

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 11, 2012

REGARDING: AUTHORIZATION TO PARTICIPATE IN THE WELLS FARGO CREDIT COUNSELING SERVICES PROGRAM AS A SUBCONTRACTOR OF THE HOUSING PARTNERSHIP NETWORK, INC (HPN) AND THE MINNESOTA HOME OWNERSHIP CENTER (MNHOC) FOR THE MORTGAGE FORECLOSURE PREVENTION PROGRAM.

Requested Board Action

Authorization to participate in the Wells Fargo Credit Counseling Services Program as a subcontractor of The Housing Partnership Network, Inc and the Minnesota Home Ownership Center for the Mortgage Foreclosure Prevention Program.

Background

The Housing and Redevelopment Authority of the City of Saint Paul (HRA) was selected in July of 2011 as one of two housing counseling agencies to subcontract with The Housing Partnership Network, Inc. (HPN) and the Minnesota Home Ownership Center (MNHOC) under HPN's Prime Contract with Wells Fargo to submit loan modification packages for homeowners facing foreclosure directly to Wells Fargo for Wells Fargo-serviced mortgages. This was a pilot program that ended December 31, 2011.

HPN has entered into a new Prime Contract with Wells Fargo; HPN and MNHOC have requested we subcontract and continue to submit loan modification packages for homeowners facing foreclosure directly to Wells Fargo for Wells Fargo-serviced mortgages.

This process, which by-passes servicers and provides direct access to HPN and Wells Fargo staff for our counselors, has expedited loan modifications for homeowners, shortening the time frame of the modification process from approximately 6 months to 45 days.

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 goal of this program is to assist homeowners facing foreclosure by submitting loan modification packages directly to Wells Fargo via the ERCP Counseling System. The pilot program resulted in five timely loan modifications since November 1, 2011.

Statement of Chairman

NA

Recommendation:

The HRA Executive Director recommends participation.

Sponsored by: Commissioner Thune

Staff: Michelle Vojacek x 66599

Attachments

- **Attachment A - Resolution**