



Ted R. Fellman, Executive Director  
Tennessee Housing Development Agency  
404 James Robertson Parkway, Suite 1200  
Nashville, Tennessee 37243-0900  
www.thda.org

### *Foreclosure Intervention Initiative*

Tennessee's Foreclosure Intervention Initiative was launched during the fall of 2007 through the partnership efforts of the Statewide Affordable Housing Coalition and the Tennessee Housing Development Agency. The major components of the Initiative are as follows: Public Awareness Campaign, Counseling Grant Funds, Certification Training, and the Great Save Loan.

**Public Awareness Campaign:** In November, 2007, THDA's Board of Directors approved \$350,000 for development of a foreclosure prevention program for Tennessee. THDA purchased a database of Tennessee homeowners with adjustable rate mortgages with resets from January 1, 2008 and thereafter. The data base contained 22,000 names. A letter was sent out quarterly to those with ARMS resetting in the next quarter, encouraging them to review their mortgage documents and contact one of the certified counselors if the new payments would be onerous. The intention was to reach homeowners before they went into default.

THDA has since purchased another database of Tennessee homeowners living in the most economically distressed and highest unemployment areas and has mailed letters to these 15,000 homeowners.

THDA produces news releases for the state's media and elected officials with information about foreclosure filings in Tennessee and the availability of free counseling and foreclosure intervention assistance.

The Tennessee Department of Financial Institutions (TDFI) provided \$75,000 in funding for the Initiative and is partnering with THDA, the State Division of Consumer Affairs and the Office of the State Attorney General to distribute information and refer borrowers to THDA and HUD counselors.

**Counseling Grant Funds:** In December, 2007, THDA learned about congressional funding for the National Foreclosure Mitigation Counseling (NFMC) grant program. THDA won an award of \$1.3 million in NFMC funds in 2008 and used those funds to pay 23 nonprofit agencies to provide counseling services for Tennesseans facing default and foreclosure. Another \$735,190 in NFMC funds was awarded in Round 2 of the grant for THDA's sub-grantees in 2009 and another \$441,200 was awarded to THDA for the 18 nonprofit agencies currently providing foreclosure counseling in Round 3. THDA also won a \$25,000 award of 2009 Legal Assistance funds to help foreclosure customers needing legal counseling. Almost \$3 million dollars has been applied toward Tennessee's Foreclosure Prevention Initiative. A list of current Foreclosure Prevention Counselors is available on our website.

**Certification Training:** THDA has partnered with NeighborWorks® America to provide certification training for THDA's sub-grantees. To achieve certification, each staff person has to complete seven full days of training and must pass certification exams. Foreclosure intervention counseling is a highly-



## Foreclosure Prevention Initiative

specialized service and THDA's nonprofit counseling agencies are not only required to earn certification, but must also adopt the National Industry Foreclosure Counseling Standards.

THDA's certified foreclosure intervention counselors possess a strong knowledge in the area of mortgage default and/or foreclosure intervention counseling, specifically relating to current industry practices of loss mitigation to include loan repayment, forbearance, modification, refinance, loan assumption, short sale, deed-in-lieu, community referrals, and other remedies available to the homeowner to avoid foreclosure.

During the fall of 2008, 33 Tennessee non-profit homeownership educators and counselors, and one THDA staff member, attended a five-day post-purchase certification training provided through NeighborWorks® America sponsored by THDA using a NFMC training grant.

### Questions and/or comments may be directed to:

Bill ClenDening  
Homebuyer Education Initiative Specialist  
615-815-2099  
[bclendening@thda.org](mailto:bclendening@thda.org)

or

Vicki George  
Homebuyer Education Coordinator  
615-815-2085 (office)  
[vgeorge@thda.org](mailto:vgeorge@thda.org)

