

INDIANA FORECLOSURE PREVENTION NETWORK

GET HELP | GET HOPE

2010 ANNUAL REPORT

THE INDIANA FORECLOSURE PREVENTION NETWORK

is a coalition of community service and housing-related organizations, government agencies, lenders, realtors, and trade associations that are actively addressing Indiana's foreclosure crisis through a variety of methods. The causes of foreclosure are as varied as the people it impacts. Unexpected job losses, health care costs and family changes such as death or divorce are the leading causes of mortgage default in Indiana. Foreclosure is devastating to families and their long-term financial security, but it also sends a ripple effect through entire neighborhoods and communities. Because the threat of foreclosure affects us all, we all benefit from finding ways to combat the problem.

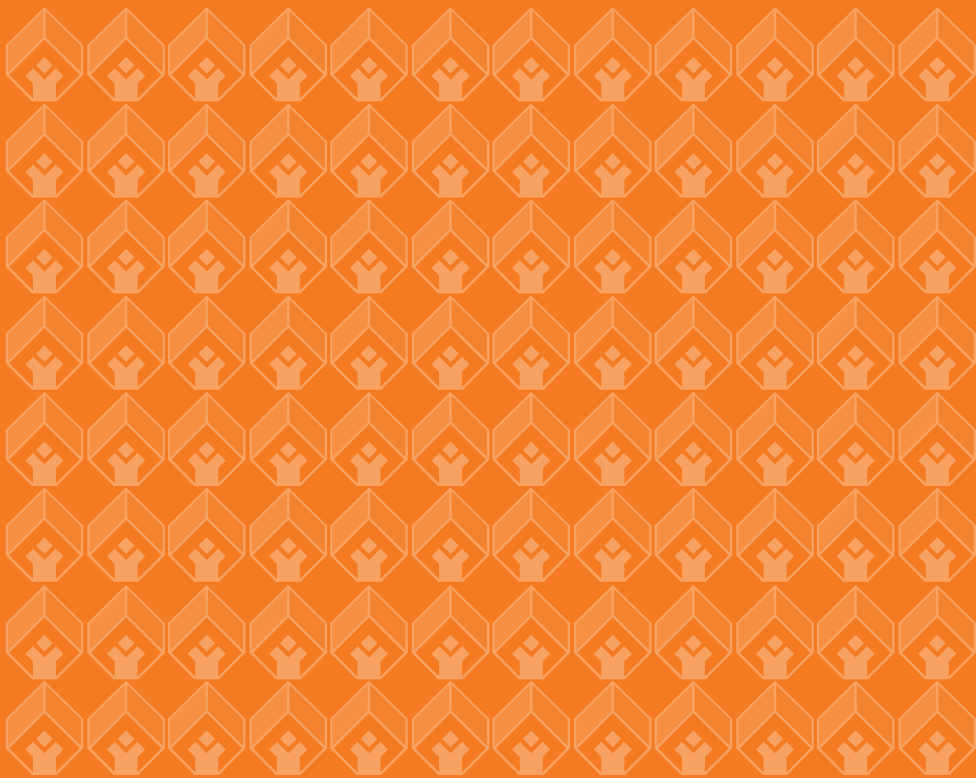


TABLE OF CONTENTS

SUCCESS STORIES	6
BACKGROUND	10
• INDIANA'S FORECLOSURE CRISIS	
IFPN IN 2010	16
• SUMMARY	
• MORTGAGE FORECLOSURE TRIAL COURT ASSISTANCE PROJECT	
• SPECIAL PROJECTS	
• INDIANA'S HARDEST HIT FUND	
APPENDICES	21
• COUNSELING AGENCIES	
• PARTNERS	
• STAFF	

SUCCESS STORIES



DEANGELA & DERICK BOYAN | LaPORTE, IN

DeAngela & Derek Boyan bought their first home in early 2006. The home was affordable to the couple, who both have well established careers working for the State of Indiana. They were surprised the following year when the property taxes more than doubled because the mortgage and homestead exemptions were not filed. The Boyan's monthly payment increased by nearly \$600 a month and the former Marine and his wife were unprepared to handle the large increase in monthly payments. When they fell behind on their mortgage, the Boyans contacted the mortgage company, and had the tax problem corrected. However, the mortgage company still required the Boyans to make up for the delinquency from the payments they missed on the higher amount. They entered into a payment plan, but it was still out of their budget. The mortgage company was unwilling to modify the loan or reduce their payment. Very frustrated with the process, DeAngela contacted the Indiana Foreclosure Prevention Network. They were assigned to work with Pathfinder Services, an IFPN Network Agency in Fort Wayne. The foreclosure prevention counselor realized the loan was secured through the Department of Veteran's Affairs and began working directly with them on a modification. Once the VA was on board, the lender approved a modification for the Boyans in an amount

lower than the initial monthly mortgage. DeAngela offered a piece of advice to others struggling with their mortgage payment. "If I could offer any advice I would say don't wait to the last minute to get help. When dealing with a mortgage company, you need all the help you can get."



LISA BAKER | INDIANAPOLIS, IN

Lisa Baker of Indianapolis had been trying to navigate the loss mitigation department of her lender for months. Unemployment and under-employment had left her behind on her mortgage and unable to meet her monthly payments. She contacted the Indiana Foreclosure Prevention Network for assistance and was paired with the Community Action of Greater Indianapolis, Inc. (CAGI), an IFPN Network Agency. She attended a workshop presented by CAGI to better understand her options. While getting her paperwork in order, she received a foreclosure filing, along with a notice of her right to a settlement conference. She called CAGI and they helped Ms. Baker prepare for her settlement conference and sent a representative to attend the conference with her. Ms. Baker received a modification, was able to retain her home and has no trouble making her monthly mortgage payments.



THE HEICHELBECH FAMILY | JASPER, IN

The Heichelbech's have struggled to make their mortgage payment since a medical condition left Kerry Heichelbech unable to work in late 2007. Mr. Heichelbech has not yet been approved to receive disability. Despite efforts to obtain a modification on their own, the Heichelbech's remained unsuccessful in getting their mortgage company to work with them. Facing mounting bills, Kerry and Susan went to TRI-CAP, an IFPN Network Agency in Jasper, to apply for energy assistance. Upon hearing about their situation, they were referred to the agency's homeowner program where a foreclosure prevention specialist worked with the Heichelbech's to determine the best option for them. The foreclosure prevention specialist determined that the Heichelbech's qualified for a modification through the Making Home Affordable program. Although the Heichelbech's were mistakenly denied a modification two times, the IFPN counselor remained persistent and ensured they received the help they needed. Finally, the lender agreed to modify the mortgage, reducing the monthly payment by \$225. The Heichelbech's are now able to afford their home and give their granddaughter lasting memories of trips to Grandma and Grandpa's house.

BACKGROUND

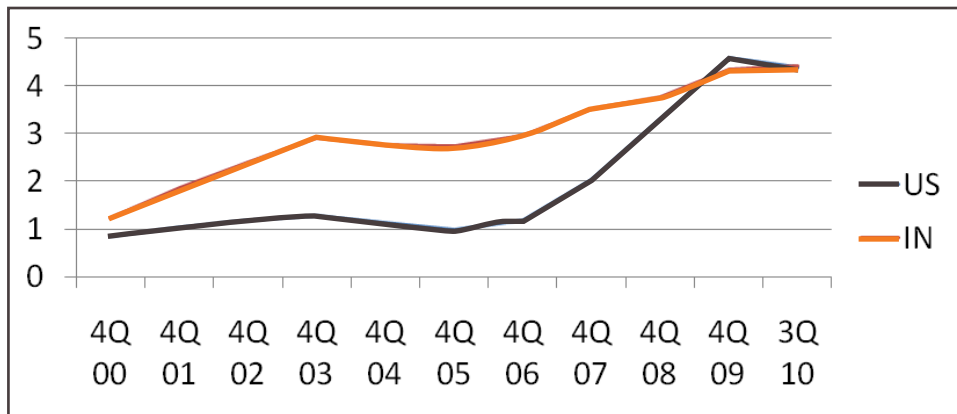
In early 2006, the Indiana Housing and Community Development Authority (IHCDA), under the leadership of Lieutenant Governor Becky Skillman, hosted a series of meetings with government agencies and industry leaders to discuss the issues surrounding foreclosures and potential solutions for reducing foreclosures. Out of these meetings came a group known as the Indiana Foreclosure Prevention Network (IFPN.) IFPN worked with elected officials to create legislation outlining a multi-tiered solution to delinquency and foreclosure in 2007. The initiative was launched in November 2007, including a targeted public awareness campaign, a telephone helpline, and a statewide network of trained mortgage foreclosure counselors. In 2009, the Indiana State Legislature gave homeowners an additional tool to address foreclosure when it passed Senate Bill 492. This bill required that all homeowners with a foreclosure action filed against them have the right to participate in a settlement conference with their lender in an effort to come to an agreement that will avert foreclosure.

INDIANA'S FORECLOSURE CRISIS

Unfortunately, much like the rest of the country, Indiana has experienced the devastating impact of foreclosures. The recent, rapid rise in foreclosures has gained national attention in the wake of the collapse of the sub-prime loan market, but has been a source of concern for some time in Indiana and other Midwestern states. Indiana's problem with foreclosure predates the current crisis. Since 2000, Indiana has ranked in the top one or two in foreclosure inventory, only recently moving down in ranks as the housing crisis has impacted other states.

During the first quarter of 2010 Indiana's rate of homes loans in foreclosure was 4.51%, ranking tenth in the nation, according to data from the Mortgage Bankers Association. In the second quarter, Indiana dropped to a rate of 4.5% ranking 11th in the nation. In the third quarter, Indiana's rate of home loans in foreclosure was 4.43%, ranking 10th in the nation.

The Chart below compares the national rate to Indiana's rate of home loans in foreclosure from the fourth quarter of 2000 through the most recent data available, the third quarter of 2010.



The Indiana Supreme Court, Division of State Court Administration, keeps data on the number and types of cases filed in courts across the state, including mortgage foreclosure cases. Mortgage foreclosure filings increased 19.8% from 2005 to 2009. There were 43,804 new foreclosure filings in 2007 and 45,394 in 2008, roughly a 4 percent increase. However, in 2009 there were 40,904 foreclosure filings in Indiana, showing an 8.7% decrease from 2008 to 2009.

2009 COUNTY MORTGAGE FORECLOSURE FILINGS BY QUARTER

COUNTY	Q1	Q2	Q3	Q4	ANNUAL TOTAL
ADAMS	30	45	17	43	135
ALLEN	644	616	251	543	2,054
BARTHOLOMEW	98	85	64	101	348
BENTON	0	17	12	10	39
BLACKFORD	30	24	6	21	81
BOONE	103	112	52	75	342
BROWN	32	40	24	29	125
CARROLL	39	37	9	30	115
CASS	81	59	31	47	218
CLARK	200	192	76	162	630
CLAY	41	38	20	30	129
CLINTON	57	14	16	7	94
CRAWFORD	16	18	5	16	55
DAVISS	22	20	8	26	76
DEARBORN	86	73	43	64	266
DECATUR	46	39	13	34	132
DEKALB	76	36	22	63	197
DELAWARE	218	190	136	140	684
DUBOIS	31	29	8	29	97
ELKHART	514	450	203	311	1,478
FAYETTE	44	0	16	28	88
FLOYD	121	123	51	115	410
FOUNTAIN	24	26	15	18	83
FRANKLIN	23	25	17	16	81
FULTON	26	28	19	35	108
GIBSON	49	37	21	36	143
GRANT	145	135	56	94	430
GREENE	42	41	14	34	131
HAMILTON	469	480	157	417	1,523
HANCOCK	163	154	72	185	574

COUNTY	Q1	Q2	Q3	Q4	ANNUAL TOTAL
HARRISON	43	35	18	42	138
HENDRICKS	291	266	124	247	928
HENRY	97	103	41	85	326
HOWARD	221	219	111	149	700
HUNTINGTON	77	62	32	56	227
JACKSON	70	71	25	38	204
JASPER	68	52	27	45	192
JAY	32	27	14	22	95
JEFFERSON	46	48	24	34	152
JENNINGS	41	51	19	36	147
JOHNSON	383	343	157	301	1,184
KNOX	93	83	33	9	218
KOSCIUSKO	116	120	68	117	421
LAGRANGE	52	47	34	39	172
LAKE	1,091	1,093	469	906	3,559
LAPORTE	204	174	100	184	662
LAWRENCE	83	68	36	60	247
MADISON	308	277	178	293	1,056
MARION	2,597	2,620	1,260	2,130	8,607
MARSHALL	68	71	32	61	232
MARTIN	8	9	3	4	24
MIAMI	64	82	44	68	258
MONROE	103	101	40	96	340
MONTGOMERY	66	76	26	82	250
MORGAN	146	161	69	134	510
NEWTON	32	21	8	27	88
NOBLE	96	92	40	86	314
OHIO	11	10	0	9	30
ORANGE	28	32	7	28	95
OWEN	38	52	14	35	139
PARKE	15	25	6	13	59
PERRY	18	27	17	21	83
PIKE	15	18	5	14	52
PORTER	253	246	106	247	852
POSEY	37	30	9	26	102
PULASKI	13	17	6	10	46
PUTNAM	61	74	41	56	232
RANDOLPH	40	37	16	35	128
RIPLEY	52	29	15	26	122
RUSH	36	37	15	31	119
SCOTT	54	42	33	39	168

COUNTY	Q1	Q2	Q3	Q4	ANNUAL TOTAL
SHELBY	128	153	57	103	441
SPENCER	16	20	8	22	66
ST. JOSEPH	575	497	230	408	1,710
STARKE	46	46	26	22	140
STEUBEN	73	93	44	67	277
SULLIVAN	33	25	8	19	85
SWITZERLAND	12	15	9	18	54
TIPPECANOE	193	222	113	169	697
TIPTON	52	0	12	19	83
UNION	14	9	8	8	39
VANDERBURGH	244	231	125	236	836
VERMILLION	24	15	4	15	58
VIGO	150	150	87	104	491
WABASH	54	47	30	41	172
WARREN	5	18	2	9	34
WARRICK	90	83	50	86	309
WASHINGTON	41	52	22	43	158
WAYNE	138	149	81	128	496
WELLS	34	34	17	32	117
WHITE	48	41	24	30	143
WHITLEY	48	38	23	45	154
STATE TOTAL	12,655	12,169	5,756	10,324	40,904

IFPN IN 2010

SUMMARY

According to a 2009 study conducted by The Urban Institute, clients who saw a housing counselor and received a loan modification from their lender had their monthly payments reduced on average \$454 more than those who did not receive counseling. The same study found that borrowers that were already more than 90 days delinquent on their loans were 60% more likely to avoid foreclosure after meeting with a counselor as those who didn't.

Early in 2010, Indiana received \$1.5 million in federal funding to support its foreclosure prevention counseling efforts. The much-needed boost enabled twenty-six agencies across Indiana to provide more foreclosure counseling to area homeowners in danger of losing their home.

In 2010, IFPN was contacted by 28,000 troubled Hoosier borrowers through the helpline and website. Additional borrowers utilized the IFPN services by visiting one of the agencies or attending a borrower outreach event. As in past years, IFPN has found that the number one reason a borrower is in trouble is due to a loss of income. Through its helpline, website, counseling services and events, IFPN estimates that it has been able to save state and local stakeholders nearly \$67 million this year.

MORTGAGE FORECLOSURE TRIAL COURT ASSISTANCE PROJECT

The Mortgage Foreclosure Trial Court Assistance Project (MFTCAP) was created to assist trial courts in scheduling and conducting mortgage foreclosure settlement conferences. This program utilizes court-appointed facilitators to reach out to foreclosed borrowers, ensure they are aware of their right to a settlement conference, and to bring both parties to the table to try to find a mutually-agreeable settlement, or "workout". The MFTCAP is funded by the IFPN through a portion of the \$50.00 filing fee levied on all foreclosure cases after July 1, 2009.

The MFTCAP launched on a pilot basis in February 2010 in Allen County, in April 2010 in St. Joseph, Marion, and Monroe counties, in July 2010 in Lake County, in August 2010 in Madison County, in October 2010 in Clark, Vanderburgh, Martin, and Hamilton counties, in November 2010 in Tippecanoe, Howard, and Hendricks counties, and in December 2010 in LaPorte, Delaware, and Elkhart counties. This program will be implemented statewide in early 2011.

Current pilot county data:

In Allen, Marion, St. Joseph, Madison, Monroe, and Vanderburgh Counties (3/1/10 – 12/1/10):

- 1751 telephone conferences were scheduled;
- 883 telephone conferences were held (the remaining 868 borrowers failed to appear);
- 713 settlement conferences were requested;
- 618 settlement conferences were held;
- 315 conferences resulted in workouts;
- 223 conferences resulted in no workout (lender to proceed with foreclosure); and
- 80 conferences are being followed up by the facilitator.

It has been estimated that each averted foreclosure saves local communities and stakeholders at least \$40,000. Using this figure, from March to November 2010, the MFTCAP has preserved more than \$12.6 million of value in Indiana communities.

SPECIAL PROJECTS

During early 2008, the Indiana Foreclosure Prevention Network began hosting a series of borrower outreach events. The purpose of these events is to give troubled borrowers the opportunity to meet face-to-face with their lender or a housing counselor, and the opportunity to attend educational workshops around homeownership preservation. In 2009, IFPN hosted its first Phone a Thon, which gave borrowers the opportunity to call in and speak with a housing counselor, attorney, or other qualified volunteer.

In an effort to improved the quality of these events and increase the chances of borrowers avoiding foreclosure, IFPN launched a new statewide borrower outreach initiative in 2010. The initiative consisted of a two prong approach towards addressing Indiana’s foreclosure crisis. The first prong included eight regional events

held at National Guard Armories on September 1. The locations included the following cities: Hammond, South Bend, Fort Wayne, Indianapolis, Terre Haute, Richmond, Columbus and Evansville. At these events, borrowers attended a foreclosure prevention workshop, and then had the opportunity to discuss their housing issues with foreclosure prevention counselors and attorneys. The foreclosure prevention counselors collected the documents brought by the homeowners and put together packets to present to their lender. Nearly 500 individuals attended the events and IFPN collected nearly 300 packets, with 181 of those completed and turned over to the appropriate servicer at the event on September 16th.

The second prong included a lender event, hosted in partnership with the HOPE NOW Alliance. The event took place in Indianapolis on September 16th. At this event, 20 lenders and servicers met with delinquent borrowers at Lafayette Square Mall. If a borrower could not make it to the event, the counselors brought their clients prepared packets to present to the lenders/servicers. Participating lenders included the following: AHMSI, Aurora, Bank of America, Carrington, Chase, Citi, Fifth Third, Fannie Mae, Freddie Mac, GMAC, Harris, HSBC, Huntington, LPBS, Ocwen, OneWest, PNC, Saxon, SPS, Suntrust, US Bank, Wells/Wachovia. This event was attended by 681 troubled borrowers.

At both events, Indiana Legal Services, Indianapolis Bar Association, and Indiana Pro Bono Commission provided volunteer attorneys to answer legal questions from borrowers and twenty-four IFPN counseling agencies sent counselors to meet with borrowers. Leading up to the events, IFPN partnered with the Indiana Broadcasters Association (IBA) to produce a series of Public Services Announcements (PSAs) to promote attendance. In addition, IFPN and IBA also produced a thirty minute program discussing Indiana’s legislative response to the foreclosure crisis that aired on several public and network television stations.

INDIANA'S HARDEST HIT FUND

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets in early 2010 to provide financial assistance to families in the states most impacted by the downturn of the housing market. Subsequently on August 11, U.S. Treasury announced that Indiana received \$83 million to help unemployed homeowners pay their mortgage. In September, and additional \$139 million was added to this funding. The Indiana Housing and Community Development Authority (IHCDA) will administer the program and use the funding to help families who have fallen behind on their mortgage loans due to the loss of employment. Homeowners experiencing a financial hardship due to unemployment may begin submitting applications online or over the phone in early 2011.

IHCDA has worked with Lieutenant Governor Becky Skillman, the Indiana Department of Workforce Development and the Indiana Foreclosure Prevention Network partners to develop a comprehensive, statewide strategy. The plan aims to assist homeowners who are experiencing financial hardship and are at-risk of mortgage loan default or foreclosure. Indiana HHF program options will assist homeowners with financial hardships who have been unable to qualify for existing loan modification and foreclosure prevention programs. The plan is still being updated and the most current version is available at www.877gethope.org.

APPENDICES

IFPN HOUSING COUNSELING AGENCIES

Affordable Housing Corporation
812 S. Washington
Marion, IN 46953
(765) 662-1574

City of Bloomington/Housing & Neighborhood Development
401 N. Morton Avenue
Bloomington, IN 47404
(812) 349-3510

City of South Bend
224 West Jefferson Boulevard, Suite 100
South Bend, IN 46601
(574) 235-9449

Community Action of
Greater Indianapolis
2445 North Meridian Street
Indianapolis, IN 46208
(317) 396-1786

Community Action of
Western Indiana
418 Washington Street
Covington, IN 47932
(765) 793-4881

Community Action Program of Evansville and
Vanderburgh Counties
27 Pasco Ave.
Evansville, IN 47713
(812) 425-4241

Consumer Credit Counseling Service of
Northeastern Indiana, Inc.
4105 W. Jefferson Blvd
Fort Wayne, IN 46804
260-432-8200

Consumer Credit Counseling Service of
Northwest Indiana
800 E. 86th Avenue
Merrillville, IN 46410
(219) 980-4800

Eastside Community Center
421 McClure Road
Columbus, IN 47201
(812) 376-7840

Fort Wayne Urban League
2135 S. Hanna St.
Fort Wayne, IN 46750
(260) 745-3100

Habitat for Humanity of
Whitley County, Inc.
378-A North Line Street
Columbia City, IN 46725
260-248-4500

Hoosier Uplands
1500 W. Main St.
Mitchell, IN 47446
(812) 849-4447

Homestead Consulting Services
20 N. 2nd Street
P.O. Box 256
Lafayette, IN 47901
(765) 423-1284

HOPE of Evansville, Inc.
608 Cherry St.
Evansville, IN 47713
(812) 423-3169

Housing Opportunities, Inc.
954 Eastport Centre Dr., Ste. A
Valparaiso, IN 46383
(219) 548-2800

Human Services, Inc.
1585 Indianapolis Road
Columbus, IN 47201
(812) 372-8407

Indianapolis Neighborhood
Housing Partnership
3550 N. Washington Boulevard
Indianapolis, IN 46205
(317) 925-1400

La Casa, Inc.
202 North Cottage Avenue
Goshen, IN 46528
(574) 533-4450

Lincoln Hills Development
Corporation
302 Main Street
Tell City, IN 47586
(812) 547-3435

Martindale Brightwood
Community Development Corporation
2855 North Keystone Avenue, Suite 130
Indianapolis, IN 46218
(317) 924-8042

Neighborhood Christian Legal Clinic
3333 N. Meridian St., 2nd Floor
Indianapolis, IN 46208
(317) 429-4131

Pathfinder Services, Inc.
227 East Washington Boulevard, Suite 305
Fort Wayne, IN 46802
(260) 424-1831

South Bend Heritage Fund
803 Lincoln Way West
South Bend, IN 46616
(574) 289-1066

The Home Ownership Center of
Greater Cincinnati, Inc
2820 Vernon Place
Cincinnati, OH 45219
513-569-4417

The Housing Partnership
Cardinal Ritter House
1218 E. Oak Street
New Albany, IN 47150
502-814-2738

TRI-CAP
607 Third Avenue
Jasper, IN 47547
(812) 482-2233

IFPN PARTNERS

AARP Indiana
Chase
Citizens Gas
City of Indianapolis
Clarian Health
Fannie Mae
FDIC
Federal Home Loan Bank of Indianapolis
Federal Reserve Bank of Chicago
Fifth Third Bank
Freddie Mac
HOPE NOW Alliance
HSBC - The world's local bank
Huntington Bank
Indiana Association for Community
Economic Development
Indiana Association of REALTORS
Indiana's Attorney General's Office
Indiana Bankers Association
Indiana Black Expo, Inc
Indiana Broadcasters Association
Indiana Builders Association
Indiana Department of Workforce
Development Work One Centers
Indiana Housing and Community
Development Authority
Indiana Legal Services
Indiana Mortgage Bankers Association
Indiana Office of Faith-Based and
Community Initiatives
Indianapolis Neighborhood Housing
Partnership
Indiana Pro Bono Commission
Indiana Professional Licensing Agency
Indiana's Supreme Court
Ivy Tech Community College
John H. Boner Community Center
Lt. Governor Becky Skillman
National City
NIPSCO
US Bank
U.S. Department of Housing and
Urban Development
Vectren Corporation
WFYI Public Television

STAFF

For questions regarding the
Indiana Foreclosure Prevention Network,
please contact:

STEPHANIE REEVE

IFPN Manager

317-233-4474

Sreeve@ihcda.in.gov

For questions regarding the
Mortgage Foreclosure Trial Court Assistance Project
(MFTCAP), please contact:

ELIZABETH DAULTON

Project Manager

(317) 234-7155

edaulton@courts.state.in.us

Copyright © 2010 Indiana Housing and Community Development Authority. All rights reserved.

No part of the materials may be copied, photocopied, reproduced, translated, or used, in whole or in part, without the express written consent of Indiana Housing and Community Development Authority. Distribution for commercial purposes is prohibited.

