



# IHOEP

Summer 2007

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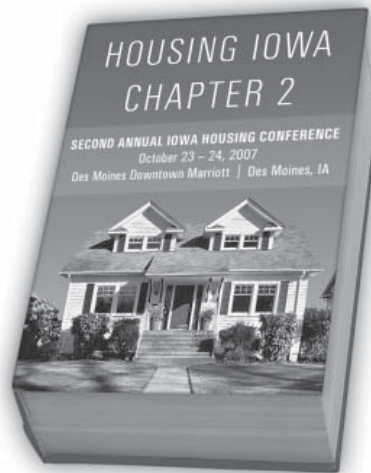
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## IHOEP 2007 Fall Conference at the Iowa Housing Conference

The Program and Education Committee is encouraging IHOEP members to attend the IFA Iowa Housing Conference instead of holding our traditional Fall Conference in Ames. The keynote speakers and Homeownership Track topics are excellent, and will provide information on key IHOEP initiatives. IHOEP plans to hold our Annual Meeting in conjunction with the Iowa Housing Conference. Please plan to join us for grant awards, IHOEP updates and refreshments. IHOEP will be sending information on the annual meeting, scholarships and the homeownership track to all IHOEP members.



the state to share experiences and learn from others. The conference will take place October 23 – 24 at the Downtown Des Moines Marriott and features two keynote speakers. Jonathan Kozol is a renowned authority and expert on issues related to poverty and homelessness.

The second speaker will be Christopher Gardner who was made famous recently when Will Smith portrayed his life story in the movie, *The Pursuit of Happiness*.

Attendees can also take advantage of break-out sessions focused on three tracks: Homeownership, Affordable Rental Production and Special Needs Housing. More information, including registration materials, is

### Share your story, hear a story at the Iowa Housing Conference

The Iowa Housing Conference is your chance to tell your story of affordable housing. Join hundreds of housing providers and advocates from around

available at [www.IowaFinanceAuthority.gov](http://www.IowaFinanceAuthority.gov). Or contact Shawna Lode or Francisco Hernandez with specific questions. You can reach them at 800.432.7230.

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Have an idea for a future IHOEP Newsletter article or a best practices spotlight? Let us know by emailing editor Emily Saveraid at [esaveraid@iowabankers.com](mailto:esaveraid@iowabankers.com)

## Beginning to Intermediate Foreclosure Prevention NeighborWorks America®

Learn the protocol for counseling homeowners in financial distress. Every aspect of default and delinquency will be addressed, including reasons for default; ways to maximize income and reduce expenses; calculating delinquencies; understanding the players in the mortgage marketplace; loss-mitigation options for FHA-insured and other loans and more. This course also satisfies the requirements for Part II of the course, Housing Counseling Certification: Principles, Practices & Techniques, Part I.

September 26-27, 2007 Iowa Bankers Association • Johnston, IA. Registration fee includes two-day training, all materials, two continental breakfasts and two lunches. Members \$100, Non-members \$225. Please visit [www.ihoeep.com](http://www.ihoeep.com) to register and for additional information.

## President's Message

*Jan Finn-Takes, USDA Rural Development*



Home buyers who receive home buyers education prior to purchase have a greater chance of becoming a successful home owner. What about education for homeowners who are in financial distress and may be facing the possibility of foreclosure?

The national foreclosure prevention awareness campaign launched by NeighborWorks® America and the Ad Council estimates the number of households entering foreclosure could exceed one million in 2007. They also estimate each foreclosure costs about \$30,000 which could cost the housing finance system up to \$30 billion.

Now is the time for counselors to hone their skills by attending this fall IHOEP's Train the Trainer. IHOEP will be offering a two-day Train-the-Trainer - Beginning to Intermediate Foreclosure Prevention. This training will be offered at a lower cost due the Iowa Finance Authority's sponsorship and through partnerships with HUD, Neighborhood Finance Corporation and the Iowa Bankers Association. It is my hope that all 35 training slots will be filled.

I want to thank the members who voted for this topic at the spring conference.

In addition to Train the Trainer, planning is underway for our Fall Conference. While I don't have all the details, the program committee tells me there are some changes in the works! You won't want to miss it, stay tuned to IHOEP's website for details – [www.ihoep.com](http://www.ihoep.com)

## A Letter from the Executive Director

*Stephanie Preusch, Executive Director, Iowa Home Ownership Education Project, Johnston*

IHOEP's mission is to serve as a collaboration of organizations and individuals developing, improving and supporting quality home ownership education, services and resources across Iowa. This mission has been evident in much of our work this year.

### ***Rural Home Ownership Education***

I continue to receive many calls from Realtors®, lenders and community service providers interested in providing home ownership education in their communities. Besides letting them know about potential funding sources, curriculum and training opportunities; I refer them to current IHOEP members in their region that are providing quality services (many of you!) I appreciate your willingness to share your expertise and information. Please let IHOEP know how we can develop, improve and support these emerging programs.

### ***Delinquency and Foreclosure Prevention***

Our mission has IHOEP and IHOEP members focusing on

the preservation of homeownership. In the past six months, IHOEP members have assisted well over 1,000 families that are experiencing delinquency or foreclosure. Indications are that foreclosures are on the rise in Iowa.

I have been working with the Homeownership Preservation Foundation and the 995HOPE Campaign (see article on page 7) with the goal of assuring that trained IHOEP members will receive referrals when consumers call 1-888-995-HOPE. I intend for more information on this partnership to be available at the training in September. I encourage you to visit the web site at [www.foreclosurehelpandhope.org/](http://www.foreclosurehelpandhope.org/) and click on the Resources for Counselors page for more information on the campaign.

I hope to see many of you during the next few months in either Washington, D.C., Davenport, Des Moines or Johnston.

## Fall 2006 Grant; Expanding Inter-Active Home Ownership Education to USDA Rural Development Homebuyers

In the fall of 2006, the Fort Dodge Housing Agency responded to the USDA Rural Development mandate to provide inter-active home ownership education to their homebuyers by putting an initiative into our grant application to provide classes for them. There was a lot of guessing as the grant was written as to when and how the mandate would come down.

We were wrong on some things. Large classes taught less often in a central location were anticipated; they need small classes provided more frequently in the areas where the homebuyers live. No problem; with a flexible schedule and our laptop computer and projector from a previous IHOEP grant, our home ownership educator and I took our show on the road.

Next surprise; classes in Spanish are needed in both Storm Lake and Clarion. We are currently working with interpreters to meet this need, but are encouraging someone proficient in Spanish to get the training to teach the class. Of course, we are telling them about IHOEP as a resource for scholarships and funding.

This has been a great learning process and adventure! We look forward to continuing to work with USDA Rural Development to provide home ownership education. Thank you to the Grant & Fundraising Committee, to the people from USDA Rural Development (they have been great) and especially to IHOEP for making it happen!

“The homebuyer education classes offered by Fort Dodge Housing play a key role in helping first-time homebuyers meet our educational requirements,” said Bruce McGuire, USDA Rural Development Housing Program Director in Iowa. “We very much appreciate the flexibility Fort Dodge Housing has shown by moving their meeting locations to meet the needs of our applicants.”

Julie Helle with the Fort Dodge Housing Agency said, “IHOEP has made our entire home ownership education program possible. In fact, we would not be able to expand to USDA buyers without this grant.”

### Fall Grant Applications Available

The IHOEP 2007 Fall Housing Counseling and Anti-Predatory Grant applications are now available. The applications are due Friday, September 28, 2007 and will be awarded on October 24. IHOEP Program Certification is required for most agencies prior to applying for a Housing Counseling Grant or an Anti-Predatory Lending Grant. If it is required, the agency must apply for IHOEP Program Certification by Friday, September 7, 2007. Please visit the IHOEP web site at [www.ihoe.com](http://www.ihoe.com) for the Grant applications and instructions, and information and requirements related to the IHOEP Program Certification.

### New Homeownership Education Standards

There is a new initiative to set national standards for pre- and post-purchase homeownership education and homeownership counseling. The National Industry Standards for Homeownership Education and Counseling have drawn upon a variety of sources including existing standards used by the U.S. Department of Housing and Urban Development (HUD) and local, regional, and national housing counseling organizations. Input on the standards was gathered by the Advisory Council for the National Industry Standards from many industry partners, including national lenders, GSEs, HUD, mortgage insurers, executive directors and counselors of local, regional, and

national organizations.

The National Industry Standards for Homeownership Education and Counseling focus on a set of six core areas; competency, skills, training, operation knowledge, code of ethics and performance standards. In the next few months, IHOEP will consider how to integrate the National Industry Standards and IHOEP Program Certification.

Information, a document outlining the standards, a list of partners and information on how to adopt or endorse the standards is available at [www.homeownershipstandards.com](http://www.homeownershipstandards.com).

## USDA Rural Development Recognizes IHOEP

**M**ark Reisinger, USDA Rural Development State Director in Iowa, presented a plaque to the Iowa Home Ownership Education Project (IHOEP) recognizing the organization for continually developing, improving and supporting quality homebuyer education, services and resources across Iowa in June.

This event is one of more than 20 activities Rural Development organized in Iowa during June to celebrate National Homeownership Month, a time to reflect on the important role home ownership plays in American society, especially in rural America. Other events include housing fairs, housing workshops and lender trainings.

Last year Rural Development provided Iowans with \$125 million in housing assistance and helped more than 1,300 Iowa families become homeowners.

Rural Development can provide loans and grants directly to qualifying individuals, providing them access to affordable, safe and sanitary housing opportunities. Rural Development's Guaranteed Loan Program is administrated by a local lender who takes the application, processes it and determines the acceptability of the home to be financed. Lenders who utilize this guarantee program are able to expand their markets by helping limited-income families in rural Iowa

with homeownership.

Loans and grants from Rural Development are also available to homeowners to assist with removing health and safety hazards from the home and make other needed improvements.

One of the most exciting housing programs offered by Rural Development is Self-Help housing. Participants, organized in groups of six to 10 families, utilize their own labor to reduce the total construction costs of their homes. These families not only build their own homes, they create tight-knit neighborhoods as they complete their homes together.



*USDA Rural Development's Mark Reisinger, left, presents a plaque to IHOEP President Jan Finn-Takes and Executive Director Stephanie Preusch in recognition of the work done by IHOEP to promote homeownership education in Iowa.*

## IHOEP Members to Add to Your Membership Directory

### Iowa State University

68 LeBaron Hall  
Ames, IA 50011  
515-294-6568  
Mary Yearns

### Greater Iowa Credit Union

801 Lincoln Way  
Ames, IA 50010  
515-232-6310  
Donnell Clemenson

### Department of Housing &

### Urban Development

210 Walnut St, Room 239  
Des Moines, IA 50309  
515-284-4632  
Krista Bowersox

## Iowa Housing Study is Nearly Complete

**T**he Iowa Finance Authority will release the 2007 Iowa Housing Study in August. University of Iowa professor Dr. Heather MacDonald completed the study that explores Iowa changing population, economy and housing stock and provides recommendations for meeting Iowa's future housing needs. Look for more information from IFA soon about how to access printed copies of the study and how to find it online.

## Energy Efficient Home for First Time Buyers from Family Housing Advisory Services

A tear down and ground breaking ceremony was held June 29th to mark the latest breakthrough in affordable housing. Two houses were torn down on a site where four new energy efficient homes will be built. The homes are part of the Cities blight removal and INFIL programs which help low to moderate income first time buyers purchase a quality home. Qualified buyers receive a \$15-\$20,000 down payment grants to help them make their purchase affordable. The down payments are funded with money from the federal HOME program which is matched by the Iowa West Foundation. Now new technology can also save buyers \$7,000 over 10 years by making homes more affordable to operate. The new homes are the result of a challenge that CHIC issued to Flat Iron Construction to find ways to make INFIL homes more affordable.

This affordable energy efficient home program could not have been accomplished without the collaboration of key organizations that partner in this endeavor. These include: Community Housing Investment Corporation, the City of Council Bluffs, The Iowa West Foundation, Flat Iron Construction, Family Housing Advisory Services, Inc., Realtors, Mid-American Energy, and Cenergy.

Community Housing Investment Corporation (CHIC), a nonprofit agency, develops the INFIL sites and processes applications for qualified buyers seeking down payment assistance of \$15-\$20,000 forgiven over a 10 year period. The Infil Housing Program is designed to help first time home buyers become homeowners. The applicants must be a first time home buyer which means they can not have owned a home in the last 3 years or have any interest in residential property other than the home to be purchased under the CHIC Housing Infil Program. The applicants must meet HUD guidelines for their household and the annual gross household income can not exceed the HUD established maximums.

Homes are made affordable by using several organizations and strategies: City Community Development Block Grants and HOME funds are matched with Iowa West Foundation grants to off set some site development costs and to give buyers down payment assistance. Builders are selected for

their ability to build quality homes while keeping costs reasonable. Builders use the City's Enterprise Zone benefits to keep building cost down and innovations like the Cenergy Program to enhance affordability. Local Realtors help Low to Moderate income buyers, whose needs are more complex and time consuming, work through the Infil application process. Many of the local banks have special loan products that help qualify buyers for the Infil program homes.

Flat Iron Construction teamed up with Mid-American Energy and Cenergy to design a home that could lower utility bills. Their approach employed the use of construction methods and superior equipment. The Cenergy Program involves strict construction standards backed up with compliance inspections. An inspection is made before drywall is hung to make sure insulation is installed correctly. The house is also receives duct and door testing for air leakage. This is accomplished with computerized testing that actually pressurizes the home to test for leakage. Once the homes passes inspection they will receive a HERS Rating, Home Energy Rating System.

Mid-American Energy supplies the power to the all electric homes which qualifies them for a lower cost per kilowatt. Each home will be equipped with a Heat pump to heat and cool the home and a high efficiency hot water heater and dishwasher. All the fixtures used in the home will for florescent light bulbs to add even more to the savings. These energy efficient homes, approved by Cenergy, are calculated to save the homeowner over \$7,000 in a ten year period.

Family Housing Advisory Services (FHAS), a nonprofit agency, is the metro areas premier comprehensive housing counseling agency and has been increasing homeownership opportunities over 30 years. All buyers are required to complete a Free Home Buyers Education Course provided by FHAS. The US Department of Housing and Urban Development (HUD) has certified FHAS to provide Comprehensive Housing Counseling Services.

For more information contact Neil Vacek 934-6743 or visit [www.fhasinc.org](http://www.fhasinc.org).

# Update from Fannie Mae on Tools to Prevent Mortgage Delinquency

*Kris Neyen, City of Dubuque, Housing & Community Development*

In efforts to help families stay in their homes, Fannie Mae has committed \$5 million to support a national foreclosure prevention initiative, see article on page seven. As part of this initiative, Fannie Mae has introduced HomeStay, which consists of three basic parts. They are as follows:

1. Working with lender partners to help homeowners avoid immediate foreclosure. Fannie Mae focuses on helping people who are falling behind on their mortgage payments avoid default. They work with lenders to offer borrowers a range of workable solutions (such as new fixed rate mortgages) and also offer lenders financial incentives to help borrowers avoid foreclosure.
2. Working with lender partners to help homeowners avoid payment shock. Fannie Mae is expanding their lending options for subprime borrowers so that lenders can help them refinance out of high-reset ARMs or other loans that are a struggle for them. These options include low-down payments; long-term, fixed rates; low fees and points.
3. Working with their lending partners to help counsel future homeowners. They are focusing on the most vulnerable, whom a product modification alone would not help. Their plan is to counsel people to know what to do well before payment shock hits and

to avoid choosing the wrong mortgage option in the first place.

The \$5M in grants will be used by NeighborWorks® America and the Homeownership Preservation Foundation to join forces with local governments, other non-profit organizations, borrowers and lenders to help families overcome any obstacle that could result in the loss of their homes. They are launching a “Know Your Mortgage” effort, which would provide lenders fact sheets with easy-to-understand descriptions of the various mortgages options, available in both English and Spanish. Finally, Fannie Mae is expanding their Home Counselor Online system. This website is designed to help people understand the home-purchase process, how to protect or fix their credit, what to demand and what to avoid.

Daniel H. Mudd, President and CEO of Fannie Mae, when testifying before the U.S. House Committee on Financial Services on April 17, 2007 said, “Fannie Mae can and will do more than our part to help lenders to protect homeowners, stabilize the subprime segment of the mortgage market, and keep affordable mortgage credit flowing to families who need it the most.”

For additional information on HomeStay visit [www.efanniemae.com/homestay](http://www.efanniemae.com/homestay).

## ISU Homebuyers Course: A Place of Your Own

Iowa State University Extension has developed an online course for homebuyers to use when face-to-face pre-purchase homeownership education is not available.

It is an interactive online course to help homebuyers decide if buying a home is the best decision, prepare for the home buying process and shop for a mortgage that works for them.

The lessons are: (1) preparing for home ownership; (2) shopping for a home; (3) getting a mortgage; (4) closing the loan; and (5) being a home owner.

When a homebuyer completes all the lessons, they will

take a certification exam, and will receive a certificate once they have received 70 percent or higher on the final exam.

The cost of the course is \$45. For more information visit [www.extension.iastate.edu/HomeBuyer/](http://www.extension.iastate.edu/HomeBuyer/) or contact Mary Yearns at 515.294.8520 or [yearns@iowastate.edu](mailto:yearns@iowastate.edu).



# Foreclosure Prevention

*Marjorie Burgess, Bank of the West*

**N**eighborWorks® America and The Ad Council are launching a National Foreclosure Awareness Campaign in answer to the alarming escalation of homes entering the foreclosure process in recent years. In 2007, it is expected to exceed one million households. This translates into \$30 billion in cost if it reaches that one million mark.

In addition to the direct monetary cost, research by NeighborWorks® America shows that houses not directly foreclosed upon lose nearly one percent of their value within an eighth of a mile of the foreclosed property; and for the harder hit neighborhoods, where many homes have been foreclosed, the loss is greater and they estimate homeowners' property values will drop by 10 percent or more.

Suspected causes of this escalation appear to be higher costs from adjustable rate and subprime mortgages, weak local economies, and personal factors such as illness or divorce, among other things. Partly because it is such a personal issue to families, they are hesitant to ask for help. NeighborWorks® CEO, Ken Wade, mentions research from Freddie Mac that says half the families who enter into foreclosure never call their lender. "That's the wrong thing to do. When a home is foreclosed, everyone loses—the homeowner, the community, and the lender."

The awareness campaign by NeighborWorks® America is endorsed and supported by the Mortgage Bankers Association, Chase, Citi, Washington Mutual, EMC Mortgage, Fannie Mae, Freddie Mac, Housing Policy Council, Countrywide Home Loans, among others. Providing the foundation for the awareness campaign, is the Homeownership Preservation Foundation which is a Minneapolis-based 501 (c) (3) nonprofit dedicated to reducing foreclosures and preserving home ownership. Their

website, [www.995hope.org](http://www.995hope.org) as well as the Homeowner's HOPE Hotline at 1-888-995-HOPE, are two services directly focused on foreclosure prevention.

Homeowners having trouble paying their mortgage are encouraged to call 1-888-995-HOPE to receive foreclosure prevention counseling from U.S. Department of Housing and Urban Development (HUD)-certified counseling agencies, which include members of the NeighborWorks network. This intermediate counseling seems to be just the bridge needed between the distressed homeowner and the lender. With the help of a counselor, the homeowner and lender can develop a reasonable action plan designed to put the family back on the road to recovery, making IHOEP certified home ownership education more critical than ever before.

The awareness campaign emphasizes the need to do "something" because in "not facing their mortgage issues things will only get worse." The hotline deals with how to avoid mortgage trouble, and what to do if you miss mortgage payments or cannot make payments at all. If the issues need more personal attention, they can put the home owner in touch with housing assistance organizations (including NeighborWorks® organizations) who can provide face-to-face counseling and related services they may need.

Locally, we can lend our support by networking with organizations involved with home ownership in Iowa and then developing a plan that will be incorporated into the home ownership education services that we provide. If you have suggestions on how IHOEP can assist with this campaign, please contact Stephanie Preusch at 515-229-7737 or [www.ihoeep.com](http://www.ihoeep.com).

The Department of Housing and Urban Development (HUD) Housing Counseling Grant is an important source of revenue for home ownership education and counseling in Iowa. The HUD Housing Counseling Grant application that IHOEP makes through the Iowa Finance Authority is an opportunity to access federal funds without competing with other Iowa agencies. The purpose of the application is to serve as a funding source for IHOEP members; as well as raise funds for IHOEP to provide training, conferences

and outreach. In order for the Iowa application to remain competitive, it is important to start identifying organizations and building capacity now.

In the past two years, the average annual award to an agency has been \$14,000. Please contact Stephanie Preusch if you think that you may be interested in participating in the HUD Counseling Grant application that will be due in the Spring of 2008.

# Save the Date

## Beginning to Intermediate Foreclosure Prevention-- NeighborWorks® Class HO109

September 26-27, Johnston, IA  
See page 1 for more information.

**The National Community Reinvestment Coalition (NCRC)** will hold their 2007 Regional Conference in Davenport August 21-22. The theme of the conference is Economic Fairness and Mobility: Promoting Opportunities for Building Wealth. Please visit [www.ncrc.org](http://www.ncrc.org) for information.

## Free Grant Writing Training

**Event Date:** August 29, 2007 - August 30, 2007

**Event Time:** 9:00AM-4:30 PM

**Description:** Get personal instruction from key HUD staff on how to become more competitive for federal grant funds, how to secure an IRS 501(c)(3) non-profit designation, and how to set up your organizational structure to secure government funds. You will learn how to apply for public funding and corporate and foundation funding! Topics will include: Proposal writing techniques; How to access government funds; HUD programs available to nonprofits; HUD common factors for awards; Organizational capacity building; and coalition building.

**Location:** Country Inn & Suites, 2571 Heartland Place (I-80 Exit 240), Coralville, Iowa.

**Contact Name:** Krista Bowersox Operations Analyst at 515-284-4632, or email [Krista.Bowersox@hud.gov](mailto:Krista.Bowersox@hud.gov)

**Electronic Registration:** [www.hud.gov/event\\_registration/index\\_2.cfm](http://www.hud.gov/event_registration/index_2.cfm) - check 13th box down

**Trainer:** David Cole (Chicago HUD).

## Two-Day Workshops - Grant Research, Development, Writing

Eight locations, Fall of 2007

Sponsored by the State of Iowa Grants Enterprise Management System (GEMS)

For more information visit [www.iagem.s.gov/index.php?get=training](http://www.iagem.s.gov/index.php?get=training)

## Iowa Housing Conference

October 23-24 in Des Moines

IHOEP will hold our Annual Meeting as part of the Iowa Housing Conference. More information will be available soon. See article on page 1 for more information.

## Iowa Department of Economic Development - 2007 Housing Fund Application Workshop

Thursday, August 31, 2006 via the Iowa Communications Network (ICN)

9:00 a.m. to 12:00 p.m.

Broadcast on the ICN and originating from the Iowa Department of Economic Development. For information on the 15 remote ICN sites visit [www.iowalifechanging.com/community/housing/workshop.html](http://www.iowalifechanging.com/community/housing/workshop.html).

## NeighborWorks® America Training Institute

December 10-14, 2008, Portland, OR

## Iowa Finance Authority Open House

Join the Iowa Finance Authority for refreshments and tours of our new building at an open house on August 8 from 2:00 – 4:00. IFA purchased the building at 2015 Grand Avenue in Des Moines last year and moved in October. To RSVP for the open house, contact Shawna Lode at [shawna.lode@iowa.gov](mailto:shawna.lode@iowa.gov). Driving directions and parking information will be distributed prior to the event.

## IHOEP's Vision

*IHOEP, a collaboration of organizations and individuals developing, improving and supporting quality home ownership education, services and resources across Iowa. IHOEP's focus is to provide education of people who provide homebuyer education to all people of Iowa, become the resource of choice, and target funds and resources that support the focus. IHOEP seeks to work with members and others in the community to increase quality home ownership education services and financial literacy throughout Iowa.*

VISIT US ON THE WORLD WIDE WEB AT [WWW.IHOEP.COM](http://WWW.IHOEP.COM)