

State of Connecticut
GENERAL ASSEMBLY
LEGISLATIVE OFFICE BLDG.
HARTFORD, CONNECTICUT 06106-1591

Task Force on CHFA Loss Mitigation Programs
Wednesday, December 14, 2011
Legislative Office Building, Room 2A, 2:00pm

- I. Call to Order
- II. Chair Remarks: Introduction of New Member Rep. Bruce Morris
- III. CHFA Presentation
- IV. Presentation of Research Sub-Committee Reports
- V. Discussion: Identify Issues or Areas in Need of Improvement
- VI. Assign Topic Sub-Committees
 - i. EMAP
 - ii. CT Families
 - iii. Foreclosure Prevention Counseling
- VII. Announcement of Date and Time of Next Meeting
- VIII. Adjournment

MEMORANDUM

TO: Jeff Gentes, Member, ROOF Steering Committee
FROM: Ludwig Community and Economic Development Clinic
RE: Comparison of Connecticut Emergency Mortgage Assistance Program (EMAP) with Pennsylvania Home Emergency Mortgage Assistance Program (HEMAP)¹
DATE: November 1, 2011

The technical guidelines of Connecticut's EMAP and Pennsylvania's HEMAP are very similar with a few, potentially key differences. Both focus on homeowners who are suffering either an income shock or expense increase beyond their control as a result of which they are unable to afford their primary home mortgage in the short term. EMAP provides assistance for up to 60 payments with no cap on the amount of assistance whereas HEMAP provides assistance for up to 24 payments or \$60,000.

There are two notable differences. First, EMAP requires that homeowners must not have assets sufficient to reinstate or pay for housing expense, including all savings, retirement, and other similar accounts. HEMAP has a similar requirement but shields pension and retirement savings accounts from consideration. While it is unclear whether this has any impact once an application has been submitted, it may have a significant impact in a homeowner's ability to qualify as a potential applicant. Currently, HEMAP receives 5x the number of applications that EMAP receives. This difference in volume could reasonably be explained in part by the difference in the number of households in the two states (see Appendix A below). However, in a conversation with Bridgette Russell of NHS of New Haven, she mentioned this requirement as a concern because homeowners essentially have to be willing to liquidate all their assets and have no safety net available to them if they want to be approved for an EMAP loan.

Second, EMAP requires that homeowners are either sixty days or more delinquent or anticipate being delinquent. They must also not have had more than 3 late payments in the 12 months prior to the hardship. HEMAP requires that homeowners be delinquent but they can be delinquent up to 24 months. This mortgage-related credit requirement could have the impact of reducing the number of homeowners eligible to submit applications for EMAP. While it would appear that Connecticut's anticipated delinquency allowance may increase the applicant pool, the restrictions on prior credit history may counteract that, especially depending on when the Connecticut Housing Finance Authority (CHFA), the agency that operates the EMAP program, determines the hardship began.

NHS counselors in both Connecticut and Pennsylvania suggested that the most common reason for application rejection was that the homeowner was not deemed capable of resuming mortgage payments after the assistance period ended. The HFAs do not elaborate on the criteria they consider in determining ability to repay, but the counselors believe that the underwriting

¹ HEMAP is no longer accepting new applications because it was not sufficiently funded in the Pennsylvania state budget for the 2011-2012 fiscal year.

requirements are very strict and do not account for the distressed financial situation of the applicants who are seeking either EMAP or HEMAP loans. Currently, the loan approval rate for EMAP is approximately 27% and for HEMAP is approximately 30%. EMAP approved loans in 2010 for about \$5 million and HEMAP approved loans in 2010 for about \$21 million.

In 2008, when EMAP was re-funded in Connecticut, CHFA reported to its Board of Directors the reasons that homeowners were denied loans. This was a primary driver of the legislative change in 2009 to remove the requirement that homeowners suffer a 25% income reduction. CHFA no longer provides this level of detail in its report to the Board.

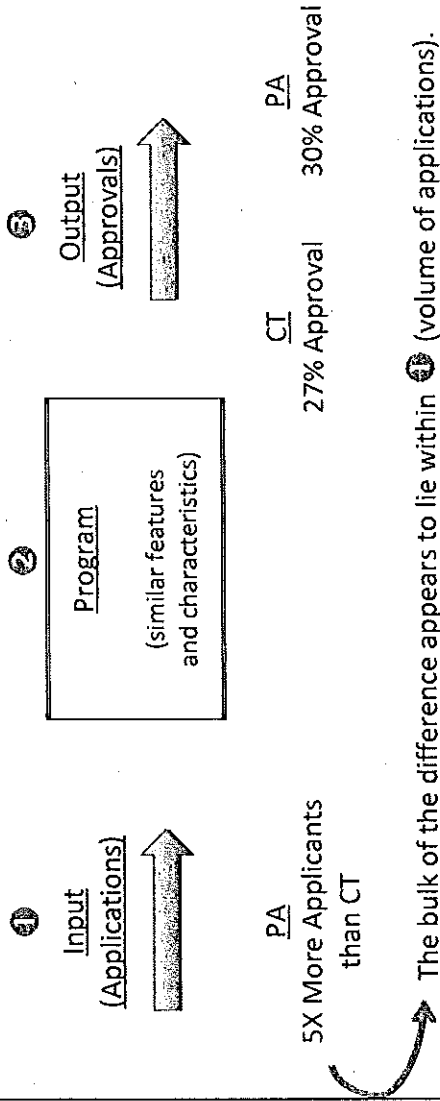
Based on discussions with Bridgette Russell, it would be helpful if EMAP could be modified to cover FHA loans and if CHFA could bring more transparency to the loan approval process. From her perspective, she can be more effective in counseling if she knows what CHFA is evaluating in determining whether a homeowner receives an EMAP loan or not. There are also a number of homeowners who would have qualified for FHELP but are not EMAP qualified because their homes are FHA-insured.

PROGRAM ELIGIBILITY AND/OR UNDERWRITING CRITERIA	CONNECTICUT EMERGENCY MORTGAGE ASSISTANCE PROGRAM (EMAP)	PENNSYLVANIA HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE PROGRAM (HEMAP)
FHA MORTGAGES	Ineligible	Ineligible
ELIGIBLE PROPERTIES	<p>Owner occupied 1-4 family property, condominium, PUD & manufactured home. Homeowner may not own other properties.</p>	<p>Owner occupied 1-2 family property, condominium, or cooperative serving as principal residence.</p>
ELIGIBLE HARDSHIP	<p>Significant reduction of aggregate family household income beyond the mortgageor's control which reasonably cannot be or could not have been alleviated by the liquidation of assets by the mortgageor as determined by CHFA including, but not limited to, a reduction resulting from unemployment or underemployment; loss, reduction or delay in receipt of federal, state or municipal benefits such as Social Security, supplemental security income, public assistance and government pensions; a loss, reduction or delay in receipt of private benefits such as pension, disability, annuity or retirement benefits; divorce or a loss of support payments; disability, illness or death; significant increase in the dollar amount of the periodic payments required by the mortgage; an unanticipated rise in housing expenses or expenses related to disability, illness or death of a member of the mortgageor's family, but does not include expenses related to the accumulation of credit or installment debt incurred for recreational or nonessential items prior to the occurrence of the hardship.</p>	<p>Agency will consider the homeowner's credit history, employment record, assets, current and past household income, net worth and other relevant factors.</p> <p>Examples of circumstances beyond the mortgageor's control which result in financial hardship to the mortgageor include the following: (1) Unemployment or underemployment, through no fault of the homeowner. (2) Loss, reduction or delay in receipt of Federal, State or other Government benefits. (3) Loss, reduction or delay in receipt of income because of the death or disability of a person who contributed to the household income. (4) Unanticipated increases in payments to a mortgage escrow account to compensate for past underestimates of escrow requirements by the mortgagee. (5) Expenses actually incurred related to uninsured damage or costly repairs to the mortgaged premises affecting its habitability. (6) Expenses related to death or illness in the homeowner's household ... which reduce the amount of household income. (7) Loss of income or substantial increase in total housing expenses because of a divorce, abandonment, separation from a spouse or failure to support. (8) Participation by the homeowner in a recognized labor action, such as a strike.</p>

INCOME USED IN DETERMINING AVAILABLE MONTHLY ASSISTANCE	Aggregate household income.	Gross household income
INCOME LIMITATION	None	None
MAX MONTHLY ASSISTANCE	Maximum monthly assistance is established by property location. (Up to 28% of 140% of AMI)	No maximum monthly assistance
MAX LOAN AMOUNT	No maximum loan amount.	\$60,000 maximum note amount.
ASSETS	Must not have sufficient assets available to reinstate and/or cover housing expense. (max \$5k)	Pension or similar retirement plans not considered available for liquidation if reasonably necessary for the support of the homeowner, or dependents or the surviving spouse of the homeowner.
LOSS OF INCOME REQUIREMENT	“Substantial loss of income”	Discretionary
MINIMUM DOLLAR AMOUNT FOR BORROWER MONTHLY CONTRIBUTION	No minimum \$ amount.	\$25.00
COSTS USED IN DETERMINATION OF MONTHLY ASSISTANCE AMOUNT	Assistance is based on “Total Housing Expense” of PITI, HOA dues and utilities.	“Total Housing Expense”
MAXIMUM PERIOD OF ASSISTANCE	n/a	24 months
MAXIMUM NUMBER OF ASSISTANCE PAYMENTS	60	No maximum number of assistance payments. Maximum is stated to be the lesser of \$60,000 in assistance or duration of 24 months (36 month if unemployed high).
ANNUAL RECERTIFICATION	Recertification must be completed at least annually.	Recertification must be completed at least annually.
CURRENT MORTGAGE DELINQUENCY REQUIREMENT	Must be 60 days or more or anticipate becoming 60 days delinquent.	Bank must notify homeowner its intention to foreclose or take other legal action to take possession of home.
LONG TERM EXPECTATION	Must determine a reasonable expectation that borrower will be able to reinstate their current mortgage within 60 months. Typically demonstrated by a traditional housing expense ratio of 35% or less using pre-event income.	Has a reasonable likelihood of being able to resume repayment of the first mortgage obligation (within 2 years) when the assistance ends or upon a mutually agreed upon later date.

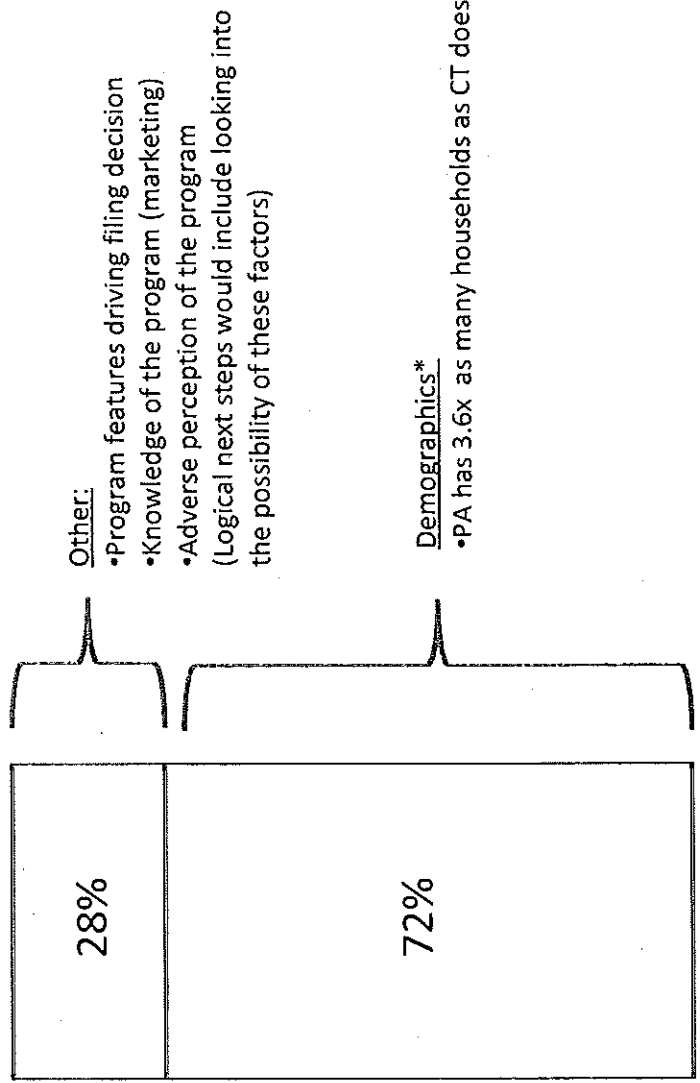
CREDIT EVALUATION	Mortgagor has a favorable mortgage payment history for the previous 2 years with no more than 3, 30 day late payments in the 12 months prior to the hardship. Eligible to apply. Program may assist with second mortgages.	Mortgagor has favorable residential mortgage history for previous 5 years and must not be delinquent more than 24 months. Eligible to apply. Program may not assist with second mortgages.
SECOND MORTGAGES		
REPAYMENT	Must be repaid	Must be repaid
PROGRAM RESULTS	<p>As of January 2011, 342 loan applications were approved. Of that, 224 loans were closed and funded for \$4.9 million to make loans current plus average \$940/mo monthly assistance for 183 households.</p> <p>Application Approval Rate: ~27% Applications Received Aug. '10 – April '11: ~750</p>	<p>In 2010, HEMAP disbursed \$21 million of loans and in 2009, it disbursed \$19 million of loans with a 45% allowance for loan loss. In total, at the end of June 2010, HEMAP had an outstanding mortgage loan receivable balance of ~\$55 million.</p> <p>Application Approval Rate: ~30% Applications Received Aug. '10 – April '11: ~3,800</p>
PROGRAM FUNDING	<p>State to provide annual debt service assistance to CHFA for bond issued for EMAP where bond principal is capped at \$50M.</p> <p>2009: \$10M total funding from State with \$5M committed to judiciary for mediation program.</p> <p>2010: \$30M funded with CHFA taxable bonds supported by State debt service payments.</p>	<p>State appropriation for HEMAP was insufficient to continue operating the program so PHFA is only funding existing approved applicants and is not accepting any new applications.</p>
PRIMARY REASON FOR APPLICATION REJECTION	Homeowner does not have ability to resume contracted mortgage payments or repay EMAP loan	Homeowner does not have ability to resume contracted mortgage payments

Drivers of Different Program Outcomes



Why Would Application Volumes Differ?

Attempting to explain what makes up the 5X difference in applications in PA over CT



* Assumed all population factors constant except size (3.6/5 = .72)

2011 Task Force on CHFA Loss Mitigation Programs

Research Sub-Committee on Foreclosure Mediation and CT Banking Department Report

Sub-Committee Members: Jeff Gentes, CT Fair Housing Center
Carmine Costa, CT Department of Banking
Rep. Joe Taborsak

As part of our work for the Research Subcommittee on Foreclosure Mediation and the Department of Banking, members of the subcommittee spoke with the Program Manager for the Foreclosure Mediation Program, Roberta Palmer and with staff of the Department of Banking who handle both the Department's foreclosure assistance hotline and consumer complaints relating to foreclosure. The Mediation Program began at the same time EMAP was resurrected and shortly after CT FAMLIES was instituted, and the Mediation Specialists have worked with CHFA's assistance loans and foreclosure prevention counselors since the Mediation Program's inception. The Department of Banking's Foreclosure Assistance Hotline has been active since 2007 and has been involved in assisting individuals facing foreclosure by helping to determine what programs may be available to the borrower, including CT FAMILIES and EMAP. The individuals we spoke with were able to offer many ideas for improving CHFA's loss mitigation programs.

Mediators believe EMAP would be greatly improved were FHA mortgagors made eligible for the program. They also believed that EMAP would help more homeowners if the application process were easier. Homeowners have reported that they were told they could not apply for EMAP until they were affirmatively denied a loan workout, a process that can take a year or longer (causing the potential EMAP loan to grow exponentially). For unemployed homeowners, trying to obtain a solution first through their lender is almost always fruitless. To increase the accessibility of EMAP, mediators suggested posting the application on CHFA's website or providing that CHFA-approved housing counselors could confirm, following a review of a homeowner's financials, that they should be evaluated for EMAP as soon as possible rather than wait for a workout review. Mediators also believed that certain EMAP denials could be avoided if underwriters spent more time investigating the cause of "pre-hardship" late payments because, quite often, there were other hardships that had caused the prior late payments.

Department of Banking staff commented that they receive calls from borrowers who are at the end of Judicial Foreclosure and did not know about EMAP. They are concerned that borrowers are still missing out on Housing Counselors and EMAP. Since there is an Affidavit of Federal Loss Mitigation Programs that has to be filed by the plaintiff before filing a Motion for Strict Foreclosure, they believe the plaintiff should be required to mail a copy to the defendant. While the Court and plaintiff send out notices about Mediation and Housing Counselors, Banking staff think that the borrower/defendant should be required to file an Affidavit that they have either contacted CHFA and requested information to apply for the Emergency Mortgage Assistance Program or that they have chosen not to apply for the program. The Affidavit could also require the defendant /borrower to certify that they have contacted a CHFA Approved Housing Counselor, listed on the Foreclosure Mediation Notice of Community Based Resources or that they have chosen not to contact a CHFA Approved Housing Counselor. The Affidavit could be in the Summons and Complaint Package and the borrower/defendant could send it back with the Foreclosure Mediation Certificate.

Both the Department of Banking staff and Mediators believe CT FAMLIES would be improved if the potential combined-loan size were increased modestly from its current limit of 97% LTV plus \$25,000. For instance, Mediators recommended that the maximum second lien size be expanded to \$40,000 while Banking staff recommended it be expanded to \$50,000. The reasoning behind this recommendation is because many borrowers are "underwater" more than \$25,000. Mediators also had the sense that the CT FAMLIES application process could drag on for a needlessly long time, though they were not sure why this was the case.

Lastly, mediators believed that while there are many good foreclosure prevention counselors in the state, many good agencies suffered from a lack of funding, and a lack of staffing. As a result, counselors are not able to devote as much attention as might be useful to each case, meaning that many cases go into foreclosure, and/or remain in mediation longer, than could otherwise be. Several mediators reported working closely with certain housing counselors, and they valued the work done on homeowners' behalf and the attention given to the court process by these housing counselors.

As a matter of background, the Department of Banking's Foreclosure Assistance Hotline received 3,508 calls from January 1, 2011 to December 7, 2011. Of those calls, Banking Staff determined that 585 (17%) could possibly be deemed eligible for a CHFA program and such callers were referred to CHFA.

In addition, during the Mortgage Assistance Event that was sponsored by Governor Malloy, Attorney General Jepsen and Department of Banking on November 15, 2011, there were approximately 1500 attendees who registered to see their lender, loan servicer or housing counselor. Approximately 900 of the attendees filled out surveys and, while individuals did not answer all questions on the survey, the following information was obtained:

- 146 individuals were current on their mortgage; 139 were current but expected future difficulty; 138 were 30-60 days late; 112 were 61-90 days late; 76 were 91-120 days late.
- 379 individuals registered to speak with housing counselors: 156 with CHFA; 35 with Freddie Mac; 64 with Fannie Mae; 51 with judicial mediation; 36 with pro bono attorneys. (It's important to note that many people who registered for these groups also registered to see their servicer)
- 213 individuals learned that they were eligible for a loan modification (29 of which were HAMP); 350 were not eligible; 292 were not sure.

**Report of
Sub-Committee on Housing Counselors and Private Bar Attorneys**

December 14, 2011

Connecticut Private Attorneys

In order to solicit information from Connecticut Private Attorneys a survey was drafted focusing on the EMAP, CT Families and Foreclosure Prevention Counseling programs. The survey asked respondents to give feedback on all three programs utilizing scaled responses for ease of compilation, yet also provided an opportunity for narrative type responses. A copy of the survey is attached.

Due to time constraints, the survey was disseminated via e-mail to the 180 participants in the Connecticut Fair Housing list serve. Thanks to the support of Jeff Gentes from CHFA the survey was sent out twice in order to increase the response rate.

The overall response rate was poor, so telephone interviews were done with attorneys known by subcommittee members. Results are as follows:

- Attorneys tend to be more familiar with the EMAP program than they are with CT Families, the HERO program or the Foreclosure Prevention Counseling Program
- In general, there appears to be an overall decline in the number of foreclosure cases that attorneys have been involved in each year from 2008 to present
- Of the number of foreclosure cases the attorneys were involved with, less than ½ of the clients were aware of CHFA loss mitigation programs, and of that number, only about 1 out of 3 applied to or utilized the programs
- Most of the attorneys indicated that they assisted about ½ of their clients with the application paperwork; it appears that clients assisted by their attorneys increased the likelihood that clients would be successful in getting assistance
- Feedback on program strengths:
 - If clients are eligible and smart enough to fill out the paperwork in a timely manner, they are able to benefit from the program
 - Funding is essential to some clients – the program needs to continue
- Feedback on areas where programs can be improved:
 - Streamline the application process or at least make it user-friendly for clients - clients need help in getting and completing the paperwork, either allow their attorneys to secure the application on a case-by-case basis; or clients would benefit if CHFA gave more assistance in completing the application process; or allow clients who have applied for the HAMP program to submit the same paperwork that HAMP requires
 - More flexible programs
 - Additional funding for existing programs
 - Better dissemination of information to people facing foreclosure

- Make program information more user-friendly; people who have the information oftentimes cannot understand it; people need concrete help in understanding the program, and applying to the program

December 5, 2011

Dear Colleague:

On behalf of the CHFA Task Force, we thank you for taking the time to read this information and we ask for your support and assistance. Public Act No. 11-201 called for the creation of a Task Force to review and evaluate loss mitigation programs administered by Connecticut Housing Finance Authority (CHFA) and submit a report on its findings and recommendations to the Banks Committee. Our committee is beginning its work by collecting data from attorneys throughout the state in regards to CHFA's Loss Mitigation Programs.

Currently, CHFA administers the following programs:

Emergency Mortgage Assistance Program (EMAP) - which provides temporary monthly mortgage payments assistance for up to five years to eligible Connecticut homeowners who are facing foreclosure due to a financial hardship. Homeowners may be eligible for a loan to cure an arrearage, and possible monthly mortgage assistance for up to 60 months.

Connecticut Fair alternative Mortgage Lending Initiative and Education Services Program (CT FAMILIES) - offers to refinance first mortgage loans for Connecticut homeowners who are delinquent or anticipate becoming delinquent and who would benefit from refinancing their mortgage into a more affordable 30-year fixed-rate mortgage.

Foreclosure Prevention Counseling (FPC) – is a HUD/CHFA approved housing counseling program where Connecticut homeowners who are delinquent or in danger of becoming delinquent can obtain foreclosure prevention counseling services free of charge. Counselors assist in identifying the causes of the hardship and offer possible solutions to financial issues.

Please take a moment to complete the brief questionnaire attached. Your responses will assist us as we proceed with our work ahead and could possibly lead to improvements to Connecticut's loss mitigation program offerings. ***We ask that you return the completed questionnaire by Friday December 9, 2011.*** You can return it via e-mail to theresamadonna@yahoo.com or if you wish to return it anonymously, you may mail it to Attorney Theresa Madonna, 19 Slater Avenue, Griswold, CT 06351.

Thank you for your time and your participation. We appreciate your feedback.

**CHFA LOSS MITIGATION TASK FORCE
QUESTIONNAIRE**

1. Are you a practicing attorney (circle one)? YES NO
2. If yes, please describe your practice areas: _____
3. Do you work for an agency, a law firm, or other type of employer (if other, please describe): _____

4. Please describe your familiarity with CHFA Loss Mitigation Programs in general:

Very Familiar	Somewhat familiar	Moderately familiar	Little familiarity	No familiarity
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5. Please describe your familiarity with the Emergency Mortgage Assistance Program (EMAP):

Very Familiar	Somewhat familiar	Moderately familiar	Little familiarity	No familiarity
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6. Please describe your familiarity with the Connecticut Fair Alternative Mortgage Lending Initiative and Education Services Programs (CT FAMILIES):

Very Familiar	Somewhat familiar	Moderately familiar	Little familiarity	No familiarity
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7. Please describe your familiarity with the Homeowner's Equity Recovery Opportunity Loan (HERO) Expansion Program:

Very Familiar	Somewhat familiar	Moderately familiar	Little familiarity	No familiarity
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8. Please describe your familiarity with the Foreclosure Prevention Counseling Program:

Very Familiar	Somewhat familiar	Moderately familiar	Little familiarity	No familiarity
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9. How did you first come to learn about CHFA's Loss Mitigation Programs?_

To the best of your ability, please complete the following table for each year:

	2008	2009	2010	2011
10. Number of foreclosure cases you were involved with each year?				
11. Of the number in question 10, when your clients came to you how many of them were already aware of CHFA's Loss Mitigation program options?				
12. Of the number in question 10, how many actually applied?				
13. To your knowledge, how many clients were successful in obtaining assistance from these programs?				
14. To your knowledge, how many clients were able to sustain their commitment to either repayment or the recertification process for these programs?				

In regards to those clients who were interested in CHFA's EMAP or CT Families programs, approximately how many clients:

15. Were able to obtain the necessary application paperwork on their own (please circle one):

All	More than half	Half	Less than half	None
Of them	of them	of them	of them	of them

16. Were able to understand CHFA's loss mitigation programs from the paperwork they received and without your assistance (please circle one):

All	More than half	Half	Less than half	None
Of them	of them	of them	of them	of them

17. Were able to complete the paperwork without your assistance (please circle one):

All	More than half	Half	Less than half	None
Of them	of them	of them	of them	of them

18. Were able to submit the application and corresponding paperwork without your assistance (please circle one):

All	More than half	Half	Less than half	None
Of them	of them	of them	of them	of them

19. What is your opinion of the application process for the CHFA Loss Mitigation Programs? Please provide detailed reasons for your opinion.

20. Based on your experience with CHFA's Loss Mitigation Programs, please describe the program's strengths:

- 1.
- 2.
- 3.
- 4.
- 5.

21. Based on your experience with CHFA's Loss Mitigation Programs, please describe areas where the programs can be improved:

- 1.
- 2.
- 3.
- 4.
- 5.

22. Of your clients who participated in CHFA's Foreclosure Prevention Counseling programs, what type of feedback did you receive from your clients in regards to these counseling programs?

23. Of your clients who were denied for either EMAP or CT Families program, what were the primary reasons for the denial?

24. If you could suggest changes to CHFA's Loss Mitigation programs, what would those changes be?

25. Are there aspects of the current foreclosure crisis in CT which could be addressed through the development of additional loss mitigation programming? If so, how could they be addressed?

Thank you!

Return questionnaire via e-mail to theresamadonna@yahoo.com, or regular mail to Attorney Theresa Madonna, 19 Slater Avenue, Jewett City, CT 06351

SUBCOMMITTEE REPORT ON
HUD and CHFA-APPROVED CONNECTICUT HOUSING COUNSELING AGENCIES

The following results were compiled from the surveys that were sent out to all HUD and CHFA-approved counseling agencies offering loss mitigation services and foreclosure prevention and mortgage delinquency counseling as a line of business. In the email that accompanied the

survey, we outlined the importance of receiving the information back for presentation to the task force which was reviewing Connecticut's loss mitigation programs.

In this report we have composed the information pertaining to the following questions which were taken from the survey:

What are the (3) most effective loss mitigation tools that have helped your clientele retain their homes with sustainable resolutions:

- 1. HAMP/MHA modifications**
- 2. In-house modifications**
- 3. Partial Claims**

What changes would like to see implemented within the underwriting guidelines to improve overall effectiveness and impact of the EMAP program?

Comments:

- ***More flexibility with credit (Credit History should be analyzed differently)***
- ***More flexibility with debt to income ratios***
- ***More flexibility in bank statement reviews***
- ***No liquidation requirements for 401K, 403B, IRA/Retirement Plans***
- ***FHA Loans should be made eligible***
- ***Streamlined application***
- ***Flexibility with LTV ratios***

Additional Suggestions:

- ***Create applications in Spanish***
- ***Compensation/Fee for application preparation for counseling agencies***
- ***More training for counselors on EMAP underwriting guidelines***

Average time spent with clients in preparing EMAP applications:

1-3 hours

How would you rate the effectiveness of EMAP as a loss mitigation tool?

Average response : Not very effective

What changes would like to see implemented in the guidelines to improve overall effectiveness and impact of the CT Families program?

- ***Flexibility with payment history on mortgages***
- ***Flexibility with LTV ratios***

- *More flexibility with credit guidelines*
- *Reduced closing costs*

Suggestions:

Create applications in Spanish

How would you rate the effectiveness of CT Families as a loss mitigation tool?

Average Response: *Not very effective*

EMAP and CT FAMLIES SURVEY FOR CHFA TASK FORCE

	2008	2009	2010	2011
1. Number of EMAP applications submitted				
2. Number EMAP applications approved				

3. How much time do you allocate to explaining CHFA loss mitigation programs in your foreclosure prevention clinics prior to your one-on-one counseling sessions? *(Please circle one)*

3-5 minutes 5-10 minutes 10 - 15 minutes over 15 minutes

4. What certifications have you received and continuing education have you completed in loss mitigation and mortgage delinquency counseling? (Within the last 2 years)

1. _____ 2. _____
 3. _____ 4. _____
 5. _____ 6. _____

5. How many FTE and PTE counselors does your organization have working in loss mitigation?

_____ FTE _____ PTE

	2008	2009	2010	2011
6. Total number of loss mitigation clientele serviced by you				

7. What are the (3) most effective loss mitigation tools that have helped your clientele retain their homes with sustainable resolutions? (Please rank 1-3) (1 being most effective)

_____ HAMP _____ In house modification _____ Partial Claim _____ Forbearance _____ FEHLP
 _____ EMAP _____ HARP _____ Refi CT Famlies _____ Rescue Funds _____ Refi (FHA)

8. How would rate your level of understanding of real estate finance and mortgage products?

_____ Not Proficient _____ Somewhat proficient _____ Proficient _____ Very Proficient
 _____ Expert

9. Do you (currently) assist your clients in filling out the EMAP application or do you require them to complete the application?

_____ Counselor completes EMAP application _____ Client completes EMAP application

10. On average, how much time do you spend working with each EMAP client?

_____ 1-3 hours _____ 4-7 hours _____ 8-11 hours _____ 12+ hours

11. How would you rate the effectiveness of EMAP as a loss mitigation tool?

_____ Very Effective _____ Effective _____ Not Very Effective _____ Ineffective

12. What changes would you like to see implemented within the underwriting guidelines to improve overall effectiveness and impact of the EMAP program?

1. _____
 2. _____
 3. _____

4. _____

	2008	2009	2010	2011
13. Number of CT Families refinance applications submitted				
14. Number CT Families refinance applications approved				

15. Do you assist your clients with the pre-qualification process for CT Families?

_____ Yes _____ No

16. On average, how much time do you spend working with each CT Families Client?

_____ 1-2 hours _____ 3-4 hours _____ 5-7 hours _____ 8+ hours

17. How would you rate your overall knowledge of CT Families underwriting guidelines?

_____ Somewhat proficient _____ Proficient _____ Very Proficient _____ Expert

18. Do you feel that the approved CT Families lenders are receptive to taking applications for this product?

_____ Receptive _____ Somewhat Receptive _____ Somewhat discouraging _____ Discouraging

19. Have you ever been discouraged by one of the approved CT Families lenders from referring clients to this product? _____ Yes _____ No

If yes, why? 1. _____ 2. _____

20. How would you rate the effectiveness of CT Families as a loss mitigation tool?

_____ Very Effective _____ Effective _____ Not Very Effective _____ Ineffective

21. What changes would you like to see implemented within the underwriting guidelines to improve overall effectiveness and impact of the CT Families program?

1. _____

2. _____

3. _____

4. _____

Additional Comments or suggestions about CT Famlies or EMAP:

1. _____
2. _____
3. _____
4. _____

Name of Counseling Agency _____

Address _____

Thank you for completing this survey. It is our hope that these results will be considered in making changes to both programs that will increase both their overall effectiveness and impact within Connecticut.

GEORGE C. JEPSEN
ATTORNEY GENERAL



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December 13, 2011

The Honorable Joseph J. Taborsak
Chairman Task Force on CHFA Loss Mitigation Programs
Legislative Office Building
Room 3504
Hartford, Connecticut 06106-1591

RE: Task Force on CHFA Loss Mitigation Programs

Dear Representative Taborsak:

Thank you for the opportunity to provide comment on the various CHFA Loss Mitigation Programs. The work of the Task Force will undoubtedly help our State effectively deploy resources so that we can weather the ongoing foreclosure crisis. I offer the following comments in response to your request:

Along with the Department of Banking, our office fields numerous inquiries and complaints from financially distressed Connecticut homeowners. We often refer such borrowers to foreclosure prevention and loan counseling organizations for direct assistance with navigating the loan modification process. Many borrowers achieve better results with far less frustration by working with a loan counselor, such as those associated with CHFA's Foreclosure Prevention Counseling program. Having a loan counselor on their side helps borrowers achieve a level playing field with their loan servicer or lender. I view the CHFA program as an essential aspect of foreclosure prevention in Connecticut and support efforts to increase the number of loan counselors in the State.

Although too many Connecticut borrowers saddled with subprime loans have already lost their homes, there are many others who have diligently paid their mortgage loans despite the twin blows of burdensome interest rates and loss of income caused by the recession. For subprime borrowers with the financial means to pay an affordable mortgage, but who have not been able to refinance through other avenues, the CT Families program is a lifeline. The Task Force may wish to consider whether modest loan limit increases would improve the program and assist additional subprime borrowers.

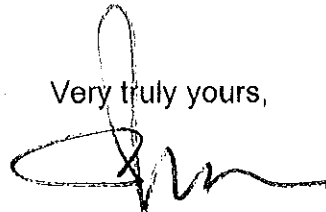
Finally, the Emergency Mortgage Assistance Program ("EMAP") is vital to Connecticut borrowers who have lost jobs in the wake of the recession. Without EMAP,

The Honorable Joseph J. Taborsak
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many unemployed borrowers who do not qualify for HAMP or other loan modification programs would lose their homes to foreclosure. My hope is that the Task Force will identify ways to bolster and improve EMAP.

Again, thank you for requesting my comments. I commend the Task Force members for devoting their time and energy to these important issues and look forward to release of the report.

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Jepsen", with a large, stylized initial "G" and a long, sweeping horizontal stroke at the end.

GEORGE C. JEPSEN