

Iowa Homeownership Education Project



IHOEP

Winter 2010

IHOEP Showcasing “Stellar Home Ownership” at 2010 Spring Conference

Board of Directors

Rheanne Thies

President

319.363.3122

Rmnloans@aol.com

Katy Hackett

Vice President

Family Management Credit Counselors

319.234.6695

katyh@familymanagementcc.com

Jeanne Miller

Treasurer

319.273.8759

Jeanne.miller@usbank.com

Marjorie Burgess

515.657.8081

Marjorie.Burgess@bankofthewest.com

Art Ousley

515.225.2227

ausley2@msn.com

Alie Peverill

515.246.0010

Apeveril@neighborhoodfinance.org

Steve Rackis

319.887.6069

Steven-rackis@iowa-city.org

Chris Sills

712.262.5640

chriss@chihousing.com

Michelle Spohnheimer

641.754.5756

Mspohnheimer@ci.marshaltown.ia.us

Stephanie Preusch

Executive Director

515.229.7737

Ihoeped.@mchsi.com

A new year brings new goals centered on new starts, new attitudes, and a change for the better. This year's IHOEP Spring Conference “Supporting Stellar Home Ownership in Iowa” will help both members and non-members alike take positive steps towards those goals.

This year's conference will feature two separate tracks of education. The first track, “Building a Stellar Housing Counseling Program”, will help organizations wanting to develop a program as well as those looking to improve upon a current program. Topics will cover funding sources, staff training, best practices and national certification, and becoming a HUD approved housing counseling agency.

Track Two of the conference, “Loan Document Review Counseling: Empowering Clients to Make Stellar Choices” will provide counselors with the information they need to help their clients make better decisions on mortgage loan products and purchasing a home. Track Two topics will include RESPA changes (see article on page 7) and HUD requirements and protocol; and how to review client loan documents.

In addition to the two tracks, the opening session will feature John Gianola from Iowa Legal Aid giving a status report on the success of Iowa's legal process on foreclosure prevention. The last session of the day will focus on changes to the new credit card laws and the tools homeowners need to rebuild their credit after a personal financial challenge!

The conference will be Tuesday, April 6 at the Holiday Inn Northwest in Des Moines. Registration begins at 8:30 a.m. with closing remarks

at 3:30 p.m. Registration fees will remain the same for 2010; \$50 for IHOEP members and \$75 for non-IHOEP members.

In addition to great topics and presenters, the conference will also feature many exhibitors and prizes given away throughout the day, including a \$100.00 gift card.

Join us for a great day of information and networking. For more information and to register

IHOEP 2010 SPRING CONFERENCE:



Supporting Stellar Home Ownership in Iowa

(the registration form this year will only be available as a download from the web site), please visit www.ihoep.com. To secure exhibitor space, contact Kris Winter at ihoep@aol.com. IHOEP would like to thank our 2010 “Stellar” Spring Conference Sponsors; Residential Mortgage Network, Inc., US Bank, Iowa Finance Authority and Family Management Credit Counselors, FDIC, Wells Fargo Home Mortgage and Bank of America.

CONFERENCE DETAILS

Tuesday, April 6,
9:00 a.m. – 3:00 p.m.
Des Moines, Iowa

Register by March 29 at
www.ihoep.com

President's Letter



What a year 2009 proved to be in many, many ways! I am proud to say IHOEP was there and stepped up to the plate to help the homeowners facing difficult times. As we enter 2010, IHOEP will be there to provide counseling avenues for those wishing to purchase homes and for those needing counseling to save their homes from foreclosure.

My goal as incoming president is to continue IHOEP's mission and grow our mission further. We still face some tough challenges this year, challenges that I, and the Board of Directors, are ready to stare down and conquer. IHOEP has faced challenges in the past, so I am very confident we will continue to meet whatever 2010 will bring!

In closing, I would like to welcome the incoming board members and say thank you to the existing board members. I look forward to serving as your president this year and working with each one of you. Together we will make a TEAM effort as the 2010 Board of Directors of IHOEP.

Executive Director Letter:



I hope 2010 has started well for all of you. I know it will be a challenging year as we all struggle to meet the increased demand for services while resources become more limited. IHOEP is here to support you; so please let us know how we can best assist you with your professional growth and your agency's important and valuable programs.

A few things we have planned already for 2010 are a NeighborWorks training in February and the IHOEP Spring Conference on April 6th in Des Moines. The conference will provide information on recent developments in addressing the foreclosure crisis, how to build and sustain a "stellar" homeownership education program, as well as address the timely topics of the new HUD Settlement Statement and Good Faith Estimate, and the new credit card laws and their impact on Iowans. Please join us for a day of learning and networking.

I am excited to work with the 2010 IHOEP Board of Directors to address the concerns and needs of our membership. Please feel free to contact me, or any Board member with your thoughts, ideas or concerns. You can find all of our contact information on page one of this newsletter.

New Iowa Finance Authority Leadership



Governor Culver recently appointed Joe O'Hern as Executive Director of the Iowa Finance Authority (IFA). Former IFA Executive Director, Bret Mills, was appointed to lead the Iowa Department of Economic Development.

O'Hern joined IFA in October of 2007, and was previously the Director of HousingIowa at IFA, overseeing single-family and multifamily programs. Early in his tenure at IFA he was appointed to the Governor's Rebuild Iowa Task Force to help coordinate efforts in rebuilding communities after the natural disasters of 2008.

Prior to joining IFA, O'Hern served as Lead Director for four states for Fannie Mae in Housing and Community Development, and was Director of the Iowa Community Business Center from May of 1996 to October of 2007. He also served as Regional Administrator for the Department of Housing and Urban Development. O'Hern has a B.A. from Princeton University.

The IFA Board and staff welcome Director O'Hern to his new role and look forward to serving Iowans under his leadership.

Contact IFA: 800.432.7230 www.iowaFinanceAuthority.gov www.twitter.com/iowafinance

Marshalltown United Bank & Trust Sponsors Board Lunch

The 2010 IHOEP Board met in Marshalltown in January for their annual strategic planning meeting. The Board discussed board member best practices, plans for 2010 and held their regular January Board Meeting. Michelle Spohnheimer with the City of Marshalltown hosted the meeting in the city's new library – the only LEED silver-rated certified building in Iowa. The IHOEP Board extends a thank you to Marshalltown United Bank and Trust for sponsoring the board lunch.



United Bank & Trust Presents IHOEP with Donation During IHOEP Board Meeting
Left to right: Stephanie Preusch, IHOEP Executive Director; Michelle Spohnheimer, IHOEP Board Member; Jennifer Hass, United Bank & Trust Vice President; and Jennifer McGill, United Bank & Trust Customer Service Representative.

IHOEP Board Elects Officers



Rheanne Thies



Katy Hackett



Jeanne Miller

During their annual planning meeting in January, the IHOEP Board elected their 2010 officers. They are: President, Rheanne Thies, Residential Mortgage Network, Inc; Vice President, Katy Hackett, Family Management Credit Counselors; and Treasurer, Jeanne Miller, US Bank. This is the second year Jeanne Miller has served as Treasurer. Thank you to these members for their willingness to offer their time and talents to IHOEP.

HUD to Assist Homeowners Facing Drywall Problems

Temporary relief available to make home repairs affordable for at-risk borrowers

On December 22, 2009, the U.S. Department of Housing and Urban Development announced that FHA-insured families experiencing problems associated with problem drywall may be eligible for assistance to help them rehabilitate their properties. In addition, HUD's Community Development Block Grant (CDBG) Program may also be a resource to help local communities combat the problem.

FHA is reminding its approved lenders that they are to offer special forbearance for borrowers confronted with the sudden effects of damaging drywall products in their homes including the financial hardship associated with related home repairs.

"We're instructing our FHA mortgage lenders nationwide to extend temporary relief to allow these families time to remove problem damaging drywall and repair their homes," said FHA Commissioner David Stevens. "We want to remove additional pressures for these families as they find solutions to allow them to return to a safe, decent and sanitary home."

HUD is instructing lenders that no late fees are to be assessed while the borrower is making timely payments under the terms of the Special Forbearance plan. The total arrearage for a Type 1 Special Forbearance cannot exceed 12 months of delinquent payments. Lenders can review borrower applications and make a determination as to the most appropriate loss mitigation tool including loan modification, partial claim, or FHA HAMP. Any questions or clarification regarding the Type 1 Special Forbearance should be directed to the HUD National Servicing Center at 888-297-8685.

Read the entire press release at http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2009/HUDNo.09-237

FHA Type 1 Special Forbearance (noted in *Mortgagee Letter 2002-17*, available at: <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/ml02-17.doc>) provides relief that is not typically available under an informal forbearance or repayment plan. This relief provided can include one or more of the following:

- Suspension or reduction of payments for a period sufficient to allow the borrower to recover from the cause of default;
- A period during which the borrower is only required to make their regular monthly mortgage payment before beginning to repay the arrearage; or
- A repayment period of at least six months.

IHOEP Receives Grants Total \$33,600

Wells Fargo Housing Foundation and Bank of America recently awarded grants to IHOEP in support of our mission to support quality homeowner education in Iowa.

Wells Fargo gave \$25,000 to provide additional financial support to IHOEP and eight IHOEP member agencies that provide counseling services through the Iowa Mortgage Help (IMH) initiative and receive additional funding through the Iowa Finance Authority. These organizations include Center for Siouxland, Sioux City;

Community Housing Initiatives, Spencer; Fort Dodge Housing Agency, Fort Dodge; Family Housing Advisory Services, Council Bluffs; Family Management Credit Counselors, Waterloo; HOME, Inc., Des Moines; Operation

Threshold, Waterloo; and United Neighbors, Davenport.

In applying for this funding, IHOEP collaborated with Iowa Mediation Service who also received \$25,000 for their work with the IMH initiative. "The Iowa Mortgage Help initiative is a national best practice for how to help homeowners who are struggling to pay their mortgages. We thank the staff of IHOEP and IMS for assisting thousands of Iowans and look forward to continuing to work with them to help as many homeowners as possible keep their homes," said Mary C. Coffin, Executive Vice President--Loan Servicing & Post Closing, Wells Fargo Home Mortgage.

The Bank of America in Iowa and the Bank of America Foundation combined resources to award IHOEP \$8,600. This

money is also in recognition of IHOEP's work supporting home ownership education across Iowa and the Iowa Mortgage Help initiative.

"We are so grateful for partners like the Wells Fargo Housing Foundation and Bank of America. Their continued support of our mission is vital to our efforts to provide resources to member agencies helping homeowners facing possible foreclosure," said Stephanie Preusch, IHOEP Executive Director.



**WELLS
FARGO**

Iowa Mortgage Help Update

IHOEP continues to offer Next Step group counseling once a week in Des Moines. The current schedule is at www.ihoep.com. Next Step is for homeowners facing mortgage delinquency or foreclosure. The 2-hour session covers the Iowa Mortgage Help initiative, time lines, the options available to avoid foreclosure, the legal process in Iowa, and the Making Home Affordable program. Participants may complete the paperwork necessary to move on to the next step of the

Iowa Mortgage Help process. Participants will then schedule an appointment with an IMH partner counselor to discuss their individual situation.

We encourage IHOEP partners, especially those in central Iowa, to refer homeowners facing foreclosure to the classes as the first step in the foreclosure prevention process.



IOWA
MORTGAGE
HELP.COM
877.622.4866

The Iowa Mortgage Help Initiative continues to assist Iowans through the hotline at 1-877-622-4866 or www.iowamortgagehelp.com. A few facts about Iowa Mortgage Help:

- Since its inception in February 2008 over 8,500 Iowans have sought help.
- The notice of mortgage mediation assistance went into effect May 1, 2009 and is now the primary way Iowans have learned about Iowa Mortgage Help (see May 2009 IHOEP Newsletter for more information).
- The hotline receives around 100 referrals a week.
- The primary outcome for Iowans that contact the hotline is a mortgage modification; only 1.24% of those clients with a final outcome had their mortgage foreclosed.
- The reasons for default on their mortgage and contacting the hotline are below; often more than one reason is given.

Best Practices in Foreclosure Intervention Counseling

Freddie Mac has launched a series of case studies to document and share best practices in foreclosure intervention counseling. These case studies will highlight effective strategies such as using triage protocols, conducting client intake in groups, managing caseloads, and more.

To review these case studies visit: <http://www.freddiemac.com/corporate/housingpros/#foreclosurebestpractices>.

Reason for Default

% of IMH clients that gave the reason

Reduction in income	23%
Loss of income	17%
Other	16%
Medical issues	13%
Increase in expense	10%
Increase in loan payment	8%
Poor budget management skills	5%
Divorce/separation	5%
Business venture failed	2%
Death of family member	1%

NEW MEMBER SPOTLIGHT

IHOEP Welcomes Iowa State Bank

Iowa State Bank Joined IHOEP in 2009

As Des Moines emerged from the Great Depression, east side businessman, George O’Dea saw a need for a different kind of bank: one that was locally owned, community-minded and responsive to the needs of working people.

George O’Dea went to work and on April 16, 1941 and with five employees and one office opened Iowa State Bank. “Today, Iowa State Bank continues to have the reserves and resources in place

to handle economic shifts and provides a financially safe and sound institution for our customers,” says John C. Burgeson, CEO.

1995. “Iowa State Bank has an outstanding record of helping to meet the credit needs of its assessment area and neighborhoods in a manner consistent with its resources and capability. Iowa State Bank reveals

Program, Iowa Finance Authority, and Polk County Housing Trust Fund.

The main bank location is on East 7th & Locust. Today there are five branch



Iowa State Bank

It's Nice To Be Home

an excellent record of lending to borrowers of different incomes and reflects a strong willingness to provide credit to all qualified

borrowers.” -- FDIC Community Reinvestment Act, Performance Evaluation 1/12/04.

Tammy Walton, Community Reinvestment and Mortgage Loan Officer with the Bank since 2004, and Marsha Kephart, Executive Vice President, have

locations: the East office located at 3818 Hubbell Avenue opened in 1973, the South office located at 6410 SW 9th Street opened in 1975, the West office located at 3601 EP True Parkway in West Des Moines opened in 1994, and our newest branch located at 2301 128th Street in Urbandale opened in 2006.

Iowa State Bank is a small community bank located in a metropolitan area. Our size is one of our best features, small enough to know you, yet large enough to serve you. Our mission statement is to serve customers, prosper, have fun and remain an independent bank. We will develop lasting financial relationships with our customers that will exceed their expectations. We will continually build upon our successes and turn change into opportunity.

The Core Values of our organization are more than words posted on the wall. We value our employees every bit as much as we value our customers. We practice the same Core Values with both our external and internal customers.

IOWA STATE BANK'S CORE VALUES

- Attitude** - Positive, “Can do”
- Pride** - in ourselves, our job, our community
- Desire** - to serve the customer
- Respect** - for each other and the customer
- Integrity** - honesty and fair play
- Improvement** - people, processes and environment
- Family** - a sense of caring and belonging
- Fun** - job satisfaction and enjoyment

As a local financial institution, it was the mission of Iowa State Bank to offer the people of Des Moines improved savings opportunities, fair loan services and a strong, stable place for their deposits.

Iowa State Bank’s community-minded spirit is reflected in our ability to achieve a rating of “Outstanding” from the FDIC Community Reinvestment Act since October

been involved with various home ownership education and outreach projects. In addition to IHOEP, the Bank and its management have been involved with Citizens for Community Improvement, Children and Family Urban Ministries, United Way, Designated Investment Fund, Federal Reserve Bank of Chicago Smart Money Program, Institute for Social and Economic Development, housing programs offered through Des Moines Municipal Housing 5H

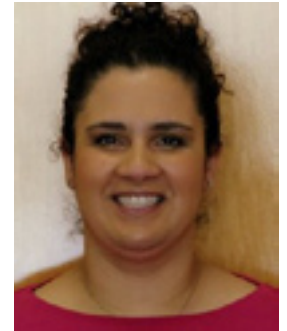
Happy New RESPA!

By Alejandro Orozco, Bankers Trust, Des Moines.

The new rules to the Real Estate Settlement Procedures Act (RESPA) came into effect in January 1, 2010. The new rules apply to real estate lenders nationwide. They were approved in late 2008 as an effort to help applicants and borrowers better understand the terms, pricing and options of their mortgage. All lenders are expected to implement the rules by January 1, 2010, however, HUD asked the four regulatory agencies to extend a 120-day period to avoid enforcement on lenders. We don't know how regulators will respond to this, but we know that the FDIC (one of the four regulators) issued a letter warning lenders that examinations for compliance will begin in January 1, 2010.

Most of the new rules are changes or inclusions to the good faith estimate (GFE) and the HUD-1 settlement statement, however, there are some that apply specifically to lenders in Iowa. According to the Iowa Bankers Association, HUD has provided instructions that for home purchase transactions, owner's title insurance has to be disclosed on the GFE even if it is not required by the lender as a condition of the loan. As we all know, the sale of "title insurance" is not allowed in Iowa, the state offers "title guarantee" instead. Title guarantee is not required by the state law and many lenders don't require it for their portfolio loans. However, to comply with the new rules, lenders are advised to include the cost of title guarantee policy as \$0 in the GFE when lender title guarantee is purchased through IFA. When the lender does not require the purchase of a lender policy, the lender should enter \$110 in the GFE for policies up to \$500,000, and \$1 more for every \$1,000 in coverage over \$500,000, the cost of an owner-only policy. When the loan purpose is other than home purchase the loan originator should enter N/A (non-applicable). For more information on the new RESPA rules visit HUD's webpage at: http://www.hud.gov/offices/hsg/ramh/res/respa_hm.cfm

THE NEW Credit Card Law



(Information gathered from http://www.whitehouse.gov/the_press_office/Fact-Sheet-Reforms-to-Protect-American-Credit-Card-Holders/)

By Alejandra Peverill, Neighborhood Finance Corporation

The Credit Card Accountability, Responsibility and Disclosure, or Credit CARD Act of 2009 was signed into law on May 22, 2009. Most of the law will go into effect February 22, 2010. This new law is the government's answer as to what has been going on in the credit card industry for many years.

Highlights of the major changes affecting customers are:

Retroactive rate increases

- Credit card issuers cannot raise interest rates on an already existing balance unless a promotional rate expired, the variable index rate increased, or the customer paid late by 60 days or more. Rates cannot be increased in the first year after having issued the credit card and promotional interest rates must last at least six months unless there is a delinquency on the account.

Fee restrictions

- Cardholders will not be charged over-the-limit fees unless they opt-in to approve over-the-limit transactions. Credit card issuers cannot charge more than one over-the-limit fee per billing cycle. Companies cannot charge a fee to customers for paying their credit card debt; a fee some cardholders face when making payments over the phone or Internet.

Ends double-cycle billing

- Credit card issuers cannot base finance charges on the current and previous month's balance.

These are just some of the changes that will take place in February. Changes already in place include allowing cardholders more time to pay their bills, dropping the interest rate back down after making payments on time for six consecutive months, and more advance notice of interest rate hikes. If you want to learn more additional changes taking place, please join us for the 2010 IHOEP Spring Conference to hear a panel of professionals covering credit card laws and answer any questions you may have.

Join us for the 2010 IHOEP Spring Conference to hear a panel of professionals covering changes to the credit card laws.

SAVE THE DATE

April 6

IHOEP Spring Conference: “Supporting Stellar Home Ownership in Iowa” visit hoep.com for more information and to register.

March 22-26, 2010

NeighborWorks and HUD sponsored training in Denver. Scholarships for lodging and tuition may be available for HUD Approved Housing Counselors. Course list is below.

Visit www.nw5.org/training for more information.

HO11 Home Equity Conversion Mortgage

HO209 Financial Fitness

HO220 Data Management and Tracking with CounselorMax

HO222 CounselorMax for Decision Makers and Administrators

HO250 Homeownership Counseling Certification: Principles and Techniques, Part 1

HO272 Introduction to HUD’s HECM Counseling Program

HO275 Reverse Mortgage Counseling: Case Study Practicum

HO280 Sharpen Your Presentation Skills: Tips & Tools to Rejuvenate Education & Counseling

The next two NeighborWorks Training Institutes are

Phoenix, AZ May 3-7, 2010

Philadelphia, PA August 16-20, 2010

The National Community Reinvestment Coalition (NCRC) is scheduling HUD-Approved training on identifying and overcoming fair lending and fraud issues in the loan origination and modification process. Scholarships may be available. Visit www.ncrc.org and click on *Programs and Services* and then *National Training Academy*.

**To support homeowner education in Iowa through a collaborative
of organizations and individuals.**

IHOEP.COM