



Post Purchase Homeowner Support

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

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



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?



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?



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



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



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

Proactively Combat Risks

Develop a Post-Purchase Support Program

Goals:

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



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

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??



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??



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



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??



Examples of Post Purchase Classes / Programs cont'd

Civic Engagement

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

Community Involvement

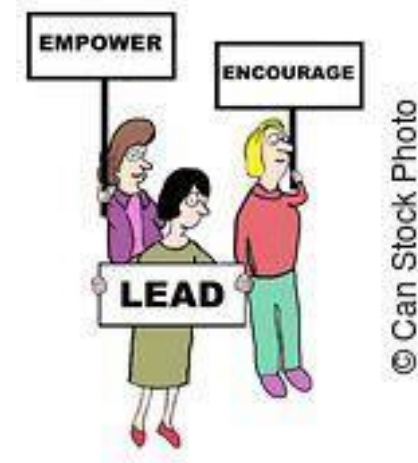
- Homeowner led group at community events, festivals or fairs.
- Neighborhood yard sale



Examples of Post Purchase Classes / Programs cont'd

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

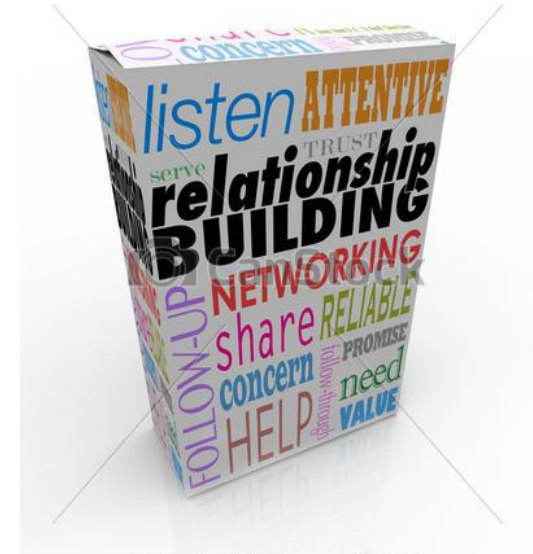
- Homeowner Advisory Committee
- Neighbor to Neighbor Program - Healthy
- Community – increase safety and health
- Advocacy/Speaking Engagements
 - Training on public speaking and advocacy
- Others?



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??

Delinquency Happens



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.

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

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.

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



Group Discussion

What are you doing for post purchase support?



What is something you can take away from this presentation?

A person wearing a white hard hat and a plaid shirt is kneeling on a lawn, laying sod. The sod is being laid in a grid pattern, with some areas already covered and others still showing dark soil. The person is seen from behind, and their hands are visible as they work with the sod.

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.