

Statewide Campaign Cracks Down on Loan 'Mod' Fraud

Hotline teams with AG's office, Rocky Mountain PBS to educate homeowners about illegal practice

In an effort to protect homeowners from foreclosure-related scams, the Colorado Foreclosure Hotline in September launched an aggressive consumer outreach and education campaign to alert homeowners about the growing problem of loan modification scams that are victimizing thousands of homeowners across the state.

"Loan modification scams in Colorado are increasing at a rapid pace," said Hotline manager Stephanie Riggi. "Every day, scam artists prey on vulnerable homeowners in danger of foreclosure. These homeowners are losing thousands of dollars along with their homes—lured by the false promise of a loan modification."

Leveraging a \$60,000 NeighborWorks America grant award as part of the national Loan Modification Scam Alert Campaign, the Colorado Foreclosure Hotline team distributed materials and helpful information to public agencies across the state.

The staff also worked closely with local Rocky Mountain Public Broadcasting System (RMPBS) to produce and air a series of Public Service Announcements to raise awareness about the issue and to identify the tactics used by disreputable loan modification scam companies. With the help of housing counselors from the Hotline's network, RMPBS also staged phone bank 'events' to provide some viewers with valuable information from housing counselors about legitimate loan modification options.

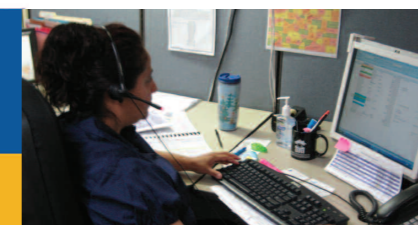
"From on-air programs and foreclosure prevention tips to special phone banks and blogs, Rocky Mountain PBS has been proud to showcase to our 1.5 million statewide viewers the invaluable services the Hotline provides and connect our viewers directly to reliable help," said Elizabeth Mayer, communications manager. "Together through our Facing the Mortgage Crisis Initiative, we have served our diverse Colorado community with vital information and resources. The staff at Rocky Mountain PBS is grateful to the Colorado Foreclosure Hotline for a strong and growing partnership."

In addition to engaging public television, the campaign also reinforced a growing relationship with Colorado Attorney General John Suthers, who in 2008 allocated funds to keep the Hotline operational. Given his familiarity with the successful resource, the Attorney General and his staff were eager to leverage the Hotline to reach homeowners and crack down on an increasing number of crooked companies promising loan modifications in exchange for an upfront fee—30 of which his office shut down in 2009.

"The work of the Colorado Foreclosure Hotline has helped thousands of Coloradans in default or facing foreclosure remain in their homes," Suthers said. "Our investment in the Colorado Foreclosure Hotline, which comes from recoveries in foreclosure fraud cases brought by our office, has yielded positive results for homeowners across Colorado. We look forward to continuing to work with the hotline to provide homeowners with a critical resource as Colorado continues to weather the foreclosure crisis."



The Colorado Foreclosure Hotline 2010 Annual Report



Four Years of Fighting Foreclosure: Colorado Foreclosure Hotline Builds Momentum Through Another Milestone

Concluding its fourth year in operation, the Colorado Foreclosure Hotline, along with its network of housing counseling agencies, continues to serve as the unique and crucial homeowner resource that the state's leaders envisioned when they conceived and launched the program in 2006.

Since its debut as the state's primary foreclosure prevention initiative, more than 130,000 Coloradans have called the Hotline for help in holding onto their homes—with monthly call averages ranging between 2,500 to 3,500.

The network's counselors, meanwhile, have provided free and direct assistance to more than 25,000 Coloradans—equipping them with a better understanding of their options, working with their mortgage lender and generally helping them find the best resolution for their particular circumstances. Four-out-of-five homeowners who have met with a housing counselor have achieved a positive resolution—preventing more than \$4 billion in foreclosure sales.

Partnerships are paramount to our success. The Hotline's strength can be found in its network of government, non-profit and private sector partners—a coalition that numbers in the dozens and is committed to seeing the state through this unprecedented housing crisis.

Over the past year, the Hotline welcomed several new partners and expanded its reach to better assist homeowners on the Western Slope. Our staff also engaged real estate and mortgage industry leaders, public and elected officials and major loan providers to assess industry changes and strategize solutions.

On behalf of Brothers Redevelopment and the staff of the Colorado Foreclosure Hotline, we'd like to thank the network's participating agencies and individuals who have helped make the Hotline a viable and valuable resource.

Your contributions to this collaboration have been key in preserving Colorado's economy and quality of life.

Colorado Foreclosure Hotline Network Partners

- Adams County Housing Authority
- Boulder County Housing and Human Services
- Boulder County Housing and Human Services - Longmont
- Brothers Redevelopment, Inc.
- City of Aurora – Community Development
- Consumer Credit Counseling Services of Pueblo
- Colorado Housing Assistance Corporation
- Consumer Credit Counseling Service of Northern Colorado and Southeast Wyoming
- Community Resources and Housing Development Corporation – Westminster
- Douglas County Housing Partnership
- Del Norte Neighborhood Development Corporation
- Grand Junction Housing Authority
- Housing Solutions for the Southwest
- Neighbor to Neighbor – Loveland
- Neighbor to Neighbor – Fort Collins
- Neighborhood Housing Services of Pueblo
- Consumer Credit Counseling Service of Northern Colorado Springs
- Northeast Denver Housing Center
- NEWSED Community Development Corporation
- Consumer Credit Counseling Services of Southern Colorado Springs
- Tri County Housing and Community Development Corporation
- Upper Arkansas Area Council of Governments

Sponsors

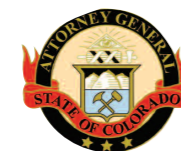


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Additional Partners & Special Thanks

- Colorado Association of Realtors
- Housing Opportunity Fund
- The Colorado Division of Real Estate
- Colorado Public Trustee Association
- Colorado Association of Realtors
- Colorado East Bank and Trust
- Colorado Housing and Finance Authority
- Land Title Guarantee
- Colorado Mortgage Lenders Association
- City and County of Denver
- Citi Mortgage
- Fannie Mae
- Freddie Mac
- GMAC
- The Colorado Broadcasters Association
- PMI Foundation
- Aurora Loan Services
- Vectra Bank
- Bank of the West
- National Association of Realtors
- Land Title Association of Colorado
- The Federal Reserve Bank of Kansas City (Denver Branch)
- Rocky Mountain PBS
- Bank of America
- KUSA 9NEWS





Boosting the Scope of Service for the Western Slope Hotline fills gap for one of state's hardest hit areas

The Colorado Foreclosure Hotline network went west in 2010 to curb a wave of foreclosure.

While most Colorado counties saw a decrease in foreclosure filings last year, Mesa County on Colorado's Western Slope saw foreclosures rise by 16 percent.

With Grand Junction and other Western Slope communities experiencing a dramatic increase in the number of foreclosures and only a limited number of HUD-approved housing counseling agencies available to serve the area's homeowners, members of the Colorado Foreclosure Hotline network teamed with the Grand Junction Housing Authority to boost services west of the Continental Divide.

Throughout the year, a handful of Hotline affiliates volunteered to help their Mesa County counterparts take on a growing number of phone calls and to offer consultation from concerned Western Slope homeowners.

In May, Denver area housing counselors made the four-hour trek to Grand Junction to stage and staff several foreclosure prevention events, during which they counseled more than 60 households.

"The Colorado Foreclosure Hotline serves an important need for residents of Western Colorado struggling to maintain homeownership" said Amy Case, Grand Junction Housing Authority Home Ownership Coordinator. "In our rural areas, where HUD approved housing counselor capacity is nearly non-existent, the Hotline connects callers to certified counselors so that they can obtain the professional assistance they may otherwise have had difficulty locating."

It's not the first time that the Hotline network has stepped in to help foreclosure stricken areas across the state. Amid the ever changing foreclosure landscape, the Hotline and its network has demonstrated flexibility and willingness to modify its service provision to meet the needs of communities across Colorado.

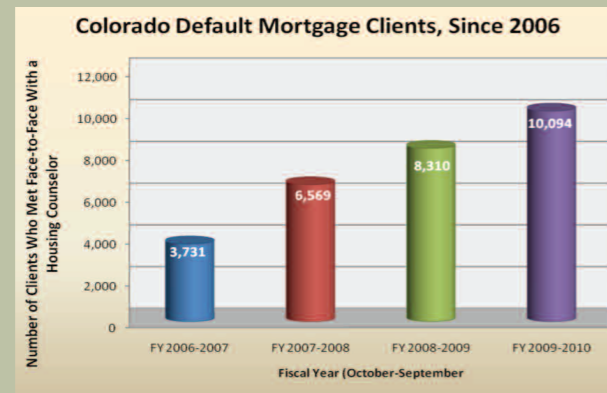
Over the past few years, the Hotline's staff and affiliate agencies have been able to tailor programs and quickly serve foreclosure spikes in Adams, Larimer, El Paso and Pueblo counties.

Working with a large number of network affiliates, Hotline administrators are also able to accommodate counseling agencies that need to step out of the queue for limited periods due to capacity issues or so that network counselors can receive training.

Colorado Foreclosure Hotline Statistics

Housing Counseling Outcomes

Currently receiving counseling	33%
Mortgage modified	14%
Other	7%
Initiated forbearance/repayment plan	6%
Brought mortgage current	6%
Mortgage foreclosed	5%
Pre-foreclosure sale	5%
Bankruptcy	4%
Referred to other agency	3%
Withdrew from counseling	3%
Entered debt management	3%
Partial claim (FHA lender)	3%
Sold property	2%
Referred to legal assistance	2%
Mortgage refinanced	2%
Executed deed-in-lieu	1%
Received second mortgage	<1%



Hotline Call Volume

Year to year, the Colorado Foreclosure Hotline's call volume increases. Since the 2007 fiscal year, call volume is up more than 60 percent.

Despite fluctuation and rapid increase, Colorado housing counselors have continued to maintain a success rate of 80 percent.

The Hotline had fielded more than 100,000 calls since the phone lines opened in October 2006.

The Hotline and its partner agencies operate on a HUD-fiscal year from October to September.

Fiscal Year	Spanish Calls	TOTAL
06-07	759	21,813
07-08	582	25,548
08-09	846	37,982
09-10	1727	38,145



Year	Foreclosure Filings	Foreclosure Sales	Hotline Calls	Colorado Foreclosure Filings
2003	13,573	6,258	0	In general, while Colorado filings fluctuate, sales continue to decrease. This means that while homeowners are entering the foreclosure process, the sales are not finalized, therefore decreasing the actual number of completed foreclosures in Colorado. The Division of Housing and other industry experts continually point to the Hotline and housing counseling efforts as the reason for a reduction in the number of completed foreclosures. Through counseling, Colorado homeowners are achieving workouts to avoid foreclosure and find the best option in each situation.
2004	16,801	7,782	0	
2005	21,782	12,699	0	
2006	28,435	17,451	5,586	
2007	39,920	25,054	20,363	
2008	39,333	21,306	29,048	
2009	46,394	20,437	40,557	
2010 (Jan-Sept)	31,956	19,202	27,884	

Chart reflects foreclosure activity on a calendar year.

The Possibilities of Partnership Colorado Foreclosure Hotline Earns Prestigious Eagle Award



Since 2006, the Denver-based housing nonprofit organization Brothers Redevelopment has successfully managed and headquartered the Colorado Foreclosure Hotline Call Center, which enables homeowners who have missed or expect to miss a mortgage payment to call the Hotline (1-877-601-HOPE) free of charge, type in their zip code and speak to a Housing Counselor at a HUD-approved Housing Counseling agency nearest them.

On average, the Hotline and its four-member team receives some 3,500 monthly calls from concerned homeowners. In all, more than 123,000 Coloradans have called the Hotline since its inception for help in holding onto their homes. The network's counselors, meanwhile, have helped more than 25,000 Coloradans better understand their options to reach a positive resolution--defined as the best workout option for a homeowner that prevents the foreclosure from completing and being added to a homeowner's credit report.

Working with agencies across the Front Range, The Colorado Foreclosure Hotline serves as Brothers Redevelopment's most visible effort to help the state's public officials meet Colorado's most pressing housing challenges.

Participating agencies include all of the state's 26 HUD-approved agencies; the Colorado Division of Housing; the Colorado Division of Real Estate; the state's Public Trustees; the Colorado Association of Realtors; Colorado East Bank and Trust; Colorado Housing and Finance Authority; Colorado Land Title; Colorado Mortgage Lenders Association; City and County of Denver; CitiMortgage; Fannie Mae; Freddie Mac; GMAC; JP Morgan Chase; US Bank; Wells Fargo; the Colorado Broadcasters Association; the Federal Reserve Bank of Kansas City (Denver Branch); and Rocky Mountain PBS. The effort has also received assistance from several of state lawmakers, many municipal officials and Colorado Attorney General John Suthers.

"The Hotline points us to the possibilities of partnership," said Mary Ann Shing, Brothers Redevelopment president. "Brothers Redevelopment is truly honored to work alongside so many caring and reputable agencies that are helping homeowners hold onto their homes."

In October, officials with the statewide affordable housing advocacy group Housing Colorado Now presented the staff and members of The Colorado Foreclosure Hotline with the organization's prestigious Eagle Award—celebrating the extraordinary accomplishments, innovations and outstanding leadership of agencies and individuals in housing and support services.

"To be selected from among so many important programs is beyond words," said Stephanie Riggi, manager of the Colorado Foreclosure Hotline. "The honor is reflective of the hard work and passion of many individuals, government agencies, and private and nonprofit organizations in Colorado committed to the preservation of homeownership for thousands of struggling Colorado families."



BRI staffers on hand to accept the honor included (from l. to r.): Virginia Battaglia, Estela Zuniga, Stephanie Riggi, Shannon Peer and Marie Lara.