



Comprehensive Counseling Programs

Spanish Coalition for Housing's purpose is to help people become responsible home purchasers and homeowners. This task is made difficult by the challenges posed from older communities undergoing massive and rapid social change such as disinvestment by lending institutions, deterioration resulting from landlords who cease to maintain properties, abandonment and foreclosure due to lack of proper counseling, arson, vacant lots and other negative forces. On the flipside, many Latino populated communities have seen dramatic increases in home prices. It is not uncommon for SCH counselors to see home prices in the \$300,000 range. This increase in home price has created an affordability gap where many families want to buy homes, but they cannot afford today's high prices. Through education, advocacy and innovation, Spanish Coalition for Housing has helped many families realize their dreams of becoming homeowners. Last fiscal year, 1077 individuals benefited from various comprehensive homeownership counseling services.

Pre-Purchase Counseling

Spanish Coalition for Housing helps low- and moderate-income individuals and families acquire safe, decent and affordable housing. SCH's trained and competent staff works directly with clients and maintains professional relationships with a wide variety of housing coalitions, real estate professionals, lenders, fair housing and consumer protection groups, and other housing professionals. SCH is certified by the U.S. Department of Housing and Urban Development (HUD) to provide housing counseling to low and moderate income individuals. The objectives of the Comprehensive Housing Counseling Program are to:

- Provide the necessary foundation to housing consumers to develop competence and responsibility in meeting their housing needs;
- Provide housing consumers with information and assistance regarding low interest mortgage products and available grants for first time home buyers;
- Enable prospective home buyers to understand and accept their responsibilities to their lenders.

The agency's clients are often first-time home buyers. SCH helps them create a budget, showing their income and expenses, so they may better understand their buying power. SCH counselors carefully explain the pros and cons of home owning. They are advised that they may purchase any home they can afford, in any neighborhood they choose. They are prepared to choose a lender with the best mortgage product to meet their needs. SCH counselors explain down payments, interest rates, closing costs, and the types of mortgage products available. SCH also acquaints them with real estate terms they are likely to encounter. SCH advises clients on how to choose a real estate agent and an attorney before starting a serious search for a home. In addition to helping them understand how to check out a property, SCH educates them on what to look for in the



neighborhood. SCH explains why it is wise to hire a certified inspector to give them a detailed report on the condition of the property, before they purchase it. Once finished with the pre-purchase counseling program, families are ready for homeownership.

Post-Purchase Counseling

Some homeowners come to SCH after they have made their purchases. Some simply need more information about where to obtain assistance; others are in trouble and need help with information about their mortgage and/or their property. Whichever, SCH staff assists these clients with information about refinancing, homeowner insurance, property taxes and exemptions, budget-making, home equity and/or property rehabilitation loans, upkeep and maintenance, and a wide range of other resources that they may need. SCH helps families preserve their homes as well.

Foreclosure Prevention Counseling

It is not unusual to meet clients for the first time when they are seeking help with foreclosure prevention. Counselors serve them by isolating the financial causes and helping them create a budget that will lead them to the best course of action. If the delinquency is caused by being over extended, counselors often refer the client to our credit restoration counseling and money management workshops. After completing a problem analysis and discussions with the mortgage, the counselor determines whether it is best to create a plan that will allow the client to continue owning the home or one that will shift ownership. If it is feasible, and if the client wishes to preserve ownership, counselors will design a relief measure that is best suited to the circumstances. This arrangement may include reinstatements or forbearance agreements. Where it is not financially feasible for client to continue with mortgage, counselors advise and assist in pursuing methods of relinquishing the property with the least negative affect on their credit ratings. These measures include sale of property, assumption of the mortgage or execution of deed-in-lieu (of foreclosure). Counselors will provide follow-up counseling with the mortgage until the default is corrected or the mortgagee completes the foreclosure and the client has alternative housing.

Housing counselors also provide outreach through workshops, housing fairs, city events and community meetings. A major component of their work is education so that families will not fall prey to scams. A recent article in the Chicago Tribune highlighted mortgage fraud as the new white collar crime wave¹. In 2004, 17,727 cases of mortgage fraud were reported². As a result, many individuals have lost heir homes or have been stuck with a

second mortgage for funds they never received. SCH expects to expand its efforts in foreclosure prevention in the coming years.

¹ Jackson, David: 2005. *The New Street Hustle: A Tribune Investigation, Mortgage fraud is the thing to do now*. Chicago Tribune, November 6, 2005.

² Ibid