

MORTGAGE CRISIS
JOB TRAINING
PROGRAM

Progress Report to
CT General Assembly's Banks Committee
February 2, 2009

PA 08-176: AAC Responsible Lending
and Economic Security

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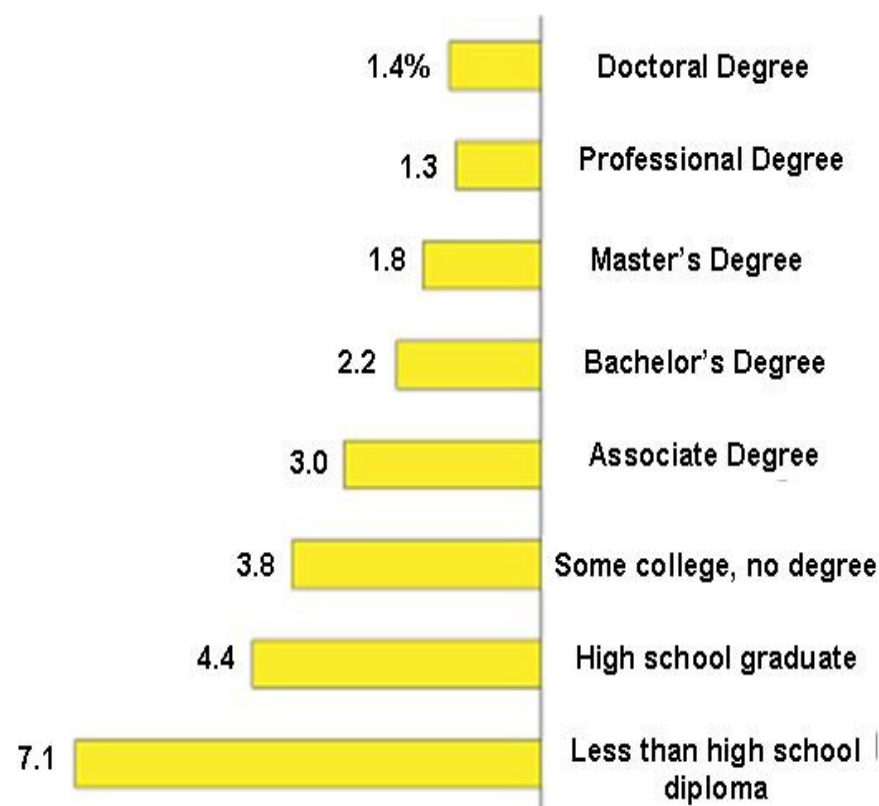
The WorkPlace, Inc.



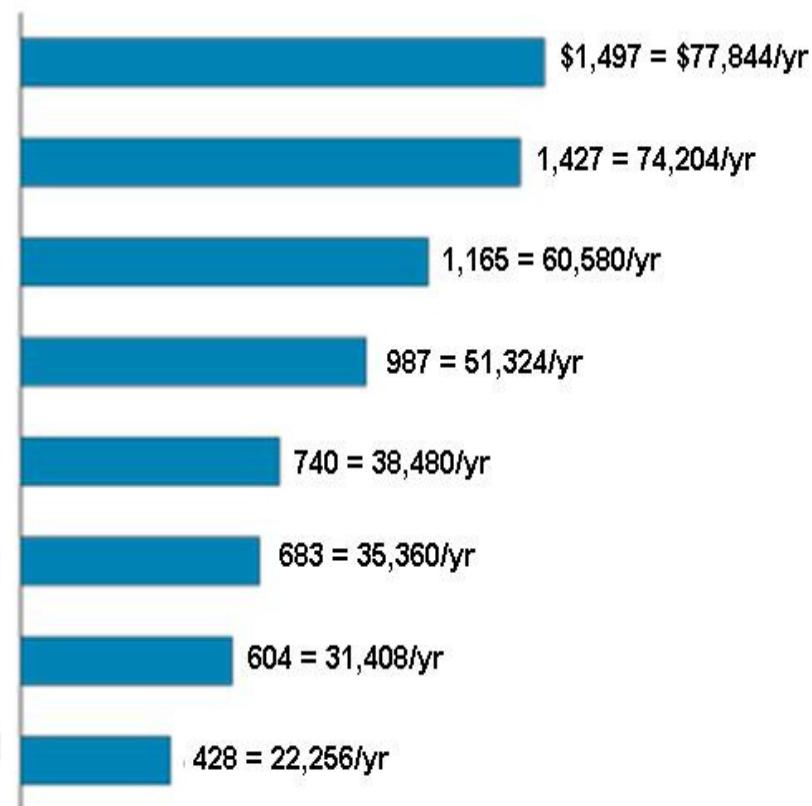
Education and Training pays



Unemployment rate in 2007 (Percent)



Median weekly earnings in 2007 (Dollars)



Source: Bureau of Labor Statistics, Current Population Survey

NOTES: Unemployment and earnings for workers 25 and older, by education attainment, earnings for full-time wage & salary workers.

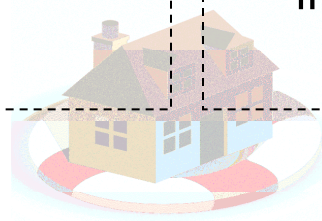
MCJTP helps borrowers gain the skills they need to be able to earn more money to become financially stable.

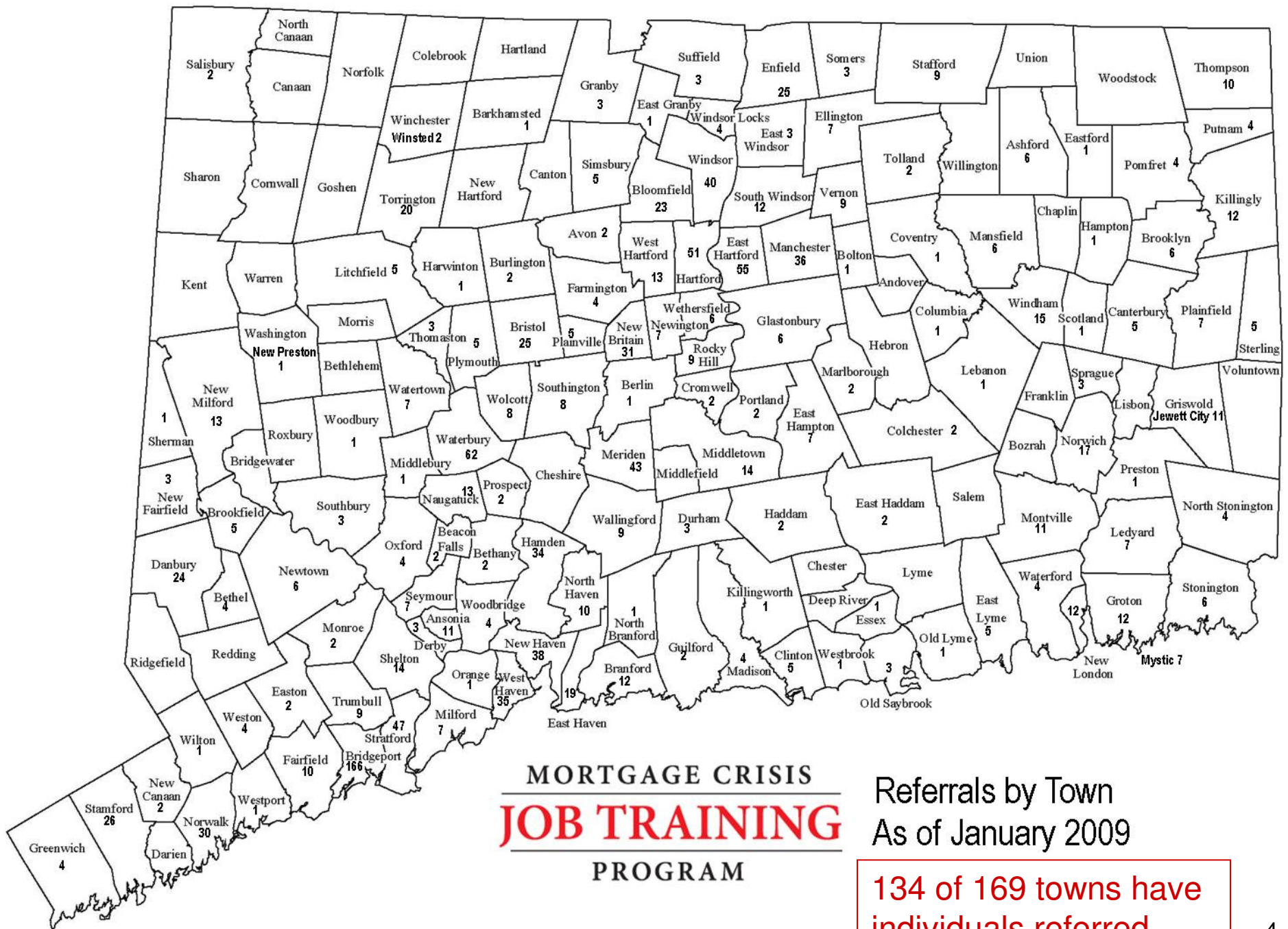
Services:

- The program offers:
 - ❖ **Customized Employment Services**
 - ❖ **Job Training Scholarships**
 - ❖ **Job Placement Assistance**
 - ❖ **Financial Literacy**
 - ❖ **Credit Counseling**
 - ❖ **Referrals to other needed services**
- 8 Program Specialists; assigned to customers geographically

Eligibility:

- 60 days or more past due on mortgage
- Mortgage is for primary residence in CT
- Household income less than \$120,000
- Referred by the Connecticut Housing Finance Authority (CHFA), or can demonstrate an imminent need for services





The Situation

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- Sub-prime mortgage resets created initial crisis
- Now, slowing economy + unemployment are adding to the need
- Poorest people in urban districts are impacted most

Top 10 Sub-prime	# loans	Unemployment Rate	Referrals as of 1/09
Bridgeport	5,213	10.1%	166
New Haven	3,998	9.6%	38
Waterbury	3,333	10.6%	62
Stamford	2,599	5.6%	26
Hartford	2,573	12.7%	51
West Haven	1,946	7.2%	35
Norwalk	1,923	5.8%	30
Danbury	1,854	5.3%	24
Meriden	1,757	8.3%	43
New Britain	1,717	9.9%	31

506
33% of total

As of 1/30/09:

(4 full months in operation)

● Referrals to the program	1,538
● Assessed for Program Eligibility	413
● Training Scholarships	142
● Provide Career Coaching (includes evaluating training opportunities, will lead to scholarships)	245
● Employment Support Services (Resume Prep, Interview Prep, Assistance with Employment Applications)	208
● Referral to Financial Literacy	155
● Credit Counseling	87

- **A Concern: Loan modifications alone don't eliminate delinquencies**

Nationally, more than 1/2 of loans modified in 1Q08 fell delinquent within 6 months*

(Comptroller of the Currency John C. Dugan, 12/8/08 at National Housing Forum)

- **CT's Opportunity: MCJTP uses our workforce system to help borrowers increase their earning capacity**

→ ability to pay mortgage

*>30 days past due. 36% after 3 mos, 53% after 6 mos, 58% after 8 mos. Report covers 35 million loans or about 60% of all first-lien mortgages in U.S.

Education & Training Through MCJTP

- Over 140 training scholarships have been written
- Average duration of training is 9 weeks
- Types of training include:

Certified Nurses Aide

Dental Assistant

Veterinary Technician

Medical Billing & Coding

A+ Network & Microsoft Certified
Professional

Certified Payroll Professional

Pharmacy Technician Certification

Project Management

Lean – Six Sigma Black Belt

Administrative Assistant Certificate
Program

CDL Class A Tractor-Trailer

Training & Connecticut Schools

Participants of the MCJTP are receiving training at the following Connecticut schools, among others:

- Capital Community College
- Central Connecticut State University
- Eastern Connecticut State University
- Gateway Community College
- Norwalk Community College
- Three Rivers Community College
- University of Connecticut

Staff: Program Specialists Have Diverse & Relevant Backgrounds

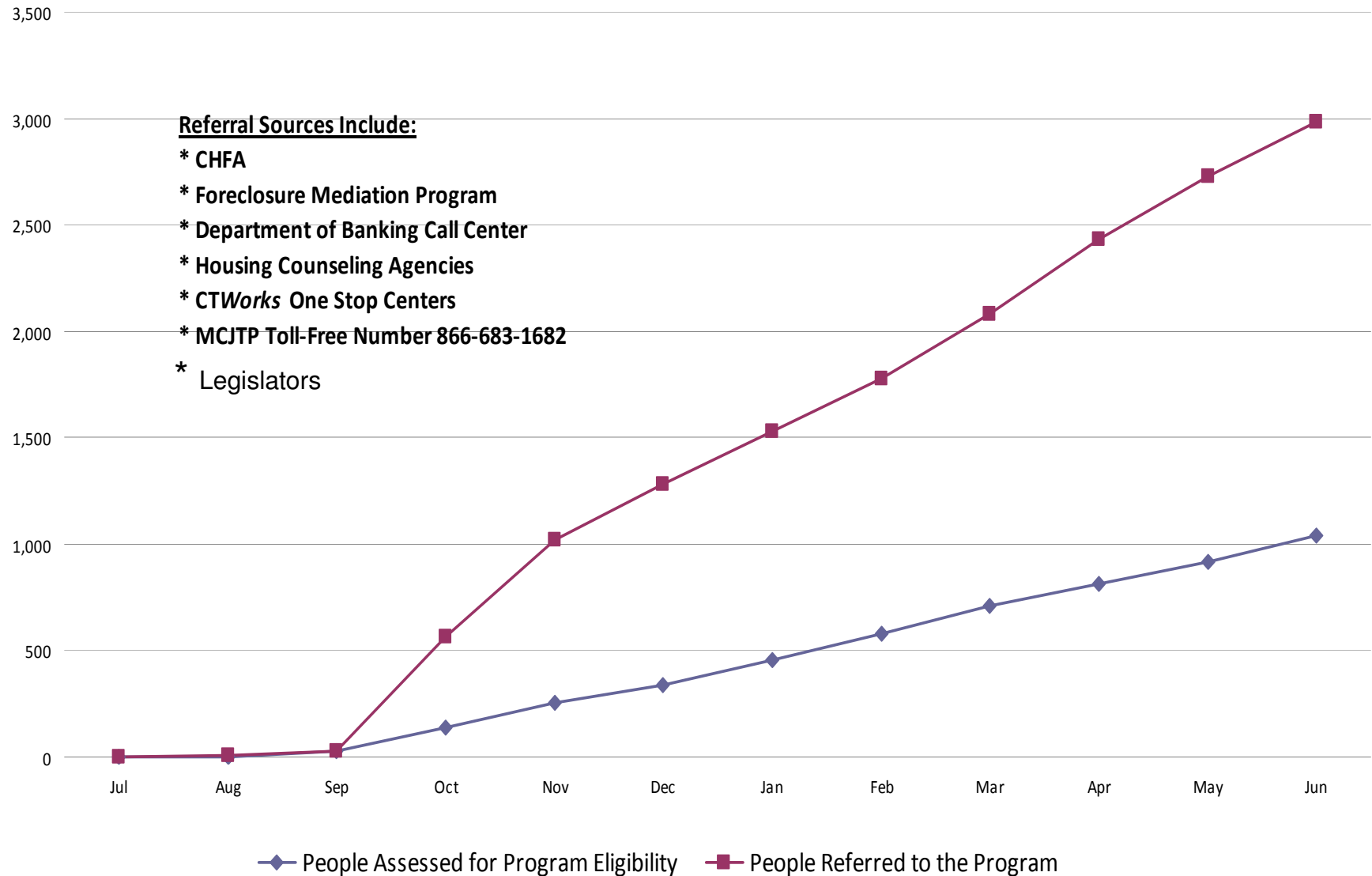
- Olga: **Attorney** focused on commercial & residential real estate; Legislative Asst for members of Congress
- Michael: **Underwriter**; 15 years private & public sector experience
- Samone: Director **Housing** Development, Habitat for Humanity; property management for Freddie Mac; 10 years with low-income families and affordable housing
- Rosa: **Banker** assisting first-time homebuyers; 10 years in community outreach, mortgage counseling & employment training
- Nicole: **Attorney** handling broad range of cases; Board & Commission roles; Justice of the Peace
- Tim: **Finance & Accounting**; 30 years diverse tax, financial planning, mortgage origination, credit education & counseling
- Rose: **Mortgage & Banking** in diverse roles; owner of insurance & real estate agency; volunteer community leader
- Stephen: **Human Resources & Operations**; 20 years in large corps and small non-profits handling business and employee issues

Who's Weighing In?

1. Institution holding mortgage
2. Agency guaranteeing (e.g. CHFA)
3. Housing counseling specialist
4. Judicial Branch, Foreclosure Mediators
5. Attorneys (for Lender & Borrower)
6. Mortgage Crisis Program Specialist:
lends weight + voice

Referrals - Assessments

Actual Data Through December - Forecast January - June



Year 2:

- Respond to continued demand
- Expand staff to close “gap” between referral and enrollment
- Increase outreach & build awareness
- Coordinate more closely with other programs
- Enhance state’s response to rising unemployment

Participant Testimonial

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“ Money for me, like many, is one of the things that are a factor in my daily life. With this training under way, I will definitely return to the work force with confidence. You are helping me to focus more on my studies and further apply myself to be better and achieve my dream ... I look forward to the time that I can help others as you have helped me. ”

-- Email from a program participant currently in training

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Keep your home by getting the
skills you need

1-866-683-1682

www.workplace.org/mortgage.asp

