



Participants will:

- Explore post purchase relationship for the homeowner and for the affiliate
- Understand risk areas for each stakeholder relationship
- Gain experience through Q and A
- Share practices that work



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Homeowner Support:

2 Phases of Support

- Pre-Purchase Support
- Sweat Equity
 - Pre-purchase education
 - Preparing for closing

- Post-Purchase Support
- Continued practical education
 - Assistance with delinquency
 - Crisis referral
 - Mortgage Payoff



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HFH Myth:

When we build a house with a family, all their problems go away.

What are the realities of owning a home for the first time?



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House is sold – relationship changes

HFH holds a mortgage to secure their asset, no more required meetings with homeowner.

Consider the risks this holds for each: the homeowner and the affiliate?



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Where are they now?

- Homebuyer is now a Homeowner
 - Reality of homeownership has set in
- Education may be several months in the past
 - Home repair
 - Financial preparedness
- Children may have changed schools
 - Transition for parent and child
- Homeownership brings different challenges
 - Additional stress



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New Relationship – risks to the homeowner

- Predatory lending – Pay-Day lenders; Car Title loans; Early Tax Refunds etc.
- Expenses increase – utilities for a home is generally more costly than an apartment
- Unkempt property – time consuming home maintenance, so not done
- Identity theft – mail solicitation with sufficient info can be stolen from mailbox
- Fear of not being successful



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New Relationship – risks to the affiliate

Less control over the process

- Regular meetings with homeowner ceases – making it difficult to address issues immediately
- Asset deterioration – can bring property values in the neighborhood down; asset may no longer be valuable
- HOA leadership – affiliate must lead or hire management at the expense of the homeowners
- Lost money and time if homeowner is not successful
- Delinquency – loss of unrestricted funds; may reduce ability to serve more families

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Proactively Combat Risks

Develop a Post-Purchase Support Program

Goals:

- Long-term homeowner/borrower success
- Maintain positive communication with the Homeowner
- Homeowner empowerment



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Proactively Combat Risks cont'd

Develop a Post-Purchase Support Program Cont'd

- Market it throughout pre-purchase program
- Focus services/classes on the risks identified for your community
- Touch base with new homeowners about 3 to 4 months post closing
- Offer services/classes to entire community
- Engage community partners – faith-based organizations, schools, other nonprofits, public services etc.; build a community network

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Examples of Post Purchase Classes / Programs

Protecting the Affiliate & Homeowner:

- Homeowner Financial Responsibilities
 - Maintaining good credit, budgeting, staying on track
 - Understanding escrow (e.g. insurance and taxes, surplus, shortage).
 - Foreclosure prevention
- Good Neighbor Attributes
- Leadership Development
- Yard Beautification & Seasonal Upkeep
- Resume writing
- HOA support
- Others??



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Examples of Post Purchase Classes / Programs cont'd

Ongoing Home Maintenance Support:

- Homeowner Support Hotline
 - General guidance on Maintenance/Basic Repairs
 - Warranty services
 - Resource list for competent contractors
- Home Maintenance Classes
 - Hands on classes focusing on common issues reported by current homeowners. Ex. Leaking faucets, frozen pipes, sheetrock repair, seasonal maintenance, deck building or repair, or other small projects.
- Homeowner Tool Library
- Other??



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Examples of Post Purchase Classes / Programs cont'd

Appeal to all household members:

Youth

- College Planning Courses for children of Habitat homeowners
 - How to apply for college/university
 - How to seek funding for education,
 - Choosing a major and a career, or general guidance on preparing for freshman year.
- Money management for youth
- Cooking Classes



Seniors

- Elder Abuse – Seniors are vulnerable
 - Scams and red flags to identify them
 - Physical, emotional, and sexual abuse
 - Financial abuse, predatory lending, repair fraud, etc.
- Retirement planning
- Wills and Estate Planning



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Examples of post Purchase Classes / Programs cont'd

Engage Donors and Community Groups

- Fire Safety – fire dept.
- Maintaining a safe & healthy home – EMS
- Student Scholarships – donor funded
 - CPR – local health care professionals
 - Finances for Teenagers – bank / credit union
 - Insurance – Insurance Broker
 - Wills and Estate Planning - attorney
 - Others??



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Examples of Post Purchase Classes / Programs cont'd

Civic Engagement

- How to appeal taxes
- Voter registration
- Participate in local government

Community Involvement

- Homeowner led group at community events, festivals or fairs.
- Neighborhood yard sale



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Examples of Post Purchase Classes / Programs cont'd

Homeowner Empowerment - Leadership Opportunities for Homeowners to become advocates for affordable homeownership.

- Homeowner Advisory Committee
- Neighbor to Neighbor Program - Healthy
- Community – increase safety and health
- Advocacy/Speaking Engagements
 - Training on public speaking and advocacy
- Others?



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Examples of Post Purchase Classes / Programs cont'd

Relationship Building:

- Habitat family reunion
- Concrete & Cocktails/Mocktails
- Family events
 - Game Night
 - Movie Night
- Encourage homeowners to take an active role in organizing or hosting these events



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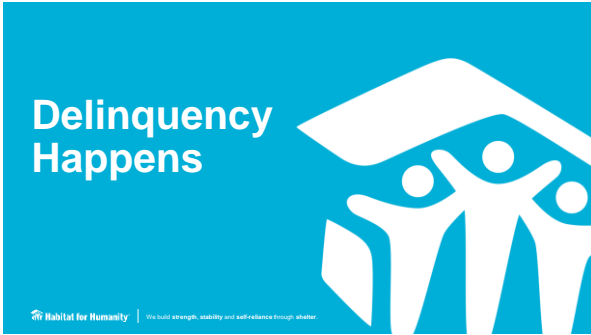
How to Increase attendance for Classes / Programs

Communicate with the homeowners

- Newsletters
- Post flyers or notices of upcoming events in the affiliates office or other location frequented by homeowners
- Talk to them about upcoming events in the office or on the worksite
- Post Upcoming classes or events on Facebook or other social media or neighborhood sites
- Others??

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Delinquency

Definition of Delinquency

“Delinquency” is a period of time during which borrower & borrower’s mortgage loan obligation are delinquent

- Begins on date periodic payment sufficient to cover principal, interest, & escrow (if applicable) became due & unpaid, until such time as no periodic payment is due & unpaid
- Delinquency is not affected by any grace period servicer may offer before charging a late fee

Dealing with Delinquencies – Loss Mitigation

- Affiliate staff must be trained and aware of requirements – policy, laws etc.
- Homeowner and affiliate representative/servicer work together towards a solution to avoid foreclosure and mitigate an affiliate’s loss.

Loss Mitigation Options:

- Home retention options (ex. Forbearance, payment plans).
- Non-retention options (ex. Deed In Lieu, Sale).



Foreclosure/Bankruptcies

When all else fails...

- Foreclosure is permitted - HFHI policy 24

We **strongly recommend** that the affiliate engage a **local attorney** that is **experienced with bankruptcy and the foreclosure law** and procedures of your respective state.

- Must know your state laws.
- Attorney should also review your policies and procedures prior to you needing them.
- Bankruptcy attorneys have far more resources and options.
- Consider alternatives to foreclosure when appropriate but be prepared to foreclose if necessary.

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Controlling Delinquencies

- Begins with **homeowner selection**
 - **Establish** underwriting guidelines
 - Credit report must be reviewed by trained personnel
 - **Only borrower/co-borrower income is used to determine affordable mortgage – NOT the household's**
- Comprehensive **pre-purchase financial training**, which should include:
 - Understanding credit scores
 - Setting financial goals
 - Importance of saving
 - Developing a budget
 - Rebuild or build credit- the importance of paying bills on time

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Controlling Delinquencies cont'd

- Defined Servicing Practices
 - Board approved **policies (required by US Policy 24) and procedures**
 - Consistent application of servicing practices
 - Trained staff; have a succession plan for these roles
 - Prompt corrective action as per policy – send delinquency letter and follow-up with phone calls
- Report to **consumer reporting agencies**
- Monitor mortgage receivable / delinquency - create a **monthly report** that captures this data. Utilize data to refine current program.

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Post Purchase Support

Helps homeowner to be successful

- Breaks the cycle of poverty
- Wealth generation
- Pride of ownership
- Community wide network
- Foreclosure avoidance
- Homeowner empowerment



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Group Discussion

What are you doing for post purchase support?



What is something you can take away from this presentation?

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Contact Us

If you have questions or need additional information:

Affiliate Support Center
Monday to Friday 8:00am to 8:00pm
ussupportcenter@habitat.org
1-877-434-4435

Disclaimer: This material is for informational purposes only. I am not a lawyer, and this should not be considered legal advice. You should seek appropriate counsel to obtain advice for your own situation.

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