

## **Project/Program Profile**

**Name:** Foreclosure Counseling Program

**Organization:** Community Service & Employment Training, Inc. (CSET)

**Location of Project/Program:** 312 NW 3<sup>rd</sup> Avenue, Visalia, CA 93291

**Year Project Completed/Program Began Operation:** Since 2008

**Funding Sources:** Rural Community Assistance Corporation, California Housing Finance Agency, Community Services Block Grant, Low Income Home Energy Assistance Program, HUD Housing Counseling Program

**Populations Served:** Tulare County residents at risk of or already in foreclosure.

**Number of Staff:** 2

**Total Cost of Development/Operation:** \$60,000 per year

**Partners:** Tulare County District Attorney, Local Banks, Media Partners, San Joaquin Foreclosure Task Force, Rural Community Assistance Corporation

**Services Provided:** Provides foreclosure assistance and counseling to those at risk of foreclosure or in the foreclosure process.

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**SERVICES: Foreclosure Prevention**

(Italicized portions offer further explanation. If the standard is not fulfilled by the project, it is noted in the italicized explanation. Crossed-out portions are not applicable.)

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.

1. *As of the 2000 census, about 24% of the residents were below the poverty line in Tulare County.*

ii. There are high rates of foreclosure.

1. *Tulare County has high rates of foreclosure with 1 in every 194 housing units being foreclosed upon.*

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.

*No market study was conducted.*

1. There are no other foreclosure prevention education and counseling programs in the area that can work with the target population.

a. *There is only 1 other foreclosure program in the area.*

2. There is enough demand for services and sources of funding to support the program.

a. *Although there was no market study, there is an obvious need for the program.*

ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

1. *CSET used Tulare County demographics from the U.S. Census Bureau's American Communities Survey 2005-2007.*

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).

1. *Foreclosure programs such as this one are in alignment with local city, county, state, and federal development goals by helping participants avoid foreclosure and coaching them through the process.*

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.

i. *CSET's mission is to help the residents of the County of Tulare fight the causes of poverty and overcome the challenges facing the community including the challenge of foreclosure.*

c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.

- i. CSET is committed to a CED strategy and views the foreclosure assistance program as part of their CED strategy.*
  - d. The organization and/or its partners have a track record of participating in similar programs.*
    - i. The organization has experience providing other housing services such as utility, rental, and mortgage assistance.*
  - 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.*~~
      - 1. No debt will ever be incurred by the program.*
    - ii. The organization has qualified staff that can undertake the program.*
      - 1. CSET has hired and trained housing counselors who are NeighborWorks Certified Foreclosure Intervention and Default Counselors.*
    - 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.*
      - 1. CSET has experience providing other housing programs.*
      - 2. CSET has 3 years of experiences with the foreclosure program.*
  - b. Funding sources*
    - i. There are enough sources of funding for the uses.*
      - 1. The program received funding from the Rural Community Assistance Corporation to provide counseling through the National Foreclosure Mitigation Counseling Program. The grant enabled CSET to hire its first full-time counselor for the foreclosure counseling service.*
      - 2. The program has been scaled to fit the funding.*
    - 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.*
      - 1. Disbursements of the grant are timely, however timely disbursements are not as big of an issue because the program is scaled.*
    - 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).*~~
      - 1. There is no debt.*
    - ii. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year*
      - 1. The program is free, and it can sustain itself because it is scaled.*

### 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.
  - i. *CSET foreclosure counselors are nationally certified.*
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - i. *The organization partnered with Tulare County District Attorney, Local Banks, Media Partners, San Joaquin Foreclosure Task Force, Rural Community Assistance Corporation to provide supplementary assistance to the program.*
- c. The program is supported by public sector, private sector, and community partners.
  - i. *The organization is connected to public sector (e.g. District Attorney's office) and private sector (e.g. Title Company, attorney) partners who provide assistance to the program.*
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
  - i. *Community input and participation was incorporated at the start of the program.*

3. SITE CHARACTERISTICS

- a. The area that is served by the program makes sense.
  - i. *The program serves residents of Tulare County.*
- 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.
  - i. *Counselors are bilingual. They speak English and Spanish.*
- b. The program is culturally appropriate to the clientele in the area.
  - i. *The program is culturally appropriate by having bilingual counselors.*
- 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.
  - i. *The program uses funding that is typical for foreclosure programs.*
- b. Each funding source was heavily leveraged to gain further resources.
  - i. *The program is funded by the National Foreclosure Litigation Counseling Program through Rural Community Assistance Corporation, HUD Housing Counseling Program, California Housing Finance Agency, as well as Community Services Block Grant funding, and the Low Income Home Energy Assistance Program.*
- 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.
    1. *The program serves anyone facing foreclosure, regardless of income level.*

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.~~
    - i. *The program has no environmental impact.*
4. ECONOMIC IMPACT
- a. The program encourages development, redevelopment, and investment.
    - i. *The program does not encourage development, redevelopment, or investment, but rather helps protect prior investments.*
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. referrals to lawyers.
    - i. *The program also offers assistance in applying for government foreclosure reduction plans and provides money management information.*
    - ii. *CSET provides other programs such as Volunteer Income Tax Assistance, youth development programs, job training programs, and utility and rental assistance programs.*
6. DIVERSITY
- a. The program serves a mixed income clientele.
    - i. *The program is available for all residents who need it. However, it is more likely that those who need the program are low-income.*
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
    - i. *The only eligibility restriction for participation is being a Tulare County resident. All residents regardless of age, gender, and ethnicity are encouraged to participate if they are in need of foreclosure prevention assistance.*
  - c. The program supports minority businesses.
    - i. *The program does not support 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.
    - i. *The community needs foreclosure prevention education and counseling and CSET offers it free of charge.*
  - b. The program prevents the negative impacts of foreclosure, such as decreased property values, instability in the community, etc.
    - i. *The program provides counseling to help prevent foreclosure and the negative impacts associated with foreclosure.*
  - c. The program results in other positive physical impacts.
    - i. *By helping to prevent foreclosure, the program prevents homelessness.*
  - d. The program results in other positive economic impacts.
    - i. *By helping to prevent foreclosure, the program helps stabilize the local economy.*
  - e. The program results in other positive social impacts.
    - i. *The program helps residents feel more secure in their financial standing.*
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.
  - i. *The program does not test skills that are taught in the program.*

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).
  - i. *The program tracks income of clients, number of clients, and outcomes of counseling.*

10. REPLICABLE/SCALABLE

- a. This program can be replicated in other communities, regions, and/or states.

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