

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

REPORT TO THE COMMISSIONERS

DATE: July 10, 2013

REGARDING: AUTHORIZATION TO PARTICIPATE IN THE MINNESOTA HOUSING FINANCE AGENCY (MHFA) MAKING HOME AFFORDABLE OUTREACH AND INTAKE PROJECT (MHA) FUNDED BY A FEDERAL AWARD FROM NEIGHBORWORKS® AND ACCEPTANCE OF A GRANT FROM THE MINNESOTA HOUSING FINANCE AGENCY (MHFA) FOR THE PURPOSE OF MORTGAGE FORECLOSURE PREVENTION COUNSELING.

Requested Board Action

1. Authorization to participate in the Making Home Affordable Outreach and Intake Project (MHA) administered by the MHFA for the contract period May 1, 2013 through December 31, 2013.
2. Authorization to accept a grant from MHFA in an amount not to exceed \$7,593.75 for the Foreclosure Counseling Program. The program will receive \$6,750.00 of program counseling funds and \$843.75 of outreach funds.

Background

Saint Paul's Department of Planning & Economic Development (PED) has been a HUD-approved Housing Counseling Agency for over 30 years and provides mortgage foreclosure counseling and financial budgeting to Saint Paul residents. For the contract period October 1, 2009 through September 30, 2010, 1,472 families received mortgage foreclosure counseling from Saint Paul counselors; for the contract period October 1, 2010 through September 30, 2011, 667 households received counseling; and for the contract period October 1, 2011 through September 30, 2012, 601 households received counseling.

The Mortgage Foreclosure Prevention Program (MFPP) has received funding to participate in the HUD Early Default and Delinquency counseling program, Homeownership Education, Counseling and Training Fund (HECAT), Fannie Mae Home Owner Counseling On line, and the Wells Fargo Early Resolution Credit Counseling. In addition, the MFPP has participated in Rounds one through six of the National Foreclosure Mitigation Counseling (NMFC) program to provide mortgage foreclosure intervention, loss mitigation counseling, and program-related

support services to assist owner-occupants in the City of St Paul with mortgages in default or danger of default.

Over the past six months, we have joined other counseling agencies nationwide and commenced uploading loan modification packages for homeowners directly to mortgage servicers using the HOPE LoanPort. The funding for the MHA program is paid based on a reimbursement basis for the number of clients served and modification packages uploaded using the HOPE LoanPort; the reimbursement rate is \$450.00 for each modification package uploaded. The outreach funds are disbursed at a rate of 50% upon execution of the funding agreement and 50% after the initial disbursement has been fully expended.

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 residents stay in their homes.

Recommendation:

The Executive Director of the HRA recommends HRA Board approval for participation in the program and to accept the grant funds.

Sponsored by: Commissioner Thune

Staff: Michelle Vojacek x 66599

Attachments

- **Attachment A -- Resolution**