

Statement of Carol DeRosa
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CONNECTICUT HOUSING FINANCE AUTHORITY
On December 10, 2008
BEFORE THE BANKS COMMITTEE

Chairman Duff and Chairman Barry, Members of the Banks Committee, I am Carol DeRosa Administrator of Residential Mortgage Programs for the Connecticut Housing Finance Authority (CHFA). In this capacity I am also responsible for overseeing the Authority's efforts in the development and implementation of the special mortgage programs authorized by Public Act 08-176 "An Act Concerning Responsible Lending and Economic Security." Thank you for the opportunity to provide an overview of the marketing and outreach activities that were used to educate the public and at risk homeowners about the CT FAMILIES, Emergency Mortgage Assistance and HERO Programs. CHFA will coordinate similar outreach efforts to support DECD's implementation of the Neighborhood Stabilization Program.

Development and Implementation of Housing Fairs

CHFA learned that holding housing events, in the communities most impacted by subprime mortgage lending, was a critical factor in getting the word out about the special mortgage programs. CHFA hosted 14 housing Fairs held in the major urban areas of the state. The events, which were held on the weekends, were attended by over 1,400 homeowners. Promotion of these events ranged from ads in local newspapers to flyers sent home with public school children. Public Service announcements also played an important role in attracting attendees on the day of the event.

The housing fairs provided the opportunity for homeowners to attend information seminars to learn about the CT FAMILIES, EMAP and HERO Programs. The planning of the housing fairs also required that CHFA work with a number of business partners who provided a critical network of support and assistance to homeowners impacted by subprime lending.

The structure of the events allowed homeowners to meet with lenders and counseling agencies and other service providers to discuss their specific situation. The events enabled the following organizations to be present to make homeowners aware of other services that could assist them in difficult times. Many homeowners who attended the events indicated they felt the event provided them with a one stop forum that went beyond their housing needs to other support services. The following agencies were in attendance at the fairs to assist homeowners:

- Major Subprime Lenders
- The Department of Banking
- CT Fair Housing
- CRT-Community Renewal Team-
- United Way
- Mortgage Crisis Job Training Program
- ACCESS Agency
- Utility Companies

Role of Housing Counseling Agencies

There are nine HUD approved housing counseling agencies who attended the Housing Fairs. Over 2,000 families received counseling as a result of CHFA's call center referrals and housing events. Housing Counseling Agencies continue to play a critical role in assisting at risk borrowers. Their efforts and support proved to be a valuable component of the housing events as homeowners were able to talk to counselors and schedule future meetings to review their situation in detail. Counseling efforts have resulted in homeowners receiving loan modifications, establishment of repayment plans and, when necessary, the negotiation of short sale agreements.

Over the last year, 22 subprime lenders have volunteered to participate in the HOPE NOW Alliance. This has resulted in over 9,500 repayment plans and over 5,600 loan modifications for Connecticut homeowners.

Housing Fair Model

The Housing Fair model used to increase public awareness and attract at risk homeowners to events can be modified to support DECD in the implementation of the Neighborhood Stabilization Program.

I would be happy to answer any questions you may have.