

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

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 13, 2013

REGARDING: AUTHORIZATION TO PARTICIPATE IN ROUND 6 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.

Requested Board Action

1. Authorization to participate in Round 6 of the National Foreclosure Mitigation Counseling Program (NMFC) administered by the MHFA for the contract period July 1, 2012 through May 31, 2013.
2. Authorization to accept a grant from MHFA in an amount not to exceed \$30,525.00 for the Foreclosure Counseling Program. The program will receive \$27,750.00 of program counseling funds and \$2,775.00 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 22 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. For the contract period October 1, 2010 through September 30, 2011, our housing counselors provided foreclosure counseling to 667 households; and for the contract period October 1, 2011 through September 30, 2012, our housing counselors provided foreclosure counseling to 601 households.

The Mortgage Foreclosure Prevention Program has participated in Rounds 1 through 5 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 are met.

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 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 Thune

Staff: Michelle Vojacek x 66599

Attachments

- **Attachment A -- Resolution**