
The Assets Alliance

Advancing Assets, Opening Opportunities

2006 Assets Learning Conference Session II.12

Investment Strategies for Homeownership: Foreclosure Prevention

Session Description: The assets field has increased homeownership opportunities for families with limited incomes over the last few decades. This session will explore policy and practice strategies organizations can incorporate to ensure that investments in homeownership do not result in foreclosure. This session will highlight strategies to address post-investment success during recruitment and assessment phases of a program as well as after a purchase has been made.

Facilitated for the Assets Alliance by:

Rita Bowen

Independent Consultant & Assets Alliance Co-Director

25-24 36th Street, 1st Floor

Astoria, NY 11103

Phone Number: 347-886-7513

E-mail: rita.bowen@gmail.com

Presenters:

Cathy Hinko

Executive Director

Metropolitan Housing Coalition

PO Box 4533

Louisville, KY 40204

Phone Number: 502-584-6858

E-mail: cathy@metropolitanhousing.org

Dan Kornelis

Director of Housing

Forsyth County North Carolina

201 North Chestnut Street

Winston Salem, NC 27101

Phone Number: 336-703-2680

E-mail: 1dwk@earthlink.net

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www.assetsalliance.org

Ideas generated by workshop participants

Causes of Foreclosure	Practice Strategies
<ul style="list-style-type: none"> ▪ More house than can afford ▪ Energy costs ▪ Illness/Death ▪ Predatory lending ▪ Loss of work ▪ Medical ▪ Major life catastrophe (loss of job; illness, etc) ▪ Housing market downturns ▪ No money down loans ▪ Unemployment/Underemployment ▪ Plant closings ▪ Predatory loan terms (or buyer doesn't understand loan terms) ▪ Lack of knowledge/of foresight of true cost and responsibility of homeownership ▪ Overextended (obligations) ▪ Reduction of work hours/wages ▪ Predatory loan ▪ Loss of wages ▪ Job Loss ▪ Miss-managing money ▪ Catastrophic Medical ▪ Predatory home equity loans ▪ Balloon payments ▪ Lack of repayment ▪ Gambling ▪ Job Loss ▪ Secondary market (FHA, Fannie, Freddie) ▪ Lack of mortgage regulation (some states) ▪ Predatory lending ▪ Job loss 	<ul style="list-style-type: none"> ▪ Place restrictions on 1st mortgage product before approving use of IDA match ▪ Place a cap on amount of home purchase price you will approve (to ensure it's in keeping with market and not inflated) ▪ Long term soft 2nd mortgage ▪ Work with lender and negotiate for better foreclosure terms <ul style="list-style-type: none"> ○ Homeowner gives up home ○ Organization then re-sells home to another 1st time buyer ▪ SECTOIN 8 HO Vouchers – will go up in event of job loss or wage reduction ▪ Housing Finance Agency has policy to pay mortgage in event of job loss ▪ Increase savings by \$300- hold it in escrow – client returns post-purchase <ul style="list-style-type: none"> ○ Review credit, inspect home ○ All goes well, return money

Facilitator and Presenter Bios

Rita Bowen

Independent Consultant & Assets Alliance Co-Director

Ms. Bowen, an independent consultant, has engaged in a range of community development activities and services. She has extensive experience in affordable housing development for homeownership and rental housing projects as well as community facilities. She has served as lead developer on projects in Dayton, Ohio and The Bronx, New York, securing financing, grants and professional services contracts for both rehabilitation and new construction projects. Ms. Bowen has designed and managed Individual Development Account and financial education initiatives. In her technical assistance and training capacity, she has assisted numerous organizations in design, implementation and effective management of IDAs, financial education and free tax assistance programs.

Ms. Bowen has provided training development and facilitation services to national organizations such as the United Way of America and Thrivent Financial Services for Lutherans as well as government agencies such as the US Department of Health and Human Services, Office of Community Services (OCS) and the US Department of Justice. Ms. Bowen is a founding member and Co-Director of the Assets Alliance, currently overseeing the development of partnerships for increasing training and TA for IDAs and asset building strategies at the national and local level.

In recent years, Ms. Bowen served as lead manager for CFED's National IDA Learning Conference held in New Orleans in 2004. She also led CFED's technical assistance and training services for more than 200 organizations receiving Assets for Independence Demonstration program grants from OCS. She served as one of three managers designing a TA and training delivery plan with the National Federation of Community Development Credit Unions for the US Department of Justice Weed and Seed program.

Ms. Bowen also works with organizations in strategic planning, organization development, affordable housing development and fundraising.

Cathy Hinko

Executive Director, Metropolitan Housing Coalition

Cathy Hinko is the Executive Director of the Metropolitan Housing Coalition, a regional advocacy organization for fair and affordable housing located in Louisville, KY. Cathy is the former Executive Director of the Housing Authority of Jefferson County which operated award-winning programs providing almost 9,000 households with assisted housing; she was with HAJC from 1988 to 2003. Cathy created the partnership for the first program in the nation to allow households to use a Section 8 voucher payment to help purchase a home. Cathy received her J.D. from Vanderbilt University. She was a Reginald Heber Smith Fellow with Legal Services in Jackson, Tennessee and came to Louisville to practice housing law with the Legal Aid Society in 1983.

Dan Kornelis
Director of Housing, Forsyth County North Carolina

Dan serves as the Housing Director for Forsyth County, North Carolina and has held this position since 1988. Prior to his employment with the County, he was employed as the Community and Economic Development Director for the Northwest Piedmont Council of Governments. Dan graduated with a Masters Degree in Community and Regional Planning from North Dakota State University in 1982. Dan has a broad range of housing and community development experience. He is a licensed REALTOR, a residential and commercial appraiser trainee and performs real estate market analysis studies.

Forsyth County, led by Dan's efforts, is a member of the Forsyth County IDA Consortium and works with the IDA families to help purchase their first homes. Dan serves as the Board Past President for Consumer Credit Counseling Services of W-S, the Center for Homeownership and Vienna Elementary PTA. He also proudly serves on the Board of Directors of the North Carolina IDA and Asset Building Collaborative. Dan, a native of Winston-Salem, is married to a teacher, has two daughters, age 16 and 8 and lives in Pfafftown North Carolina, a suburb of Winston-Salem.

