

The Colorado Foreclosure Hotline 2012 Annual Report

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Reports of the death of the foreclosure crisis are exaggerated. Similar to Mark Twain's famous quote contradicting a notice of his death, foreclosures are still alive and an ongoing issue for many Colorado families.

While it is true that foreclosure filings are down, there is still an average of 2,500 homeowners each month who are faced with a new foreclosure filing; that is 2,500 families at risk of losing their home. For these families, the foreclosure crisis remains very real.

In 2012, Colorado foreclosure filings numbered 30,000 – still more than two times higher than the number of pre-crisis filings – 13,500.

The Colorado Attorney General's Office continues its support of the Colorado Foreclosure Hotline in several significant ways:

- Allocation to fund the hotline from the settlement reached with the major banks
- Allocation to fund a public-awareness campaign with the goal of reaching more at-risk homeowners earlier in the process and prompting them to pick up the phone to call for help
- Consumer advocacy including educating the public on prospective scams

The Road to Recovery: *Homeowners at risk of foreclosure find options and relief through the Hotline*

As 2012 came to a close, Coloradans began to feel a sense of hope about our economy for the first time in quite a while. A big reason is a rebounding housing market.

Indeed, with the number of people falling into foreclosure half of what it was in early 2009, housing construction growing, home sales increasing, and values rising in some sectors, our housing market has momentum we have not seen in years.

But, it's been a bumpy road and we are a long way from complete recovery.

A year ago, my office, along with the attorney generals in 49 other states, HUD and the U.S. Department of Justice, forged a historic settlement between the federal government, state attorneys general and the five largest mortgage servicers.

The independent report released in November showed the relief is making a real difference for Colorado homeowners. According to the report, during the first seven months of the settlement, 3,700 Colorado homeowners realized \$207.4 million in relief. That's an average of \$56,078 per homeowner.

The relief is in addition to the investment that Colorado has made in the housing market with the \$51.17 million in hard dollars that we received under the settlement. In February 2012, I met with Gov. Hickenlooper, members of his staff, leadership in the Colorado House and Senate and members of the housing community to design a plan for use of these funds that would help more Coloradans save their homes. Together, we forged a plan that we are seeing the results of today.

It is from the \$51.17 million settlement that the Hotline 2013 Public Awareness Campaign is being funded by the Office of the Attorney General and the Colorado Housing and Finance Authority.

Why do we still need the Colorado Foreclosure Hotline with the encouraging news about the housing market?

While Colorado foreclosure filings are declining, that number in 2012 – 30,000 – was still more than two times higher than the number of pre-crisis filings (13,500). We know from experience that when distressed borrowers contact the Hotline, their prospects for staying in their homes increase dramatically. Four out of five homeowners who met with a Hotline counselor last year avoided foreclosure.

We also know that not everyone in need of the Hotline's services is aware of its existence. That is what the 2013 campaign is about: awareness. We need to reach more people in every part of the state to ensure they know help is only a phone call away.

The Hotline – administered by the HUD-approved Brothers Redevelopment housing counseling agency – is the central point of contact among 25 agencies across the state.

The work of the Hotline is as important as ever. The loan servicers are on track to fulfill their consumer-relief commitments, the Colorado funds are in place, and it is important that distressed homeowners learn the options and relief available to them.

The public-awareness campaign will be seen across the state, and I believe it has the power to engage more Coloradans to call a counselor in the Hotline Network for help ... and earlier in the process when their options are greater.



Colorado Attorney General John Suthers

Hotline help goes on the road

2 012 brought with it an increase in foreclosures on the Western Slope and in rural mountain towns. The Colorado Foreclosure Hotline noticed the trend and identified the need and opportunity to support these underserved – even unserved – communities.

The solution implemented by the Hotline: To add roving counselors Lindsay Gafford and Marlene Stuart, who are dedicated to serving the high-foreclosure and underserved areas in Colorado.

Hotline administrators leveraged funds from the Division of Housing, Colorado Association of Realtors Housing Opportunity Foundation and Wells Fargo to pool enough funding for the two housing counselors.

The cities, towns and counties where they had a presence in 2012 include Craig, Gunnison, Granby, Montrose, Eagle, Steamboat Springs, Grand Junction, Glenwood Springs, Winter Park, Fraser, Tabernash, Hot Sulphur Springs, Granby, Ouray, Canon City, Summit County and Lake County.

Hotline counselors Gafford and Stuart comb the communities to talk with community leaders about the benefits of the Hotline, distribute outreach materials and conduct foreclosure workshops. They have counseled clients face-to-face, by phone and even online. Combined, they counseled nearly 200 individuals in 2012.

They have met with public trustees and staff from Colorado employment centers, housing authorities, Chambers of Commerce, Realtors – and attorneys across the Divide.



Lindsay Gafford



Marlene Stuart

As Gafford and Stuart worked in these close-knit communities they noticed two factors: a reluctance to ask for help and that unemployment or underemployment seems to be the catalyst to many mortgage defaults. That knowledge arms them with some insight into life on the Western Slope that help them reach out to homeowners.

“I am most struck by the great need,” Stuart said, “and the great desire among public trustees and community service agencies to help each other and those in need. We are making some headway one client at a time.”

Getting the word out that help is available through the Hotline is key, Stuart said. That is an important part of their visits to the underserved communities. When people with concerns know the Hotline is available and free, they can receive help and avoid the scams that charge fees and vanish.

Our Hotline counselors on the road have enjoyed tremendous success as they’ve filled a much-needed void for homeowners in search of options and counseling. The Hotline will continue the Western Slope outreach into 2013 with our rural communities as a priority.

New funding fuels foreclosure-prevention efforts

In October, Attorney General John Suthers announced the distribution of the \$51.17 million the state received under the settlement with the country’s five largest banks. Colorado allocated its funding to programs and organizations to provide statewide foreclosure and housing relief over the next three years.

The Colorado Foreclosure Hotline network of 25 agencies across the state continues to be the best resource for homeowners facing foreclosure. Four out of five homeowners who see a Hotline counselor avoid foreclosure.

Colorado Foreclosure Hotline Director Shannon Peer said, “The funds designated for the Hotline will help us serve more homeowners and to reach them earlier in the process when there are more and better options the housing counselors can help them explore.”

Foreclosure concerns? There’s an app for that

Brothers Redevelopment in 2012 added a new way for homeowners to find the Colorado Foreclosure Hotline and its services: Apple and Android apps to help Colorado homeowners, consumers, real estate and other professionals better understand the foreclosure process.

The app is free. Find it through the QR Codes here or encourage others to search the Apple App Store or Google Play.



Sponsors



Homeowner, business owner perseveres for success

Colorado Foreclosure Hotline proves itself as the best, most reliable source for help

Imagine more than two years of hearing you have 'too little income,' and 'too much income.' You try to work with a mortgage loan servicer, then with an attorney.

You re-file paperwork, work on a loan modification and soon learn your modification is escalated to Fannie May and feel maybe – finally -- something is happening.

Then you receive an update, only to read 'Denied.'

"A lot of the time, I felt positive that there would be a good outcome," Dennis O'Neil said, "but actually it has been a rollercoaster ride, with many foreclosure dates always in the back of my mind and a lot of frustration trying to explain my circumstances to people who it seemed didn't care."

The professional land surveyor and co-owner of a land-surveying firm in Breckenridge began to imagine losing his Fairplay home that he shared with his wife, Gena, and family for 15 years. It's difficult to imagine riding those years of frustration ... but when your life hangs in the balance, what are the options?

"I had been searching the Internet looking for help, any help," O'Neil said. "I was still desperate and trying to find something that would work so I called the Colorado Foreclosure Hotline. I

submitted the paperwork and a telephone appointment was set with counselor Lindsay Gafford.

"After contacting Lindsay I felt like finally there was a person who actually cared. I realized that there was still a battle to fight but felt like now I had a chance. Lindsay prepared an amazing letter explaining the miscalculation of my income and got my case in review by the Office of Executive Complaints at the bank. Through every step of the process, Lindsay has been there to make sure the review stayed on track.

"On Dec. 18, I received formal notification that I had been approved for a trial modification."

The modification also requires that he work with a HUD-approved agency for the 3-month trial period when his payments will be monitored.

"I am finally beginning to feel like this could become a reality and the feeling is wonderful," O'Neil said. "Finally, peace of mind that I have not



Dennis and Gena O'Neil

had for a very long time.

"The help received from the Colorado Foreclosure Hotline allowed me and my family to remain in our home with a manageable payment. Without this I am not sure what the outcome would have been, possibly relocation to another area and starting over.

"Lindsay is the best, she is an Angel from above," O'Neil said, "She is super professional, knowledgeable, very courteous and all in all one of the best people that I have ever worked with. Without her help, I would have lost my home."

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
Colorado Housing Assistance Corporation
Community Resources and Housing Development Corporation – Alamosa

Community Resources and Housing Development Corporation – Westminster
Consumer Credit Counseling Services of Northern Colorado Springs
Consumer Credit Counseling Services of Pueblo
Consumer Credit Counseling Services of Southern Colorado Springs
Del Norte Neighborhood Development Corporation

Denver Housing Authority
Douglas County Housing Partnership
Grand Junction Housing Authority
Greenpath, Inc.
Housing Solutions for the Southwest
Neighbor to Neighbor – Fort Collins
Neighbor to Neighbor – Loveland
NeighborWorks of Pueblo

NEWSED Community Development Corporation
Northeast Denver Housing Center
Southwest Improvement Council
Tri County Housing and Community Development Corporation
Upper Arkansas Area Council of Government

Visual campaign spreads the word

The first step to seek help is to know that reliable help is available

Striking black-and-white posters and bus signage of Coloradans stating “I Was Foreclosure” hit the streets in January. They entice the viewer to check out the Web site of the same name to listen to accounts of these Colorado Foreclosure Hotline clients who faced foreclosure.

These are the first elements of the Colorado Foreclosure Hotline public-awareness campaign launched in 2013 following months of brainstorming, planning and implementation. The campaign was kicked off with a presentation by Attorney General John Suthers when he noted that the Colorado Foreclosure Hotline continues to be the best resource for Colorado homeowners in danger of foreclosure.

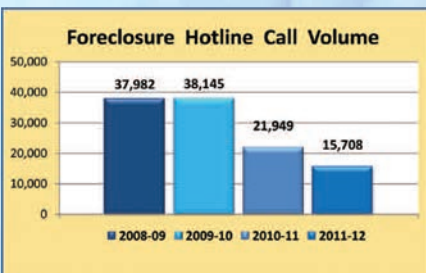
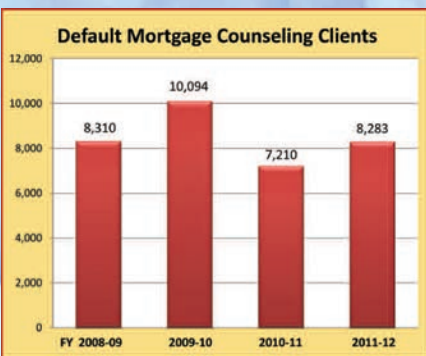
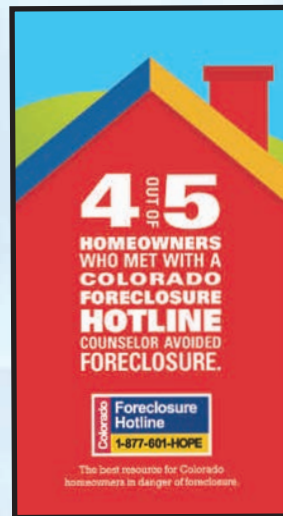
The purpose of the public-information campaign is to drive more homeowners at risk of foreclosure to seek the resources of the Hotline – and to do so sooner in the process when their options are greater. The Hotline’s HUD-approved, one-on-one, trusted counseling services are offered free to all Colorado homeowners.

The IWasForeclosure campaign reaches out across the state using avenues that are efficient and appropriate to each region – adding television spots in English and Spanish, interviews on Spanish radio, online banner ads and print ads to the posters and bus signage.

Little red houses will dot the landscape when the second arm of the campaign rolls out. The brightly colored, hard-to-

miss houses will show up at locations across the state to catch the attention of homeowners.

The Hotline’s partner agencies around the state received campaign elements and toolkits to help spread the word in their communities.



Hotline Network Housing Counseling Outcomes

Currently receiving counseling	38%
Mortgage modified	14%
Other	7%
Brought mortgage current	6%
Initiated forbearance /repayment plan	5%
Mortgage foreclosed	5%
Withdrew from counseling	5%
Pre-foreclosure sale	4%
Bankruptcy	3%
Partial claim (FHA lender)	2%
Sold property	2%
Referred to other agency	2%
Entered debt management	2%
Referred for legal assistance	2%
Mortgage refinanced	1%
Received Second Mortgage	<1%
Executed a deed-in-lieu	<1%

Top 10 Zip Codes for Call Volume

FY 2011-12

Zip	#	City	County
80013	227	Aurora	Arapahoe
80015	184	Aurora	Arapahoe
80239	174	Denver	Denver
80022	170	Commerce City	Adams
80249	137	Denver	Denver
80219	109	Denver	Denver
80233	109	Denver	Adams
80229	93	Denver	Denver
80221	87	Denver	Adams
80504	72	Grand Junction	Mesa