



# **Keep Your Home California**

**Joint Hearing  
Assembly Committees on  
Housing and Community Development &  
Banking and Finance  
October 29, 2013**



# **Keep Your Home California Program Objectives**

- Help prevent avoidable foreclosures for eligible low and moderate income homeowners
- Address financial hardships from one or more aspects of the current foreclosure crisis
- Provide mortgage payment assistance to help homeowners that cannot help themselves due to valid hardships



# General Homeowner Eligibility Requirements

- Meet low and moderate income limits (120% AMI)
- Complete and sign a Hardship Affidavit – must be able to document the reason for hardship
- Mortgage loan is delinquent or in imminent default
- Adequate income to sustain mortgage payments after reinstatement and/or modification, according to KYHC and/or participating servicer guidelines
- Cannot be in active bankruptcy
- Servicer participation is required for homeowners to access benefits



# General Property Eligibility Requirements

- Property must be located in California
- Property must be owner occupied, primary residence
- Assistance only available for the first mortgage
- Current unpaid principal balance of first mortgage cannot exceed GSE limit (currently \$729,750)
- Property must not be abandoned, vacant or condemned



## Four Main Programs

- Unemployment Mortgage Assistance
- Mortgage Reinstatement Assistance Program
- Principal Reduction Program
- Transition Assistance Program



# Unemployment Mortgage Assistance

- Help eligible homeowners who have experienced involuntary job loss and are receiving California EDD unemployment benefits
- Provides temporary benefit assistance in the form of a mortgage payment subsidy for maximum of 12 months
- Monthly benefit up to \$3,000 or 100% of the first lien mortgage loan PITIA, whichever is less



# Mortgage Reinstatement Assistance

- Assist eligible homeowners by providing reinstatement assistance for first lien mortgage loan
- Benefit assistance up to \$25,000 per household – participation is limited to one-time payment
- Homeowner must be at least two payments behind
- Can follow UMA if homeowner emerges from unemployment hardship but still needs help to pay loan current
- Homeowner must be able to demonstrate that payment is affordable, per guidelines



# Principal Reduction Program

- Assist homeowners who have suffered a hardship, owe more than their home is worth and are unable to afford their current mortgage payment
- Benefit assistance up to \$100,000 per household
- Help homeowner attain affordable monthly payment with goal of 31%-38% front-end ratio
- Loan to value ratio must fall within 105%-140% after assistance





# Transition Assistance Program

- Provide transition assistance benefits to homeowners who can no longer afford their home and want to avoid foreclosure – help homeowners make a smooth transition to alternative housing
- Benefit assistance up to \$5,000 per household
- Benefit assistance provided in conjunction with investor approved short sale and deed-in-lieu transactions



# Local Innovation Fund Participant Update

- Community Housing Works (CHW)
  - Community 2<sup>nd</sup> Mortgage Principal Reduction Program: 40/60 matching basis to reduce the outstanding principal balances of subordinate second mortgages, as well as providing relief for a subordinate lien on a short sale for qualifying properties with negative equity exceeding 107% CLTV
    - Maximum of \$50,000 in benefits
    - Includes HELOCs with monthly payments
  - Contract effective date: June 21, 2011
  - \$10 million allocation
  - 27 transactions for \$386,265 through September 30, 2013
    - Six (6) in CY 2013 through September 30, 2013
    - Difficulty signing up servicers and finding eligible homeowners / properties (positive equity prior to or after assistance, non-amortizing sub-liens, exceed AMI limit, etc.)



# Local Innovation Fund Participant Update

- Los Angeles Housing Department (LAHD)
  - Principal Reduction Program: Program funds will be used to compensate lenders for forgiven principal on proprietary (non-HAMP) loan modifications on a gradational scale depending on LTV.
    - Maximum of \$50,000 in benefits
  - Contract effective date: March 12, 2012
  - \$5 million allocation
  - No transactions to date
    - Less attractive option than KYHC PRP
    - Difficulty signing up servicers and finding eligible homeowners / properties
  - Pending termination of contract



# How to Apply

- Call the Keep Your Home California Counseling and Processing Center at **888-954-KEEP (5337)**
  - Hours: Mon – Fri 7am – 7pm; Sat 9am – 3pm; Closed Sun
- Contact one of the HUD approved counseling agencies certified to conduct Keep Your Home California counseling sessions.
  - A list of participating counseling agencies is available at:  
<http://keepyourhomecalifornia.org/meet-with-a-counselor/>



# External Counseling Agencies

- Currently have 40 counseling agencies participating
- Agencies sorted by county on the [KYHC website](http://www.kyhc.org)

The screenshot shows the 'KEEP YOUR HOME CALIFORNIA' logo in the top left. In the top right, there is a search icon and a red button labeled 'Español'. Below the logo, the text 'WE CAN HELP • YOU CAN QUALIFY' is displayed. The main heading is 'Meet with a Counselor'. Below this, a paragraph explains that counseling is a critical tool for struggling homeowners and that a counselor can help assess eligibility for various programs. A link is provided to find counseling agencies by county. Below the text is a search box labeled 'Select a County' with a dropdown menu showing a list of counties: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, and Fresno. To the right of the search box is a magnifying glass icon. Further right, there is a section titled 'Are You Eligible?' with text about program eligibility and a 'Get Started Now!' button. Below this is a section titled 'Upcoming Events' with a list of events including 'NACA American Dream Event' and 'Help for Homeowners Workshop'.

**KEEP YOUR HOME CALIFORNIA™**

WE CAN HELP • YOU CAN QUALIFY

## Meet with a Counselor

Counseling is a critical tool for struggling homeowners. A counselor can work with you to assess your eligibility for one or more of the Keep Your Home California programs. The counselor may also help you determine if you qualify for participation in other modification programs and recommend a course of action based on your unique facts and circumstances.

Find the counseling agencies that service your county by using the form below, or [click this link](#) to view the entire list.

Select a County

- Alameda
- Alpine
- Amador
- Butte
- Calaveras
- Colusa
- Contra Costa
- Del Norte
- El Dorado
- Fresno

### Are You Eligible?

Our programs are designed to help low and moderate income homeowners retain their homes if they have suffered a financial hardship.

It only takes a few minutes to find which of our programs can help you best.

**Get Started Now!**

### Upcoming Events

October 17, 2013 8:00 am  
**NACA American Dream Event**  
Oakland, CA  
United States

October 17, 2013 2:00 pm  
**Help for Homeowners Workshop**  
San Bernardino, CA  
United States

October 17, 2013 3:00 pm  
**Mortgage Clinic**  
Emeryville, CA



# Application Process

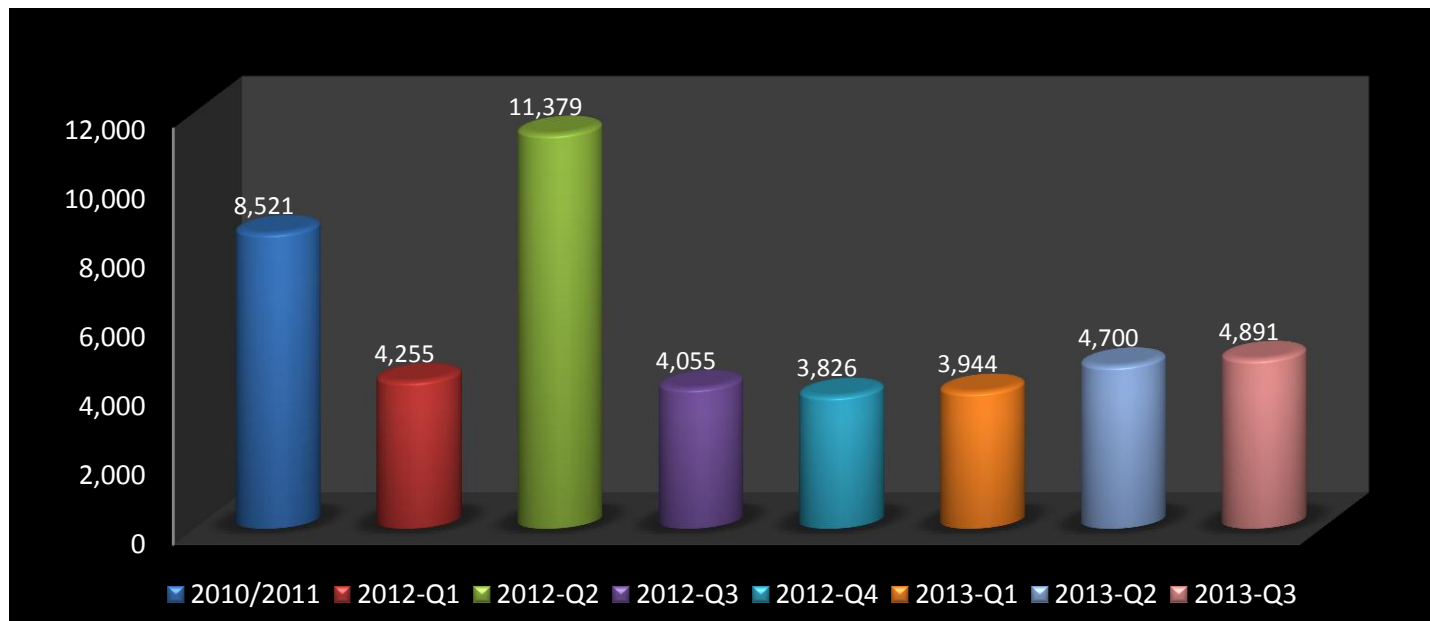
- Counseling sessions typically take 20-45 minutes to complete (varies by program). All homeowners listed on the mortgage must be on the line to apply.
- If homeowners are determined preliminarily eligible at the end of their session, a comprehensive packet explaining next steps is sent and the homeowner must return required documents
- Once documents are received, KYHC will work with servicer to make final determination on approval to fund.



# Program Update - UMA

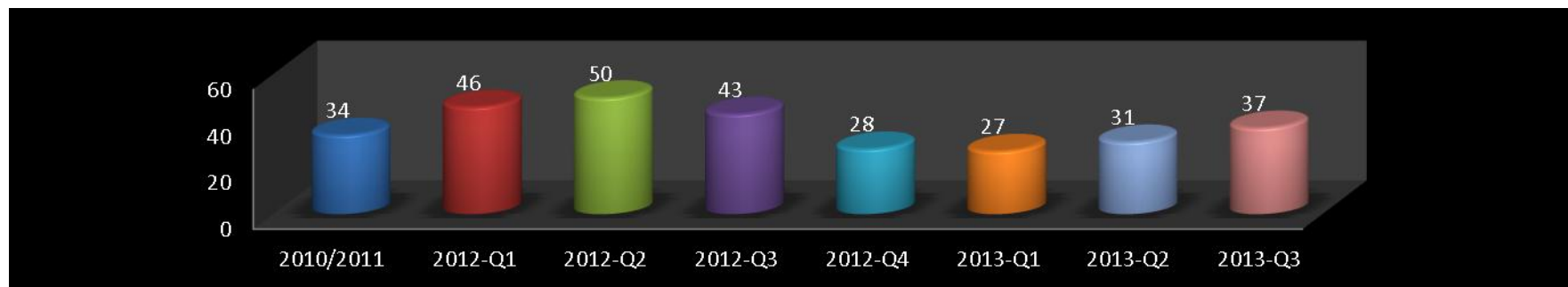
## Program Inception through September 30, 2013

### Homeowner Action Plans



Total HAPs
45,571

### Median Days to Process – Approved Files

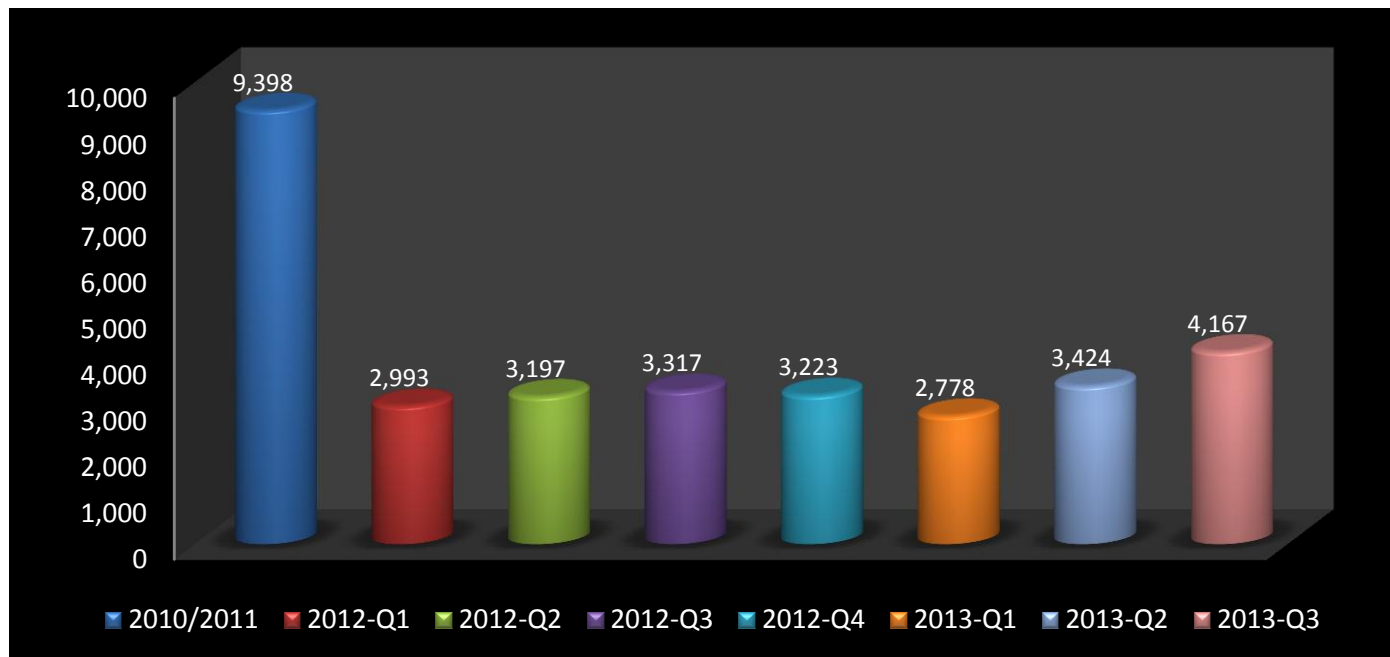




## Program Update – MRAP

### Program Inception through September 30, 2013

#### Homeowner Action Plans



#### Total HAPs

32,497

#### Median Days to Process – Approved Files



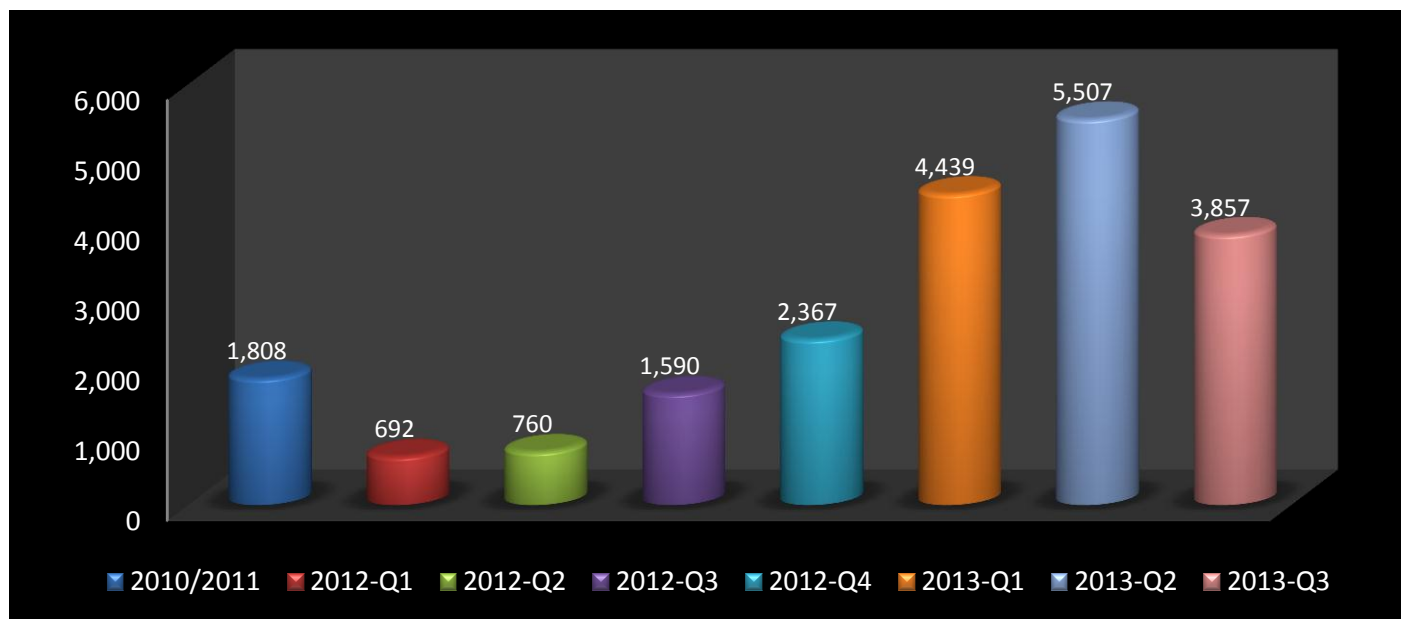




## Program Update – PRP

### Program Inception through September 30, 2013

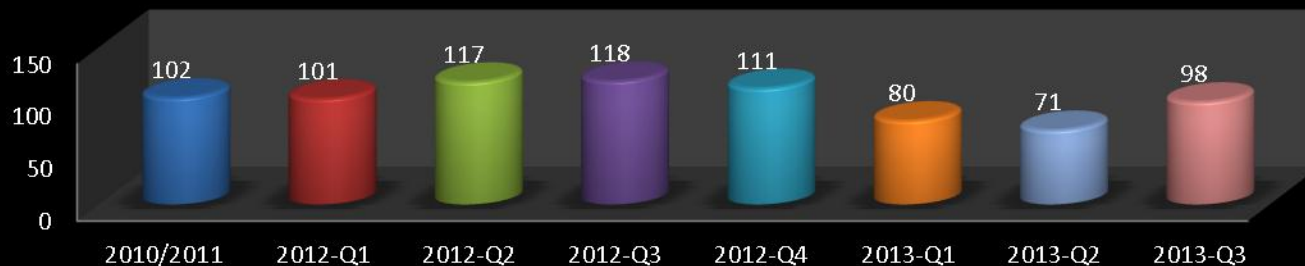
Homeowner Action Plans



**Total HAPs**

21,020

Median Days to Process – Approved Files

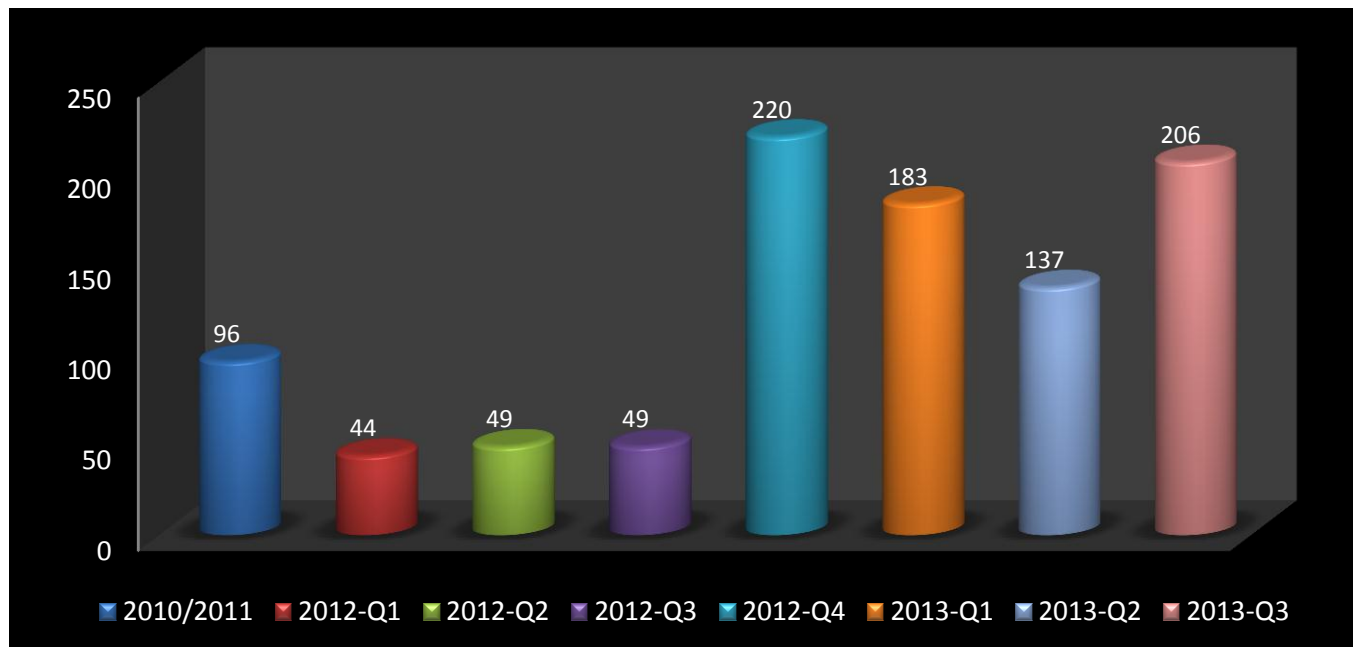




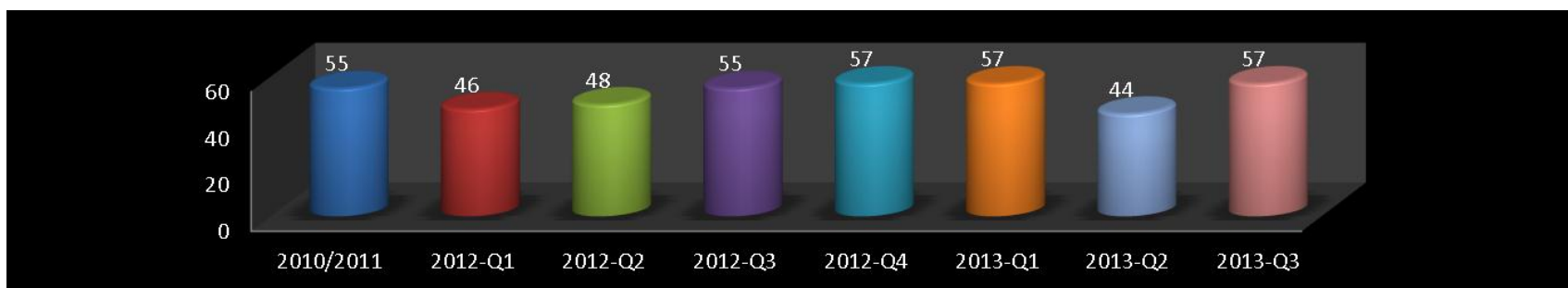
## Program Update - TAP

### Program Inception through September 30, 2013

Homeowner Action Plans



Median Days to Process – Approved Files





## Program Update

### In Process Transactions by Program and Servicer

As of September 30, 2013

Program	Count	%	Reserve \$	%
UMA	1,873	28.52%	\$63,639,955	19.94%
MRAP-Reinstatement	2,221	33.82%	\$55,525,000	17.40%
MRAP-Modification	402	6.12%	\$10,050,000	3.15%
PRP-Recast	1,326	20.19%	\$130,709,350	40.96%
PRP-Modification	632	9.62%	\$58,623,607	18.37%
TAP	114	1.74%	\$570,000	0.18%
Total	6,568	100.00%	\$319,117,912	100.00%

Servicer	Count	%	Reserve \$	%
Bank of America	1,033	15.73%	64,711,467	20.28%
Wells Fargo / ASC	1,438	21.89%	61,289,925	19.21%
Chase	528	8.04%	25,761,395	8.07%
Ocwen Loan Servicing	808	12.30%	41,654,991	13.05%
NationStar Mortgage LLC	434	6.61%	11,930,139	3.74%
One West Bank	184	2.80%	11,136,989	3.49%
Seterus/IBM/IBPS	186	2.83%	11,075,562	3.47%
Specialized Loan Servicing LLC	182	2.77%	10,910,256	3.42%
Select Portfolio Servicing	181	2.76%	10,075,103	3.16%
US Bank	145	2.21%	7,728,289	2.42%
Other	1,449	22.06%	62,843,797	19.69%
Total	6,568	100.00%	\$319,117,912	100.00%



# Program Update

## Homeowner Assistance and Reservations by Program

### Completed – Program Inception through September 30, 2013

Program	Count	%	Fund \$ (1)	Invoiced \$ (2)	Held \$ (3)	Total
UMA	24,828	77.86%	\$281,894,469	\$12,415,553	\$56,715,667	\$351,025,690
MRAP-Reinstatement	4,118	12.91%	\$52,826,839	\$357,152	\$0	\$53,183,991
MRAP-Modification	154	0.48%	\$2,479,880	\$0	\$0	\$2,479,880
PRP-Recast	839	2.63%	\$60,979,945	\$998,388	\$0	\$61,978,333
PRP-Modification	1,563	4.90%	\$68,289,862	\$0	\$294,208	\$68,584,071
TAP	387	1.21%	\$1,525,777	\$0	\$0	\$1,525,777

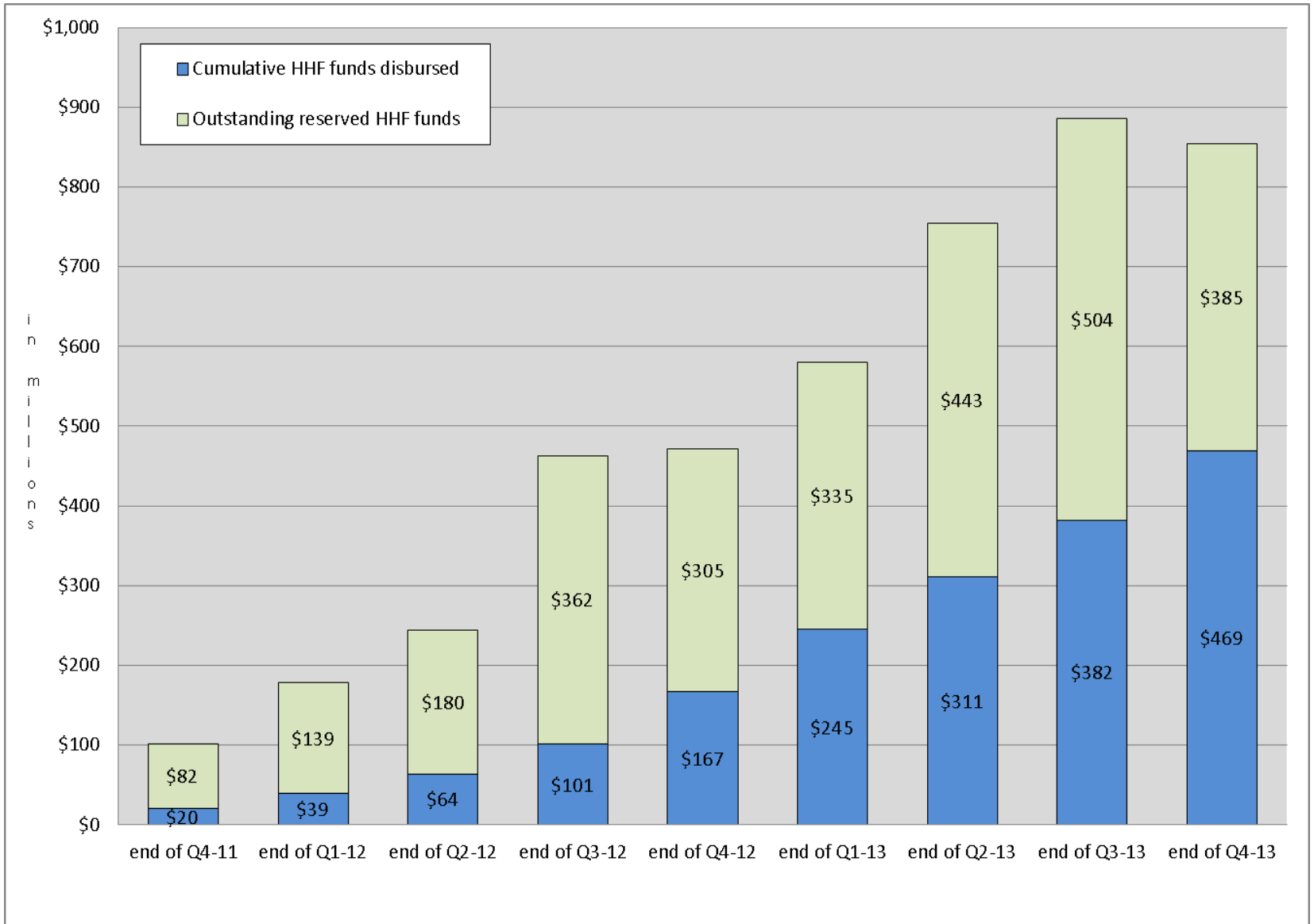
31,889	100.00%	\$467,996,773	\$13,771,093	\$57,009,875	\$538,777,742
--------	---------	---------------	--------------	--------------	---------------

	Reserved - (Amounts in 000's)															
	in Process				Ineligible (4)				Withdrawn (5)				Total			
Program	Count	%	\$	%	Count	%	\$	%	Count	%	\$	%	Count	%	\$	%
UMA	1,873	28.5%	\$63,640	19.9%	131	14.1%	\$4,493	6.89%	1	25.0%	\$36	10.7%	2,005	26.7%	\$68,169	17.7%
MRAP-Reinstatement	2,221	33.8%	\$55,525	17.4%	159	17.1%	\$3,950	6.05%	0	0.0%	\$0	0.0%	2,380	31.7%	\$59,475	15.5%
MRAP-Modification	402	6.1%	\$10,050	3.1%	70	7.5%	\$1,750	2.68%	0	0.0%	\$0	0.0%	472	6.3%	\$11,800	3.1%
PRP-Recast	1,326	20.2%	\$130,709	41.0%	501	53.8%	\$49,389	75.70%	3	75.0%	\$300	89.3%	1,830	24.4%	\$180,399	46.9%
PRP-Modification	632	9.6%	\$58,624	18.4%	64	6.9%	\$5,632	8.63%	0	0.0%	\$0	0.0%	696	9.3%	\$64,255	16.7%
TAP	114	1.7%	\$570	0.2%	6	0.6%	\$30	0.05%	0	0.0%	\$0	0.0%	120	1.6%	\$600	0.2%
	6,568	100.0%	\$319,118	100.0%	931	100.0%	\$65,244	100.0%	4	100.0%	\$336	100.0%	7,503	100.0%	\$384,698	100.0%

- (1) Amount funded (Net of returns)
- (2) Amount scheduled for next disbursement cycle/month
- (3) Amount scheduled to be funded in subsequent months or in suspended transaction status
- (4) Homeowner deemed ineligible for program assistance in either Processing or Eligibility
- (5) Homeowner withdrew their request for program assistance or failed to return any of KYHC's require documents

## Program Update

### Cumulative HHF Funds Disbursed and Outstanding Funds Reserved through September 30, 2013





## Program Update

### Top 10 Servicers – Scheduled Assistance

Program Inception through September 30, 2013

	UMA		MRAP-Reinstatement		MRAP-Modification		PRP-Recast		PRP-Modification		TAP		Total	
	Count	\$	Count	\$	Count	\$	Count	\$	Count	\$	Count	\$	Count	\$
Bank of America	6,158	\$83,598,445	761	\$10,206,224	0	\$0	109	\$8,427,348	1,130	\$45,333,684	139	\$479,955	8,297	\$148,045,656
Wells Fargo / ASC	5,592	\$78,855,040	993	\$13,619,001	0	\$0	89	\$6,342,890	0	\$0	45	\$157,250	6,719	\$98,974,181
Chase	2,894	\$40,656,665	489	\$6,402,035	3	\$50,000	82	\$6,388,064	1	\$44,657	0	\$0	3,469	\$53,541,421
Ocwen Loan Servicing	2,247	\$31,547,847	544	\$6,396,758	47	\$646,002	101	\$7,901,744	9	\$581,057	38	\$127,500	2,986	\$47,200,907
CalHFA	354	\$4,343,769	129	\$1,613,941	25	\$479,716	134	\$9,959,692	222	\$11,594,653	69	\$345,000	933	\$28,336,772
CitiMortgage / Citibank	1,257	\$17,712,208	115	\$1,215,854	0	\$0	0	\$0	0	\$0	0	\$0	1,372	\$18,928,062
One West Bank	594	\$9,530,346	108	\$1,547,988	8	\$146,756	41	\$2,669,816	7	\$605,000	0	\$0	758	\$14,499,907
Seterus/IBM/IBPS	457	\$6,274,290	78	\$795,823	3	\$9,672	83	\$5,757,476	0	\$0	6	\$24,000	627	\$12,861,261
Guild Mortgage Company	352	\$4,419,040	102	\$1,122,073	17	\$275,281	44	\$3,008,857	64	\$3,229,252	12	\$59,072	591	\$12,113,575
NationStar Mortgage LLC	575	\$9,739,607	74	\$1,076,999	2	\$10,862	2	\$153,000	1	\$50,000	19	\$59,000	673	\$11,089,468
Other	4,334	\$64,270,769	723	\$9,161,642	48	\$847,560	155	\$11,419,445	128	\$7,095,768	59	\$274,000	5,447	\$92,979,934
Servicer Count - 107	24,828	\$351,025,690	4,118	\$53,183,991	154	\$2,479,880	840	\$62,028,333	1,562	\$68,534,071	387	\$1,525,777	31,889	\$538,777,742

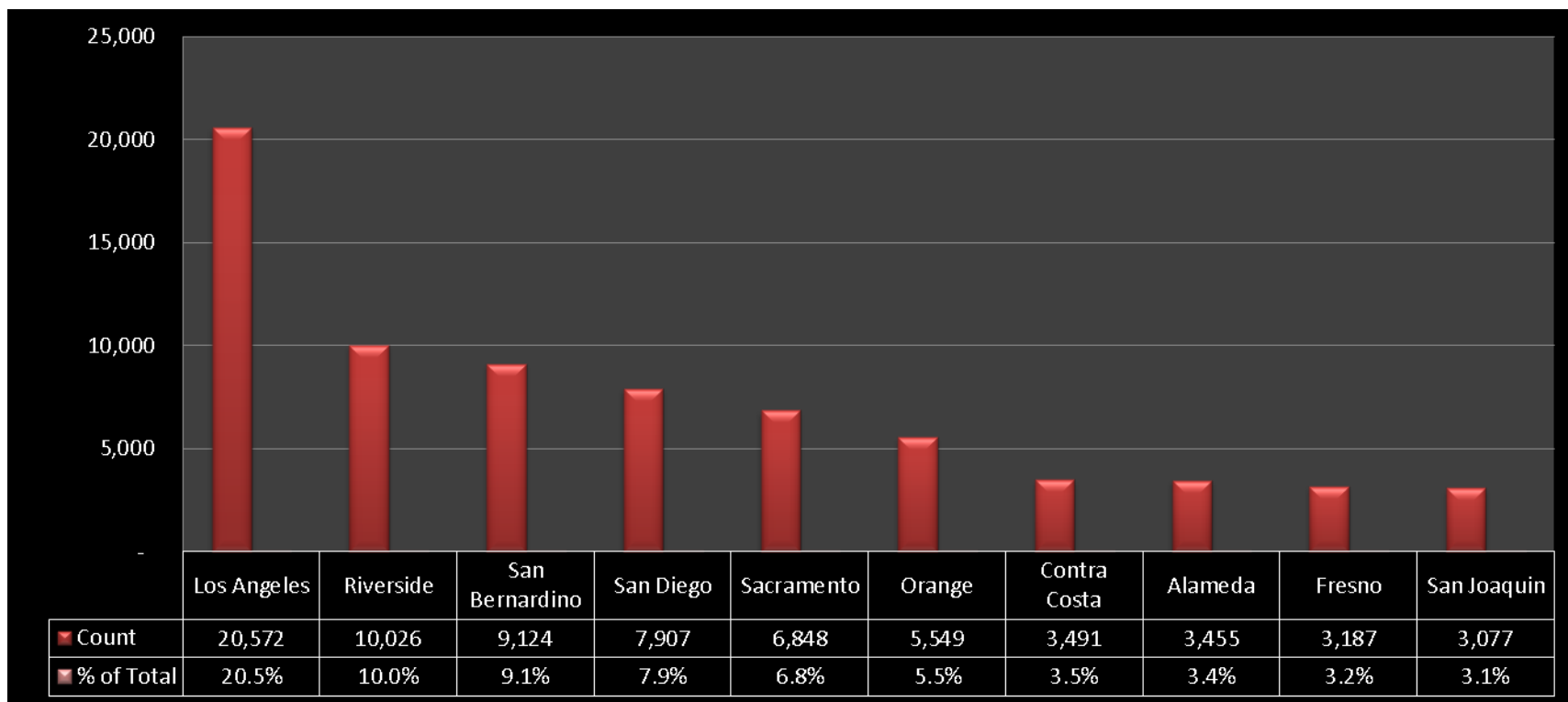
Scheduled Assistance includes funded, invoiced and held disbursement statuses



# Program Update

## Homeowner Action Plans - Top 10 Counties

### As of September 30, 2013





## Top 5 Ineligible Reasons

### January 1, 2013 through September 30, 2013

Homeowner Ineligible										
Reason	UMA		MRAP		PRP		TAP		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%
Mortgage payment is <span>affordable</span> based on income.	568	47.9%	347	21.4%	1,075	21.6%	0	0.0%	1,990	25.3%
Hardship has not been documented.	1	0.1%	695	42.8%	908	18.3%	0	0.0%	1,604	20.4%
PRP program LTV criteria not met.	0	0.0%	2	0.1%	1,242	25.0%	0	0.0%	1,244	15.8%
Mortgage payment is <span>unaffordable</span> based on income.	0	0.0%	15	0.9%	799	16.1%	0	0.0%	814	10.3%
Median income exceeds program eligibility requirements.	54	4.5%	214	13.2%	337	6.8%	5	5.6%	610	7.7%
Other	564	47.5%	350	21.6%	614	12.3%	84	94.4%	1,612	20.5%
Totals	1,187	15.1%	1,623	20.6%	4,975	63.2%	89	1.1%	7,874	100.0%

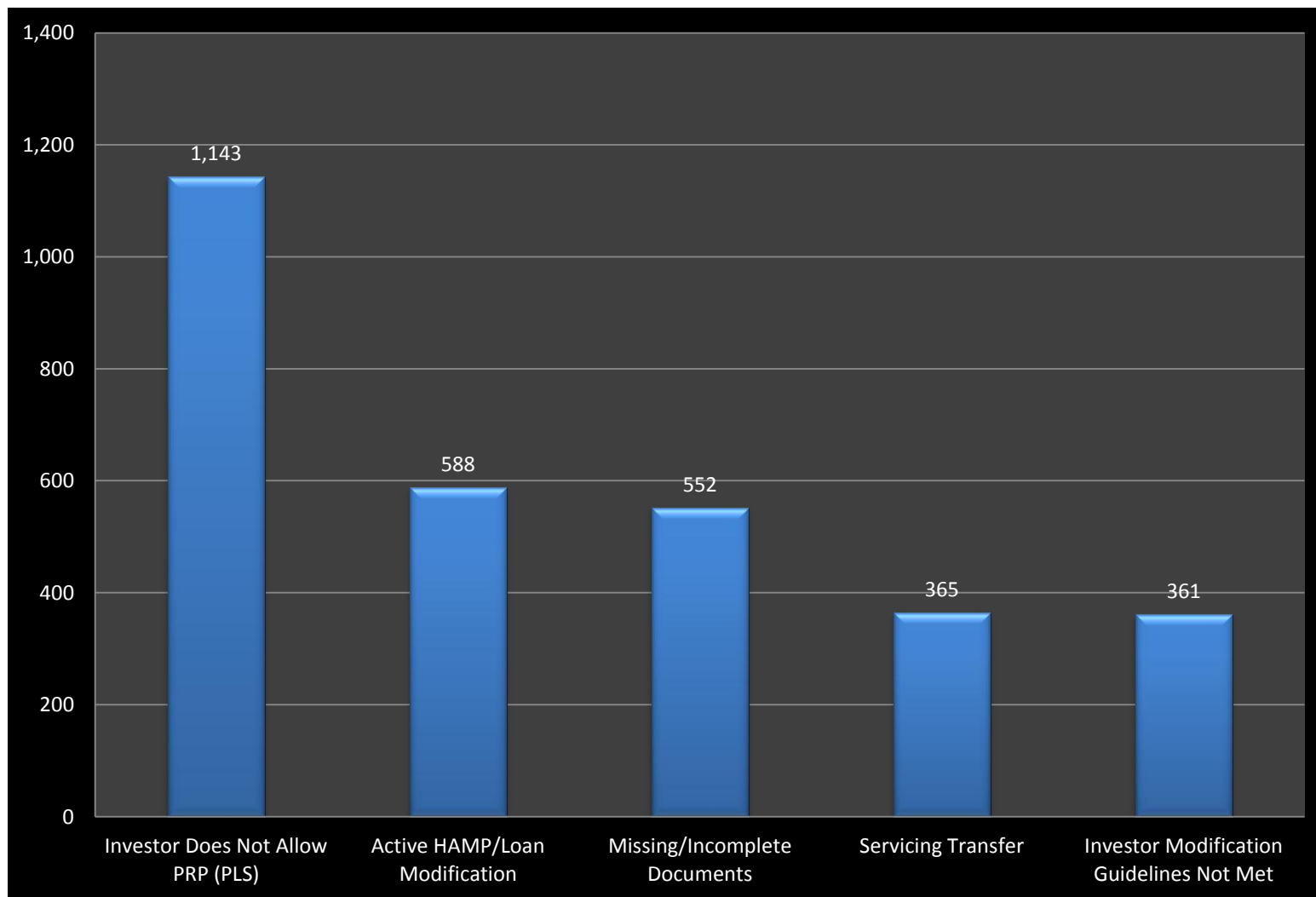
Homeowner Withdrawal										
Reason	UMA		MRAP		PRP		TAP		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%
Active	287	7.5%	363	8.3%	387	8.5%	8	5.8%	1,045	8.1%
Passive	3,544	92.5%	4,036	91.7%	4,181	91.5%	130	94.2%	11,891	91.9%
Totals	3,831	29.6%	4,399	34.0%	4,568	35.3%	138	1.1%	12,936	100.0%





## Top 5 Servicer Objections

January 1, 2013 through September 30, 2013





# Upcoming Program Changes

*Treasury Formally Approved the Term Sheet Changes on September 20, 2013*

*Program Changes are Targeted for Implementation on November 4, 2013*

- **UMA**
  - Now Eligible
    - *Underemployed* homeowners
    - Homeowners whose unemployment benefits lapsed or expired within 30 days of the request for assistance
    - Homeowners with NOD that was recorded no more than 60 days prior to request for assistance
  - DTI eligibility calculation now *excludes* unemployment benefits

*The changes expand the number of homeowners that may be eligible to receive UMA assistance.*



# Upcoming Program Changes

- PRP
  - A pre-assistance LTV > 140% is considered a hardship indicative of imminent default
  - PRP funds may be used to eliminate an existing non-interest bearing forbearance
  - Pre-assistance DTI eligibility calculation includes the interest-bearing principal *and* non-interest bearing forbearance amounts
  - A rate reduction will not be required with any mortgage loan modification that may be necessary to reach the Program's definition of affordability

*The changes: expand the number of homeowners that may be eligible to receive PRP assistance and permit application of funds to reduce/eliminate forbearance balances and as a curtailment when the mortgage loan meets KYHC's definition of affordability which will assist homeowners in active HAMP modifications without interfering with the Treasury incentive structure*



# Resources Available on the Website

- Program Descriptions
- List of participating servicers
- “Welcome” video to provide overview
- Eligibility calculator
- Income limits by county
- List of upcoming foreclosure prevention events throughout California
- Success stories
- FAQs
- Press releases, news stories, and other updates



# Servicer Participation Update

- Participating Servicers as of October 16, 2013
  - Total 156 servicers currently participating in KYHC
  - 44 new servicers added since April 1, 2013
  - 3 servicers are no longer servicing loans
    - Homeward Residential, Santa Barbara B&T, and MetLife
  - 105 servicers currently enrolled in PRP
    - Bank of America added PRP-P on 9/20/13
    - Wells Fargo added PRP-P on 6/3/13
    - NationStar added PRP-K on 10/11/13; working on PRP-P
    - Finalizing Green Tree's participation in PRP-K



# Monthly Newsletter



OCTOBER 2013  
KeepYourHomeCalifornia | Newsletter

**30,593**  
Californians have qualified so far.  
*Find out if you qualify!*



### Major Milestones

Keep Your Home California has scored some major accomplishments in the last few weeks.

1. We surpassed the 30,000 mark for the number of households that have been helped through Keep Your Home California. Those 30,000 plus homeowners have received a combined total of over \$470 million in Keep Your Home California assistance.
2. We have signed up **156 servicers** to participate in one or more of the four programs. When Keep Your Home California launched in February 2011, we had exactly nine mortgage servicers partnering with us. That number has grown astronomically over the last two and a half years, and more servicers mean more homeowners can be helped with our programs.
3. We've reinstated our partnership with California's **Employment Development Department** to get the word out about our **Unemployment Mortgage Assistance Program**. EDD is inserting marketing materials for our program into mailers to new UI recipients - jobless homeowners are exactly who our unemployment program was designed for. This new mailing phase started September 20 and already, more than 100,000 pieces have been delivered; millions more are coming soon.

### Dollar Assistance Provided to Date by County

(as of Oct. 15, 2013)



### View Most Recent Servicer Scorecard

To see all Servicer Scorecards, please visit the [Participating Servicers](#) webpage.

- Sent first issue of KYHC's monthly, digital newsletter on September 18, 2013
- Goal was to provide an option for stakeholders and partners to receive updates directly from KYHC on a recurring basis
- Nearly 3,000 subscribed to distribution list
- Plan to send each month's issue mid-month (October issue went out 10/16)



For more information,  
please visit the KYHC website at:  
[www.KeepYourHomeCalifornia.org](http://www.KeepYourHomeCalifornia.org)

Or call **888-954-KEEP (5337)**

Follow us on:



Thank You!