortgage servicer they select in an encrypted and secured email. The mortgage servicer will then contact the borrower within 5-7 business days. By asking homeowners to provide information at the beginning, servicers will be able to contact and assist homeowners faster and more efficiently.

We have worked to make the website consumer friendly and informative. HOPE NOW's website is able to handle 500,000 hits a day and up to 1 million a day if needed. For the week of March 2, over 64,000 people visited the HOPE NOW website and for the week of March 9, over 52,000 visited the site. With the announcement of the Administration's Plan, we established a link to the Treasury's website www.financialstability.gov so homeowners can find the most up-to-date information and details of the Plan. We will continue to work on enhancing the website in more ways to continue to be a useful tool for homeowners in need.

We ask Members of Congress to continue to make your constituents aware of HOPE NOW's website and the information and links that can be found on it.

HOPE NOW OUTREACH EFFORTS

HOPE NOW continues to sponsor and coordinate local outreach events across the country getting borrowers in contact with their mortgage servicer and housing counselors. NeighborWorks America has played a key role as co-sponsor and has worked to help organize and implement many of these events. In 2008, HOPE NOW reached and assisted over 20,000 homeowners through 29 Homeownership Preservation Workshops across the country. For example, HOPE NOW has held two events in central Los Angeles assisting a combined total of 1900 homeowners. The most recent event in Los Angeles was held in December on a Saturday at the Crenshaw Christian Center and featured 14 non-profit counseling agencies and 21 mortgage servicers. In addition, last August, we hosted another successful event with the Federal Reserve Bank of Boston at Gillette Stadium in Foxborough, Massachusetts where we assisted over 2,100 homeowners.

In response to new challenges, we have a new five-prong outreach program to reach as many troubled homeowners as possible in 2009. With help from celebrities concerned about the foreclosure issue, planned phone-a-thons, new Alliance partners, and deeper outreach initiatives, we are building a stronger and broader network to reach homeowners. We are partnering with Federal Reserve Banks across the country. We have already hosted four events this year, reaching over 2,500 borrowers. Attached please find details of the 2008 outreach events and our planned events for 2009. Also attached you will find two of the many success stories about borrowers we have helped at these outreach events.

In addition to our ongoing outreach events, we have also partnered with Fannie Mae in creating an additional outreach campaign, "Bringing HOPE Home." Queen Latifah volunteered to be face of this campaign and she is urging struggling homeowners to reach out for help, either by contacting their servicer, a HUD-approved counselor, the Homeowner's HOPE Hotline, or visiting the enhanced HOPE NOW website. In each target market, the campaign includes a celebrity bus tour of impacted communities and families, the airing of a Queen Latifah narrated educational video, a series of radio programs, and a face-to-face outreach event where families meet with their servicer or a counselor. This campaign launched in February in Newark and will be in Atlanta, Miami, and Cleveland in the next two months.

We continue to mail outreach letters to delinquent borrowers and have also started a new pilot letter program to assist at-risk homeowners. This new pilot program is called Reach Out and is an additional outreach mail campaign targeting delinquent borrowers to link them to local HUD-certified counseling organizations. We are piloting this initiative throughout the state of Wisconsin with the Wisconsin Housing Economic Development Authority within the next month. We hope to expand more broadly later in the year.

A NOTE ON MORTGAGE HELP SCAMS

It is imperative that at-risk homeowners get assistance from reputable companies and HUD-certified non-profit agencies. They should be wary of paying third parties for services they can obtain directly from their mortgage servicer or a non-profit counselor. HOPE NOW has been

cooperating with a number of state Attorneys General and with the Federal Trade Commission to try to make consumers aware that many individuals and companies that have used the word "HOPE" in their titles are not associated with HOPE NOW. As you know the services provided by HOPE NOW and the non-profit counselors we work with are free to homeowners. Yet many other companies and individuals are charging distressed homeowners for services that are provided by HOPE NOW members at no cost to the homeowner. In addition, while it is hard to say if services are actually provided by these for-profit third parties, many of these firms are not providing effective loan modification assistance or counseling and some appear to be fraudulent based on what individual consumers have told us at some of our outreach programs.

We are pleased with the efforts of state AGs, and the FTC, and they should be encouraged to continue and to try to combat firms and individuals who do not provide legitimate services to at-risk homeowners. At a minimum, consumers should understand that they do not have to pay for counseling and that the services these firms provide can be obtained from HOPE NOW Alliance members at no cost. I hope you will help us get this message to your constituents.

CONTINUING CHALLENGES

The HOPE NOW Alliance has achieved real success in preventing foreclosures however significant challenges remain. Our main challenge is that because of the weakness of the economy, more homeowners are facing potential problems. As our data indicates, 2.9 million borrowers are now 60 days past due on their mortgages. This is a significant number and we continue to work to assist borrowers in financial difficulty.

Another issue continues to be difficulty in reaching at-risk borrowers. Since November 2007, HOPE NOW servicers have sent over 3 million outreach letters to no-contact borrowers who are 60 days or more past due and receive on average a 20% response rate. While this is a dramatic improvement over the normal 3-4% response rate, it still means that many at-risk borrowers are not in contact with their servicer.

Additionally, while many options to avoid foreclosure are necessary as borrowers are in different situations, the variety of programs available can be confusing to homeowners. All participants, the government, industry, and HOPE NOW need to work to clarify what options are available for at-risk borrowers. We believe that the Administration's program of standardizing loan modifications will help alleviate the confusion and ambiguity.

The Administration's plan has great potential to help a tremendous number of homeowners, potentially millions. However, the program details and requirements are not yet in effect, so it is not yet possible to measure its actual impact, nor is it possible yet to know the degree of participation in the President's program. We hope the program gains wide acceptance for loans in private label securities.

As I noted, mortgage scams using HOPE NOW's name also confuse homeowners. HOPE NOW and its partners provide free services but homeowners are sometimes paying for servicers which

they do not need to do. HOPE NOW will continue to work to overcome these challenges and continue to assist as many at-risk homeowners avoid foreclosure as possible.

Due to the growing number of homeowners facing economic challenges, there is a need for more counseling from trained HUD-certified agencies. The Administration could provide funding for counseling through TARP or Congress could provide more through the appropriations process. The earlier process that provided funding to certified counselors through NeighborWorks worked well. Legitimate non-profit agencies need funding to continue to counsel Americans at risk of losing their home and can help connect them to their servicer.

CONCLUSION

HOPE NOW continues to work to help at-risk homeowners avoid foreclosure by connecting them to their servicer and/or a HUD-approved counselor who can assist them in finding an affordable solution. We work to develop lines of communication. Outreach to homeowners is essential to preserving homeownership and educating homeowners on their options based on their financial situation. We support the Making Home Affordable Plan and other legitimate efforts to help at-risk homeowners will also need to continue. The HOPE NOW Alliance wants to continue to work with the Administration and our member companies and non-profits to assist as many homeowners who need and want help to stay in their homes. Our work is ongoing and I will continue to keep you updated on our progress.

Thank you for inviting me to testify before you today on HOPE NOW's ongoing efforts to assist at-risk homeowners in avoiding foreclosure. I am happy to answer any questions you may have.



HOPE NOW Membership

Counselors

- ACORN Housing Corporation
- Catholic Charities USA
- Citizens' Housing and Planning Last saved by Association, Inc.
- Consumer Credit Counseling Service of Atlanta
- HomeFree- USA
- Homeownership Preservation Foundation
- Housing Partnership Network
- Mission of Peace
- Mississippi Homebuyer Education Center-Initiative
- Mon Valley Initiative
- Money Management International, Inc.
- National Association of Real Estate Brokers-Investment Division, Inc.
- National Community Reinvestment Coalition
- National Council of La Raza
- National Credit Union Foundation
- National Foundation for Credit Counseling, Inc.
- National Urban League
- NeighborWorks America
- Neighborhood Assistance Corporation of America
- Rural Community Assistance Co.
- Structured Employment Economic Development Co.
- West Tennessee Legal Services, Inc.
- Countrywide Financial Corporation
- EMC Mortgage Corporation
- Fannie Mae
- Freddie Mac
- Genworth Financial
- GMAC ResCap/Homecomings
- Home Loan Services, Inc. (d/b/a First Franklin Loan Services & NationPoint Loan Services)
- HomEq Servicing
- HSBC Finance
- IndyMac Federal Bank
- LandAmerica Financial Group, Inc./LoanCare Servicing Center
- Litton Loan Servicing
- MERS
- Metlife Home Loans, (fka First Horizon Home Loans and First Tennessee Home Loans)
- MGIC
- National City Mortgage Corporation
- Nationstar Mortgage, LLC.
- Ocwen Loan Servicing, LLC.
- PMI Mortgage Insurance Co.
- Residential Credit Solutions, Inc.
- Radian Guaranty Inc.
- RoundPoint Mortgage Services Corporation
- Saxon Mortgage Services
- Select Portfolio Servicing, Inc.
- State Farm Insurance Companies
- SunTrust Mortgage, Inc.
- Taylor Bean & Whitaker
- The CIT Group
- Wachovia
- Washington Mutual, Inc.
- Wells Fargo & Company
- Wilshire Credit Corporation

Servicers/Lenders/Mortgage Market Participants

- Acqura Loan Services
- Accredited Home Lenders
- American Home Loan Servicing, Inc.
- Assurant, Inc.
- Aurora Loan Services
- Bank of America
- Carrington Mortgage Services
- Chase
- Citigroup, Inc.

(Continued)



HOPE NOW Membership (cont.)

Trade Associations

- American Bankers Association
- American Financial Services Association
- American Securitization Forum
- Consumer Bankers Association
- Consumer Mortgage Coalition
- The Financial Services Roundtable
- The Housing Policy Council
- Mortgage Bankers Association
- Securities Industry and Financial Markets Association



HOPE NOW Alliance Homeownership Preservation Workshops

The Homeownership Preservation Workshops are key outreach initiatives designed to allow homeowners at risk of foreclosure an opportunity to meet with their mortgage servicer and a local foreclosure counseling organization face-to-face for free.

In 2008, the Alliance held twenty-nine (29) events across the country. Typically, NeighborWorks America served as a key co-sponsor. In addition, HOPE NOW servicers, the GSEs, local non profit counselors, and Federal Reserve Banks were major contributors to each event's success. The Alliance met with over 20,000 distressed homeowners, providing workout solutions to many of them.

New challenges bring new approaches for 2009, establishing plans for a five pronged outreach program to reach as many troubled homeowners as possible. With help from celebrity faces, planned Phone-A-Thons, new alliance partners, and deeper outreach initiatives, the coming year aims to build a stronger network to reach homeowners.

2008 Events

Date	Locations	Number of Non-Profit Counselors	Number of Servicers	Number of Borrowers Reached
March 3	Riverside, CA	N/A	10	227
March 5	Anaheim, CA	N/A	10	267
March 7	Stockton, CA	N/A	12	411
March 30	Columbus, OH	5	12	170
April 1	Philadelphia, PA	30	14	328
April 19	Atlanta, GA	N/A	13	696
April 21	Milwaukee, WI	16	10	501
April 22	Indianapolis, IN	N/A	14	312
April 24	Chicago, IL	17	17	642
May 3	Memphis, TN	19	9	232
May 5	Jacksonville, FL	23	12	237
June 9	Dallas, TX	28	22	469
June 10	San Antonio, TX	12	11	150
June 13 & 14	Las Vegas, NV	N/A	15	1328
July 25	Newark, NJ	23	12	193
July 26	Mount Laurel, NJ	10	12	206
August 12	Boston, MA	52	20	2176
August 21	Orlando, FL	7	19	1008
August 22	Estero, FL	9	17	614
August 23	Ft Lauderdale/ Miami, FL	14	19	1695
September 13	Fairfax County, VA	15	12	241
September 20	Prince Georges Co., MD	15	12	100
October 22	Tucson, AZ	21	17	490
October 23	Phoenix, AZ	22	17	1815
November 15	Houston, TX	9	18	953
November 19	Cleveland, OH	14	20	671
November 20	Cincinnati, OH	18	15	366
December 4	Sacramento, CA	18	19	2050
December 6	Los Angeles, CA	14	21	1635
Year-End Total Number of Borrowers Reached				20,183



HOPE NOW Alliance Homeownership Preservation Workshops

2009 Events

Date	Locations	Number of Non-Profit Counselors	Number of Servicers	Number of Borrowers Reached
January 10	Belleville, MI	<u>Event snowed out, only intake forms collected 323</u>		
January 15	Denver, CO	18	18	488
February 14	Hartford, CT	19	15	1013
February 26	Kansas City, MO	11	12	736
March 25	Edison, NJ	<u>Events Pending</u>		
April 15 & 16	Atlanta, GA			
April 22 & 23	Miami, FL			
April 25	Charlotte, NC			
April 28	Cleveland, OH			
May 1	Prince Georges County, MD			
May 2	Prince William County, VA			
Current Total Number of Borrowers Reached				2560

Success Stories from Outreach Events

July 2008, Newark NJ

We had a borrower attend the HOPE NOW event in New Jersey. Mrs. X was escorted to our table and was upset because she had been trying diligently to work through a modification. She came with documents in hand. The negotiator at the event was able to review her documents and immediately we waived all late charges for any inconvenience, and to demonstrate our ability and willingness to work with her. The borrower is self-employed and was challenged with collection of receivables, in addition to the business aspect as a result of the economy. The combination of the two made it difficult for her to maintain her mortgage payment at the existing rate, by reducing it she has been successfully with maintaining her payments even if receivables are late from her own customers. After careful review of the documents we were able to decision the modification at the event and reduce her ARM loan to a substantially lower fixed rate for the life of the loan. Monday morning following the event the Modification Agreement was drawn up, sent to the borrower, she signed and returned them promptly, and today she continues to be current.

September 2008, Prince Georges County MD

A homeowner came to the event who was over extended due to a recent reduction of income. She was juggling back and forth keeping her debts current basically by using credit cards to pay her bills. None of the debts she had incurred came from frivolous spending. She had trimmed her budget to the bare minimum, cutting out cable television and trimmed the grocery bill to almost nothing. I remember her telling us at the event that groceries were the last obligation on her mind because she was striving so hard to keep her credit clean. Based on the large deficit (in excess of \$2000/month) we were unable to assist her initially. I went through routine suggestions including: trimming the budget, seeking credit counseling, getting a part time job and she indicated that she had tried all of that before and that (Counseling Agency) wasn't able to formulate a plan based on the lack of surplus. She was literally borrowing off her credit cards to pay the utilities and when she got paid, would use that to pay the minimum credit card payments, essentially accumulating more and more debt because of the constant deficit. I advised her to keep in contact with me, to contact each individual creditor on her own to try to work out a payment reduction with them to ultimately reduce the overall debt. Five months later she contacted me, having done the plan we suggested and she had reduced her over all debt to the point where she still had a deficit, but one that could be overcome with a loan modification. She faxed me documentation supporting every adjustment that was made. Using the total household income and reviewing the new household budget, she now qualifies for a loan modification. The case is in the last stages of completion. Each time I speak with this borrower she expresses her gratitude and how happy she was that she attended the event because each time she tried to get assistance over the phone, no one was willing to take the time to review her individual situation and see that she really was in real jeopardy of losing her home...hanging on by a thread. The personalization of a face to face meeting and advice she received led to what is ultimately a happy ending.