

SERVICES

Foreclosure Prevention

Use these standards for programs that provide foreclosure prevention education and counseling.

Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a foreclosure prevention program. The focus is on the organizational and financial readiness of the program.

1. NEED

a. Community Need

- i. There are low-income residents.
- ii. There are high rates of foreclosure.
- iii. There is a population lacking education, information, and counseling on foreclosure.
- iv. There are scams targeting homebuyers and homeowners.

b. Market Study/Needs Analysis

- i. The market study confirms the need for, and viability of the program.
 1. There are no other foreclosure prevention education and counseling programs in the area that can work with the target population.
 2. There is enough demand for services and sources of funding to support the program.
- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

c. Local Support

- i. The beneficiaries of the program support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s).

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
 - i. The organization can support the additional debt (if any) created by the program.
 - ii. The organization has qualified staff that can undertake the program.
 - iii. The organization has access to reliable, qualified vendors and service providers.

3. FINANCIAL FEASIBILITY

a. Program cost

- i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
- ii. The operator or staff providing the cost estimates is qualified and experienced with foreclosure prevention programs.

b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the program.
- iv. The organization is aware of the compliance implications of each source.

c. Cash flow

- i. The program produces enough cash flow to support the proposed debt structure (if any).
- ii. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year

Level 2: Practical Considerations

These criteria are essential for a successful, operating foreclosure prevention program.

1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, trainers, outreach coordinators, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
- c. The program is supported by public sector, private sector, and community partners.
- d. The organization is connected to public sector (e.g. assessor's office) and private sector (e.g. title company, attorney) partners who provide assistance to the program
- e. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program

3. SITE CHARACTERISTICS

- a. The area that is served by the program makes sense.
- b. The offices and training sites of the program are located near or adjacent to transit.

4. PROGRAM DESIGN & OPERATION

- a. The program is run in the appropriate language(s) for the clientele in the area.
- b. The program is culturally appropriate to the clientele in the area.
- c. The program is tailored to the specific geography of the clientele in the area.

Level 3: From Feasible to Exemplary

These criteria elevate a foreclosure prevention program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The program exceeds minimum standards required by funding sources.
 - i. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the program and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about foreclosure prevention programs.

3. ENVIRONMENTAL IMPACT

- a. The program has less environmental impact than traditional programs during operation.

4. ECONOMIC IMPACT

- a. The program encourages development, redevelopment, and investment.

5. COMPREHENSIVENESS

- a. The organization provides or connects to other programs that provide multiple services e.g. referrals to lawyers.

6. DIVERSITY

- a. The program serves a mixed income clientele.
- b. The program encourages mixed age, gender, ethnic, etc. participation.
- c. The program supports minority businesses.

7. PUBLIC BENEFITS

- a. The program provides foreclosure prevention education and counseling that is needed by the community but is currently not provided or accessible.
 - b. The program prevents the negative impacts of foreclosure, such as decreased property values, instability in the community, etc.
 - c. The program results in other positive physical impacts.
 - d. The program results in other positive economic impacts.
 - e. The program results in other positive social impacts.
8. EVALUATION
- a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
 - b. The organization edits the curriculum and materials as necessary.
 - c. The program tests whether skills are really gained, not just taught.
9. LONGITUDINAL DATA
- a. The program tracks financial indicators of its participants (e.g. # of participants who avoided foreclosure, received a loan modification, received a forbearance, conducted a short sale)
 - b. The program tracks the reach of its services? (e.g. # of clients, income status)
10. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.