

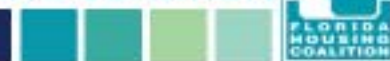
HOUSING COUNSELING SERIES, PART 2:

Successfully Administering Counseling Assistance

Sponsored by the Florida Housing Finance
Corporation's Catalyst Program

Michael Chaney, Technical Advisor
Florida Housing Coalition

THE FLORIDA HOUSING COALITION



Catalyst Training Schedule



The Coalition is Florida's affordable housing training and technical assistance provider.

The Florida Housing Coalition is commonly acknowledged as the foremost authority in Florida on affordable housing, community development and related issues, as a clearinghouse for information, a provider of training and technical assistance, and an advocate at the state and national levels for people in need of affordable housing.

www.flhousing.org

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Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

**Sponsored by the Florida Housing
Finance Corporation**



we make housing affordable™

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FHC Conference- Registration Now Open

Register today for the
33rd Annual Statewide
Affordable Housing
Conference

VISIT:

flhousingconference.org



THE FLORIDA HOUSING COALITION



FHC Conference- Call for Proposals

Do you have an innovative idea, a great development, or an impactful strategy?

The Florida Housing Coalition is accepting workshop proposals from our members and partners.

VISIT:

flhousingconference.org/call-for-proposals/



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Two Audiences for Today's Webinar

- **SHIP staff learning about counseling**
- **Counseling agencies learning about SHIP**

Today's Presenters

- **Alex Borge,**
DebtHelper.com
- **Michael Chaney,**
Florida Housing Coalition

Review from Part 1: Offering SHIP Housing Education and Counseling



Recording from February 12:
<https://vimeo.com/255454825>

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WHY?

Benefits of Pre-Purchase Counseling

There is evidence that pre-purchase counseling reduces the rate of first-time buyer delinquency by 29%.

**Estimated dollar benefit of
this reduction is \$1,000 per loan.**

SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.

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How has your counseling work changed because of COVID-19?

Alex Borge

aborge@debthelper.com

www.flhousing.org/covid-19-housing-related-resources/

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SHIP Pays for Housing Counseling

- May pay with SHIP Program Funds—not Administrative Budget—when contracting for counseling services
- Upper limit for SHIP-funded Counseling dictated by set aside compliance
- Counseling does not comply with set-asides



SHIP may partner with Counseling Agency

- **SHIP pays a service delivery fee**
- **Counseling is a Program Delivery
Cost: agency offers services that
city/county staff often cannot**

Counseling Agency Partnership CASE STUDY

DebtHelper.com

Alex Borge

aborge@debthelper.com

**What are the tasks involved with
providing SHIP-funded assistance**

HANDOUTS from Alex Borge

Sample Contract with Palm Beach County

_____	\$900 Fee	<u>Purchase Assistance Program</u> File packaging and submittal: Process, address inquiries, service referrals, conduct one on one intake appointment to assist with completing application, gathering all required documents, pre and post budget counseling, follow-up, package file, and scheduling appointment to submit a complete accurate file through the intake review process. <i>(Rejected files are subject to reduction in file submittal fee at MHI discretion) (AND)</i>
_____	\$100 Fee	Education Requirement: Homebuyer Education Eight (8) hour training, in which six (6) hours shall be in a classroom setting (and) two (2) hour one-on-one, provided by a HUD Certified Counseling Agency (or) NeighborWorks America Certification. Complete, sign and submit Certificate of Completion and Homebuyer Education Certification. Thorough overview of property taxes, homeowners insurance, Homestead Exemption filing, mandatory escrows and applicants' minimum contribution.
_____	\$200 Fee	Property Services: Ensure that either your organization or a realtor was actively involved in the eligible property selection process. If the home is located within a HOA or Condo Association, the applicant was provided a clear understanding of what responsibilities they have within an association. Thoroughly discuss guidelines for investor owned properties. <i>(Fee is subject to reduction at the discretion of MHI)</i>
_____	\$300 Fee	Liaison: Responsible for communicating with all parties involved in this real estate transaction until the file is closed and funded. Submit contact sheet for all parties involved in the transaction. Submit executed contract. <i>(If the sellers, realtors, buyers, etc... repeatedly contact MHI, the file is subject to reduction in the Liaison fee at MHI discretion).</i>

HANDOUTS from Alex Borge

Affordable Loan Products and Down Payment Assistance



AFFORDABLE LOAN PRODUCTS & DOWN PAYMENT ASSISTANCE PROGRAMS

For more information, email: Housing@DebtHelper.com

Revised 1.14.20

PROGRAM	PROGRAM BENEFITS / REQUIREMENTS	WEBSITE / CONTACT INFO	*HOMEBUYER EDUCATION REQUIRED?
Florida Bond/Assist	Up to \$7,500 down payment/closing cost assistance. 0% deferred 2nd mortgage due upon sale of home. Income and price limits vary by county. 640+ FICO score.	Springboard CDFI ---- 800-920-2262 ---- Housing@DebtHelper.com <i>DebtHelper.com is a member of this Community Development Financial Institution and can submit applications through our housing counselors.</i>	YES
Springboard to Homeownership 101% Financing	101% financing with NO mortgage insurance. (97% 1st mortgage, 4% 2nd mortgage DPA) 2nd is repaid monthly with interest only payments. (Same rate as 1st) Income limits up to 140% AMI. 660+ FICO score.	Springboard CDFI ---- 800-920-2262 ---- Housing@DebtHelper.com <i>DebtHelper.com is a member of this Community Development Financial Institution and can submit applications through our housing counselors.</i>	YES
FL HLP	\$10,000 is provided for down payment/closing costs assistance in the form of an affordable 3% 2nd mortgage. (15-yr amortized) Income and price limits vary by county. 640+ FICO score.	Springboard CDFI ---- 800-920-2262 ---- Housing@DebtHelper.com <i>DebtHelper.com is a member of this Community Development Financial Institution and can submit applications through our housing counselors.</i>	YES
City/County SHIP (State Housing Initiative Program)	Ranges from \$10,000-\$100,000 based on municipality, household size and income. 0% deferred second mortgage due at time of sale.	www.FloridaHousing.org Housing@DebtHelper.com	YES
MCC (Mortgage Credit Certificate)	Allows buyers to take a tax credit of \$2,000 annually for as long as they own their home. THIS PROGRAM CAN BE STACKED ON TOP OF OTHER PROGRAMS. (Can't stack on another FL Housing program)	www.FloridaHousing.org Housing@DebtHelper.com	YES
Envoy Mortgage - Rate Advantage Program	Offers 100% financing. FHA 1st mortgage with down payment & closing cost assistance in the form of a fully amortized 2nd mortgage at 8%. 2nd mortgage is paid off in 10 years or upon sale of the home. 640+ score. DTI up to 50%. No manual underwrite permitted.	Michael Cantwell - Envoy Mortgage 561-262-5366 MCantwell@envoymortgage.com www.EnvoyMortgage.com Cheryl Holston - 561-640-0178 cholston@envoymortgage.com	YES
Community Partners 5K program (CPDPA)	Up to \$5,000 in DPA. Minimum contribution is \$1,500 for veterans, first responders, teachers and nurses or \$2500 for others. Max income 120% AMI. Palm Beach and Port St. Lucie Counties. Can be stacked with select lenders in-house programs	Ana Lopez - Community Partners of South Florida 561.841.3500 ext 1004 www.cp-cto.org	YES
Own A Home Opportunity Program (Palm Beach County)	\$10,000 is provided for down payment/closing cost assistance in the form of a 0% 2nd mortgage which must be paid upon sale of the property. Income limit is \$111,450. 640+ score on conventional and 660+ score on FHA to qualify. (Additional closing cost credits available = \$1,500 if income is under \$52,560 and \$2,500 if income is under \$32,850.)	Michael Cantwell - Envoy Mortgage 561-262-5366 MCantwell@envoymortgage.com www.envoymortgage.com	YES
Own A Home Opportunity Grant (Palm Beach County)	3%, 4% and 5% in down payment & closing costs assistance in the form of a non-repayable grant. Borrower doesn't need to be FTHB. 640+ FICO score and income max is \$111,450 to qualify. (Additional closing cost credits available = \$1,500 if income is under \$52,560 and \$2,500 if income is under \$32,850.)	Michael Cantwell - Envoy Mortgage 561-262-5366 MCantwell@envoymortgage.com www.EnvoyMortgage.com	YES
Third Federal Savings HomeReady Purchase	\$10,000 available for DPA & closing costs. Conventional loan. 640+ credit required. Assistance is forgiven after 10 years. Max income \$60,000 or purchase under 80% LMI	Aldo Cardenas - Aldo.cardenas@thirdfederal.com (561) 964-8860 Jamila Elliot - 954-340-4032 Jamila.Elliott@thirdfederal.com	YES

More HANDOUTS

Sample Contract from Kissimmee

- Rapid Rehousing of Homeless persons
- Maintain Files, submit Monthly Reports

Pasco County Bid Specifications

- Classes: 7 hours long, # in certain locations, English and Spanish
- Foreclosure Prevention: Develop budget, Possibly defer SHIP loan repayment

Types of Housing Counseling



- Pre-Purchase
- Post-Purchase
- Foreclosure prevention
- Rental housing counseling
- Homeless Counseling



Homebuyer Counseling

- Offer classes and one-on-one counseling.
- Involve lenders, home inspectors, Realtors, insurance staff, and more

Topics for Pre-Purchase Education

Key Topics	Client Outcome
Assessing Homeownership Readiness	
Pros and cons of homeownership	Understand the benefits and responsibilities of homeownership
Overview of the home purchase process	Conduct self-assessment of homeownership readiness
Housing affordability	Calculate housing affordability
4 C's of credit	Understand how lenders determine mortgage readiness

Source: National Industry Standards for Homeownership Education & Counseling



Financial Management Counseling

Financial Management

Financial management education:

- Including “Provide... skills and knowledge necessary to ameliorate the risk of re-default or avoid problems in the future.”

Financial coaching:

- One-on-one assistance

Extended financial management:

- including post-modification assistance such as “engage with the lender or servicer to discuss specific issues related to the permanent modification.”

–Quotes from *FCP Revised Procedures Feb 2015*



Foreclosure Prevention

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SHIP Foreclosure Prevention Resources

SHIP Counseling: Classes and one-on-one counseling. Communicate and Negotiate with lender

SHIP Foreclosure Prevention Strategy:

- Pays past due amounts:
 - Delinquent mortgage payments (principal, interest, taxes and insurance),
 - Attorney's fees,
 - Late fees and other customary fees

SHIP helps Homeowners with Hardships

- Recovered from temporary hardship
- Can maintain housing payments
- Sample Text
 - “There must be a reasonable prospect that the applicant will be able to resume full mortgage payments to the primary lender.”
 - “The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.”

Foreclosure Prevention Counseling CASE STUDY

DebtHelper.com

Alex Borge

- Overview of how a counselor provides foreclosure prevention counseling
- After Hardest Hit Fund closed, what else has funded your foreclosure work?



Post-Purchase Counseling

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Post-Purchase Counseling CASE STUDY

DebtHelper.com
Alex Borge

- **Why is this important?**
- **What topics are addressed?**

Post-Purchase Topics

- Budgeting
- Energy Efficient Home Maintenance
- Preventing a Foreclosure
- Disaster Preparation <https://vimeo.com/351683268>
- Selecting and Managing Home Improvement Contractors
- Home Warranties and Insurance
- Exterior and Interior Pest Control
- Storm Shutters, Gutters, Drainage Control



Rental Housing Counseling

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Helping Renters

- **Find the Right Place: Near transport. Near services or job. Rentals with subsidy**
- **Upfront: tenant responsibilities, Insurance for Renters**
- **Application Obstacles: Criminal Records, Leaving before lease is up.**
- **Details about the Rental Lease**
- **The Eviction Process – Avoid Eviction Action plan**



Housing Stability Counseling

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SHIP “Housing Stability Counseling” for Homeless recipients

- For recipients of SHIP Rental Subsidies
- Counseling links household with services to promote housing stability
 - Employment
 - Benefits (e.g., disability income, food stamps)
- Mediating between landlord and tenant

Questions & Answers

Please complete Evaluation