

# Washington Homeownership Resource Center

Increasing and  
Preserving  
Homeownership in  
Washington

[www.homeownership-wa.org](http://www.homeownership-wa.org)



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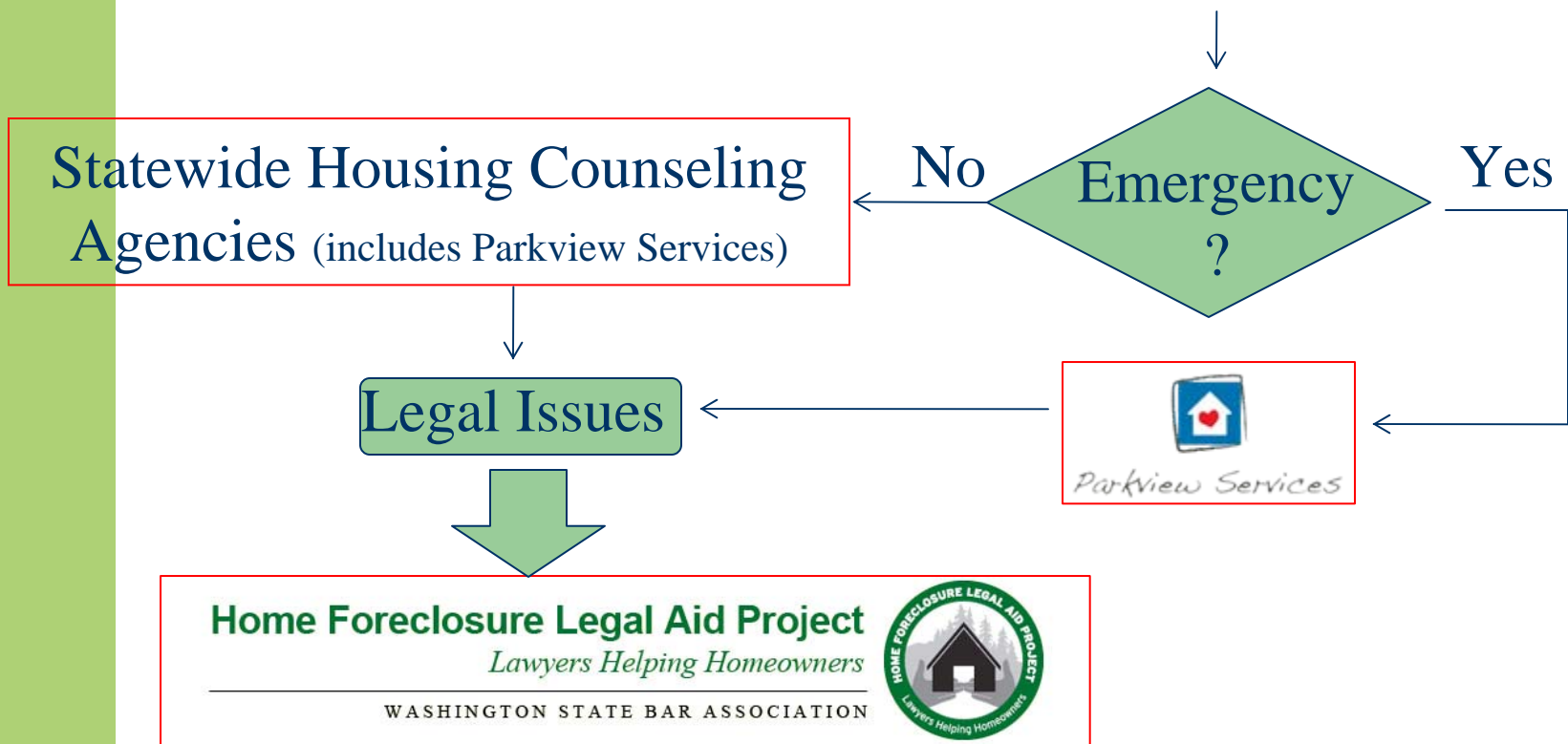
# Washington Homeownership Resource Center

- “First step to homeownership” for potential homebuyers statewide
- First step to home preservation for homeowners having difficulty paying their mortgages

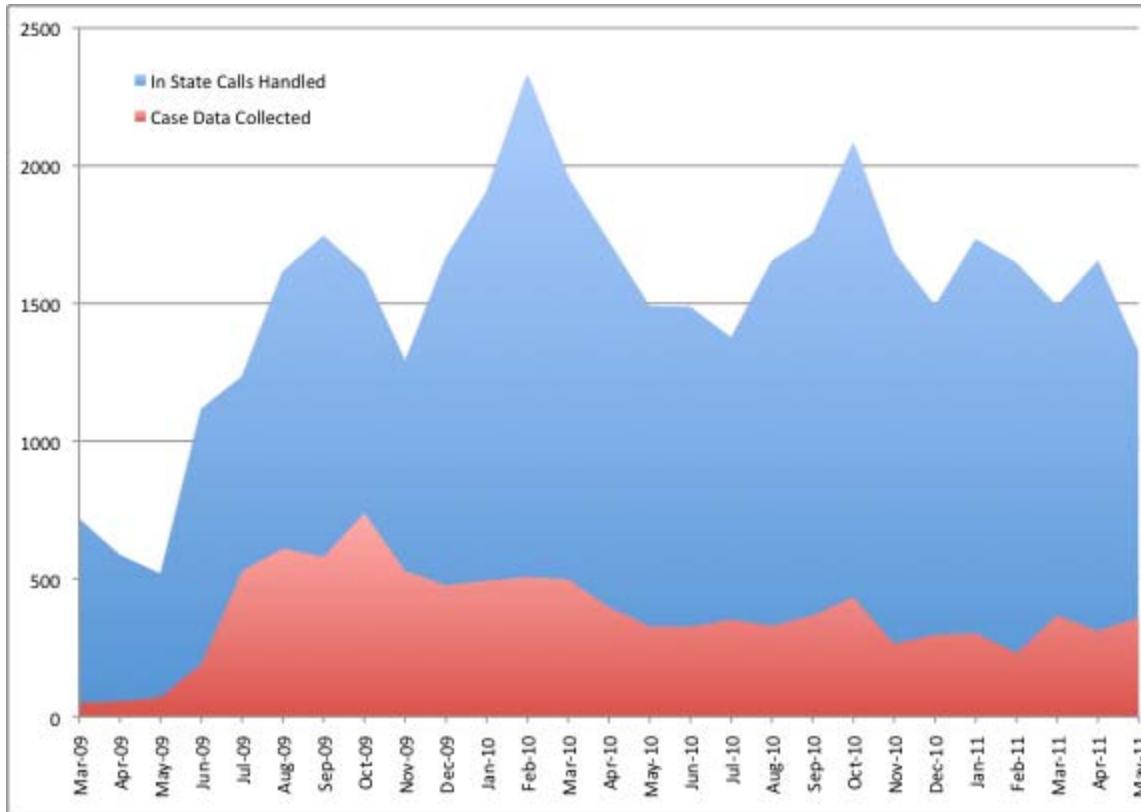


# Homeownership Information Hotline 877-894-4663

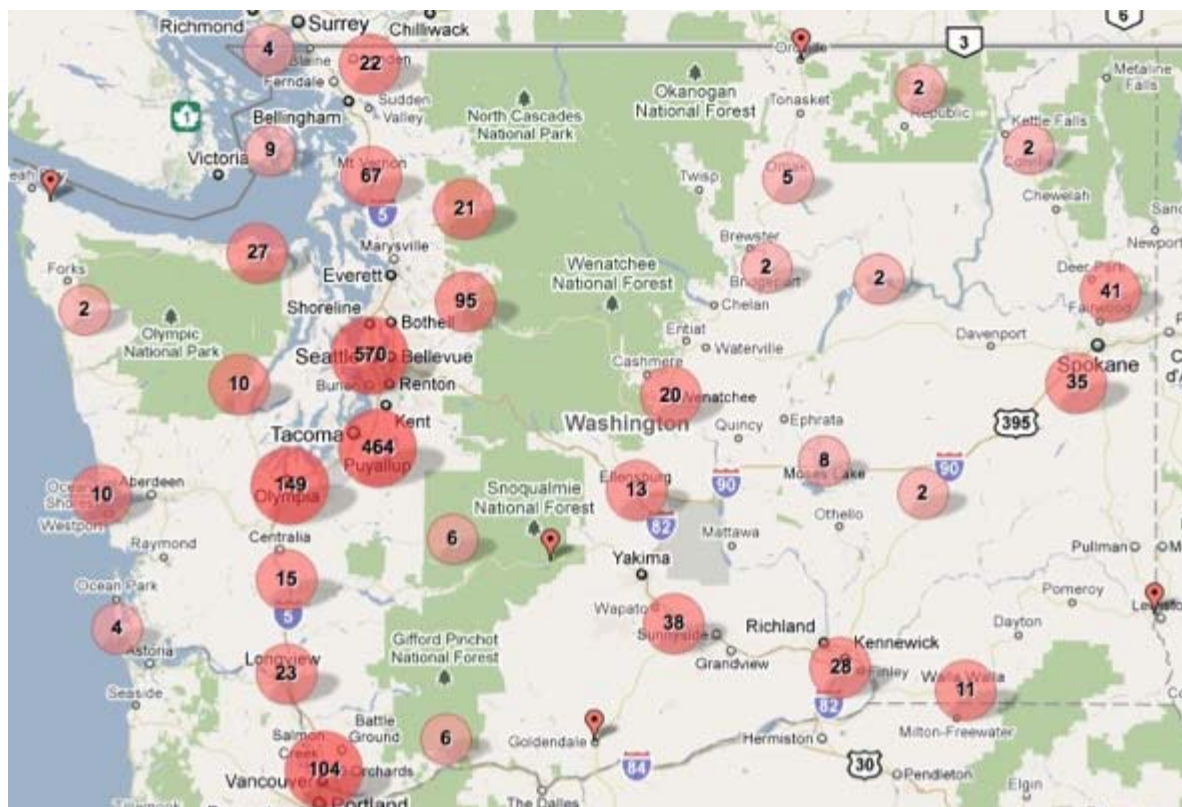
Distressed Homeowners → WHRC Call Center



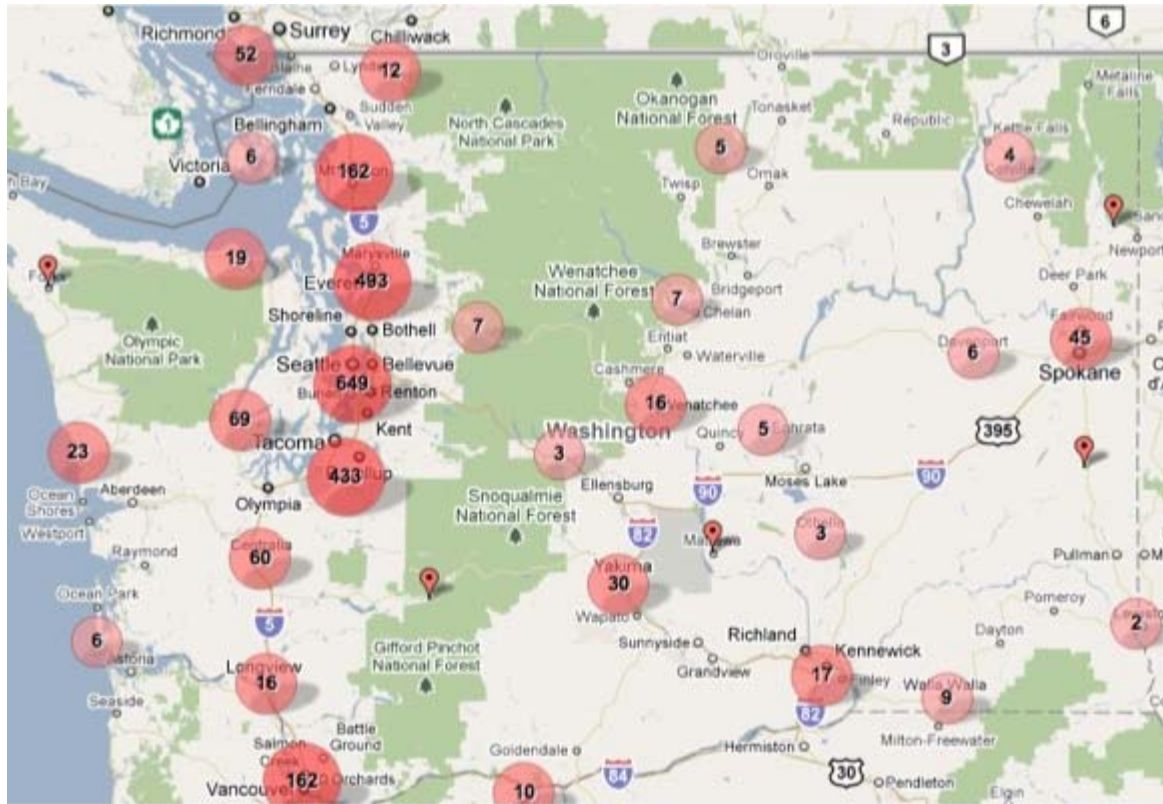
# Foreclosure Prevention Hotline Activity



# Where the Calls Are Coming From April 1, 2010 – Sept 30, 2010



# Where the Calls are Coming From Oct 1, 2010 – June 19, 2011



Oct 1, 2010 – June 19, 2011



# How to Stop What's Not OK in WA State

- Dual-Track Workout Process
- Trustee's that Neglect Duty of Good Faith to Homeowners
- Trustee's that do not have local offices.
  - "Having an agent in Washington State isn't sufficient; the law also requires that the trustee itself maintain an office with a phone where homeowners can go to resolve their foreclosure issues,"



-Rob McKenna  
WA State Attorney General



# Your Home Forecloses Now What

- Avoid Eviction – HFLAP can help
- Negotiate Cash for Keys
- Document Cause of Financial Hardship
- Renting –
  - May be required to pay a higher security deposit
  - People have been finding rentals



# Getting a Loan After Foreclosure

Derogatory Event	Waiting Period Requirements	Waiting Period with Extenuating Circumstances
Deed in Lieu or Pre-foreclosure Sale	2 years - 80% LTV max 4 years - 90% LTV max 7 years - otherwise	2 years - 90% LTV max
Foreclosure	7 years	3 years - 90% LTV max

Source: Fannie Mae Selling Guide – May 24, 2011



# Extenuating Circumstances

Extenuating circumstances are nonrecurring events that are beyond the borrower's control that result in a sudden, significant, and prolonged reduction in income or a catastrophic increase in financial obligations.



# Document Extenuating Circumstance

## Fannie Selling Guide States:

- If a borrower claims that derogatory information is the result of extenuating circumstances, the lender must substantiate the borrower's claim.
- Examples of documentation are;
  - documents that confirm the event (such as a copy of a divorce decree, medical reports or bills, notice of job layoff, job severance papers, etc.)
  - documents that illustrate (sic) borrower's inability to resolve the problems that resulted from the event (such as a copy of insurance papers or claim settlements, property listing agreements, lease agreements, tax returns ...)



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<https://www.efanniemae.com/sf/guides/ssg/sgpdf.jsp>

# EHL P HUD Emergency Homeowner's Loan Program

- Mortgage payment relief to eligible homeowners experiencing a drop in income of at least 15%, directly resulting from
  - involuntary unemployment,
  - underemployment due to adverse economy, and/or
  - a medical emergency.
- <http://www.nw.org/network/foreclosure/nfmcp/EHLPconsumers.asp>



## How does it help?

- It can pay to reinstate your loan and pay a portion of your mortgage for up to 2 years
- You pay \$150 per month or 31% of your gross income whichever is more
- HUD Loan pays the difference between regular payment and your portion
- Total loan amount cannot exceed \$50,000
- Loan is forgiven after 5 years if still in home



# Who is Eligible?

- Owner occupied principle residence
- Unemployed, underemployed, or medical
- At least 3 months behind on payments
- Us Citizen, Non-Citizen National, or qualified alien
- Not behind on any federal debt
- No more than 2 liens on property
- Pre-Hardship income <120% AMI or <\$75K
- Can resume making payments within 2 years
- Not in active bankruptcy



# WA EHLP Awardees

Agency	No of Loans
Credability	36
Homeownership Preservation Foundation	188
Money Management International Inc.	161
National Community Reinvestment Coalition	18
National Foundation For Credit Counseling, Inc.	353
National Urban League	55
Springboard Non-Profit Consumer Credit Management	18
Washington State Housing Finance Commission	472



# WSHFC Housing Counseling Agencies

Agency	Website
American Financial Solutions	<a href="http://www.myfinancialgoals.org">www.myfinancialgoals.org</a>
El Centro de la Raza	<a href="http://www.elcentrodelaraza.com">www.elcentrodelaraza.com</a>
HomeSight	<a href="http://www.homesightwa.org">www.homesightwa.org</a>
Parkview Services	<a href="http://www.parkviewservices.org">www.parkviewservices.org</a>
South Sound Outreach	<a href="http://www.southsoundoutreach.org">www.southsoundoutreach.org</a>
Rural Resources Community Action	<a href="http://www.ruralresources.org">www.ruralresources.org</a>
Family Finance Resource Center	<a href="http://www.homeownersolutions.org">www.homeownersolutions.org</a>
Community Housing Resource Center	<a href="http://www.homecen.org">www.homecen.org</a>
Community Credit Counseling Service of the Tri-Cities	<a href="http://www.cccstricities.org">www.cccstricities.org</a>
Urban League of Metropolitan Seattle	<a href="http://www.urbanleague.org">www.urbanleague.org</a>



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# How To Apply

- Fill out Pre-Application and Third Party Authorization and send to participating Housing Counseling Agency.
- Gather documents on the checklist.
- If selected via lottery you will submit documents to Housing Counseling Agency.

**EHLP Screening Worksheet** U.S. Department of Housing and Urban Development CMS Approval No. 2007-0887 (Rev. 6/31/2011)

**Emergency Homeowners' Loan Program (EHLPP) Pre-Applicant Screening Worksheet**

**AGENCY USE ONLY**  
County: ( ) Metro ( ) Other

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

**Privacy Act Information:** The Department of Housing and Urban Development (HUD) is authorized to collect this information by Title I (Emergency Homeowners' Relief Act) of the Emergency Housing Act of 1975, as amended (12 U.S.C. 2701). Each affected agency must submit information to assist HUD in selecting participants for the Emergency Homeowners' Loan Program (EHLPP) program. HUD and Neighborhood Homeownership America will use the EHLPP information to determine initial eligibility for the mortgage, and evaluation required to provide emergency assistance to eligible homeowners at risk of foreclosure. If you do not provide the information on this form, you will be determined ineligible for admission to a HUD EHLPP application. This collection is mandatory. The information requested is required to obtain benefits under the EHLPP program.

**Sensitive Information:** The information on these forms is sensitive and is protected by the Privacy Act. Keep the forms locked and confidential.

Please complete this form and return to an EHLPP agency. Please PRINT clearly. Worksheet must be submitted by July 22, 2011.

Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_ County: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Primary Phone: ( ) \_\_\_\_\_ Alternative Phone: ( ) \_\_\_\_\_  
Email: \_\_\_\_\_

1. Have you experienced a reduction in income as a result of one of the following:  
(Please check one reason)  
 Yes, unemployment due to the economy or a medical condition.  
 Yes, underemployment due to the economy or a medical condition.  
 No, I have not experienced a loss in income.

2. Do you have any co-mortgagor(s) and/or a co-signor(s) named on your first mortgage?  Yes  No

3. Was the combined 2009 adjusted gross income of all the persons named on your first mortgage loan documents less than \$75,000?  Yes  No  
If no, was the combined 2009 adjusted gross income less than the EHLPP income limit for your county (see <http://www.huduser.org/portal/EHLP/index.html>)?  Yes  No

 **EHLPP**  
Emergency Homeowners' Loan Program  
www.FinEHLP.org

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