

# The Role of Foreclosure-Prevention Counselors in Working with Mortgage Servicers and Homeowners to Renegotiate Troubled Loans

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# Session Introduction

- Who are we?
  - Where do we draw our conclusions from?
  - Activities v. Presentation
- 
- Session Objectives: What are your objectives in being here today?



# Session Objectives

- Participants will be familiar with terms, processes, and challenges of foreclosure intervention counseling.
- Participants will identify value added by counselors and best practices for mortgage servicers in working with borrowers.



# Activity 1: Key Terms

- Individual Activity: Match the terms in the box to the definition provided.
- 5 minutes to complete
- Review terms and definitions at end.



## Activity 2: Put Process in Order

- Small Group Activity: Small groups put in order steps associated with foreclosure-intervention process.
- 10 minutes to complete
- Report process back to group



## Activity 3: Challenges

- Small Group Activity: Read the scenario. When all group members have finished reading, discuss and record the challenges you see in the scenario.
- 5-10 minutes to complete
- Report back the challenges you observe to the whole group



# Challenges for Counselors

## Assisting Borrowers

Borrowers unfamiliar with budgets

Borrowers do not understand how servicers work

## Navigating Servicers

Servicers require proof of borrower permission

Length of time spent on hold with servicer.

Servicers often unresponsive and disorganized

## Arriving at a Solution

Servicers have difficulty providing firm answers regarding cases

Servicers steer borrowers into workouts that are not sustainable



## Activity 4: Servicer Best Practices

- Small Group Activity: Using the list of best practices, identify the three most important best practices for mortgage servicers for your group's scenario.
- 5-10 minutes to complete
- Report back to whole group on most useful best practices



# Servicer Best Practices

## Process

- Increased Capacity
- Faster Response Times
- Better Training
- Single Point of Contact

## Dedicated Department

## Outcomes

- Flexibility
- Interest Rate Reductions
- Principal Write Downs
- Fix Interest Rates



## Activity 5: Value Added

- Whole Group Activity: Report best practices you observed in the example cases worked thorough.
- 5-10 minutes to complete
- We will record your ideas on the flip-charts at the front of the room.



# Value Added by Counselors

## Assisting Borrowers

- Assess Budget
- Identify ways to budget more effectively

## Navigating Servicers

- Contact correct department at servicer, direct contacts at servicers
- Persistence / time needed to work with servicers

## Arriving at a Solution

- Identify, advocate for most sustainable solution
- Aid in moving to replacement housing if foreclosure unavoidable
- Connect families to needed social services



## Wrapping Up

- How we met your objectives
- Outstanding issues and questions
- Discussion of role of counselors