

**HOUSING AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF SAINT PAUL, MINNESOTA**

**REPORT TO THE COMMISSIONERS**

**DATE: August 13, 2014**

**REGARDING: AUTHORIZATION TO PARTICIPATE IN ROUND 8 OF THE NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM ADMINISTERED BY THE MINNESOTA HOUSING FINANCE AGENCY (MHFA) AND ACCEPTANCE OF A GRANT FROM THE MINNESOTA HOUSING FINANCE AGENCY (MHFA) FOR THE PURPOSE OF MORTGAGE FORECLOSURE PREVENTION COUNSELING. (CITYWIDE)**

**Requested Board Action**

1. Authorization to participate in Round 8 of the National Foreclosure Mitigation Counseling Program (NMFC) administered by the MHFA for the contract period July 18, 2014 through June 30, 2016.
2. Authorization to accept a grant from MHFA in an amount not to exceed \$18,645 for the Foreclosure Counseling Program. The program will receive \$16,950 of program counseling funds and \$1,695 of program related support funds.

**Background**

Saint Paul’s Department of Planning & Economic Development (PED) has been a HUD-approved Housing Counseling Agency for over 23 years and provides mortgage foreclosure counseling and financial budgeting to Saint Paul residents.

Our foreclosure counselors provided mortgage foreclosure prevention counseling to the following number of households over the past HUD contracts:

October 1, 2009 through September 30, 2010	1,472
October 1, 2010 through September 30, 2011	667
October 1, 2011 through September 30, 2012	601
October 1, 2012 through September 30, 2013	315

The call volume, as well as need for foreclosure counseling, has declined greatly over the past two years. Currently, two staff (1 full time and 1 at ¼ time) provide foreclosure counseling.

The Mortgage Foreclosure Prevention Program has participated in Rounds 1 through 7 of the NMFC program to provide mortgage foreclosure intervention, loss mitigation counseling, and program-related support services to assist owner-occupants in the City of Saint Paul with mortgages in default or danger of default.

The funds are paid based on a reimbursement basis for the number of clients served; 35% of the program counseling funds, and 70% of the program-related support funds, are paid at execution of the agreement. The remaining funds are paid out once a percentage of our goals of providing 67 households with Level 1 counseling and 23 households with Level II foreclosure counseling are full filled.

**Budget Action**

NA

**Future Action**

NA

**Financing Structure**

NA

**PED Credit Committee Review**

NA

**Compliance**

NA

**Green/Sustainable Development**

NA

**Environmental Impact Disclosure**

NA

**Historic Preservation**

NA

**Public Purpose/Comprehensive Plan Conformance**

The public purpose is to assist Saint Paul homeowners with mortgage foreclosure prevention counseling to help homeowners that may be facing foreclosure to stay in their homes.

**Recommendation:**

The Executive Director of the HRA recommends HRA Board approval for participation in the NMFC and recommends that related grant funds be accepted.

**Sponsored by:** Commissioner Brendmoen

**Staff:** Michelle Vojacek x 66599

**Attachments**

- **Attachment A -- Resolution**