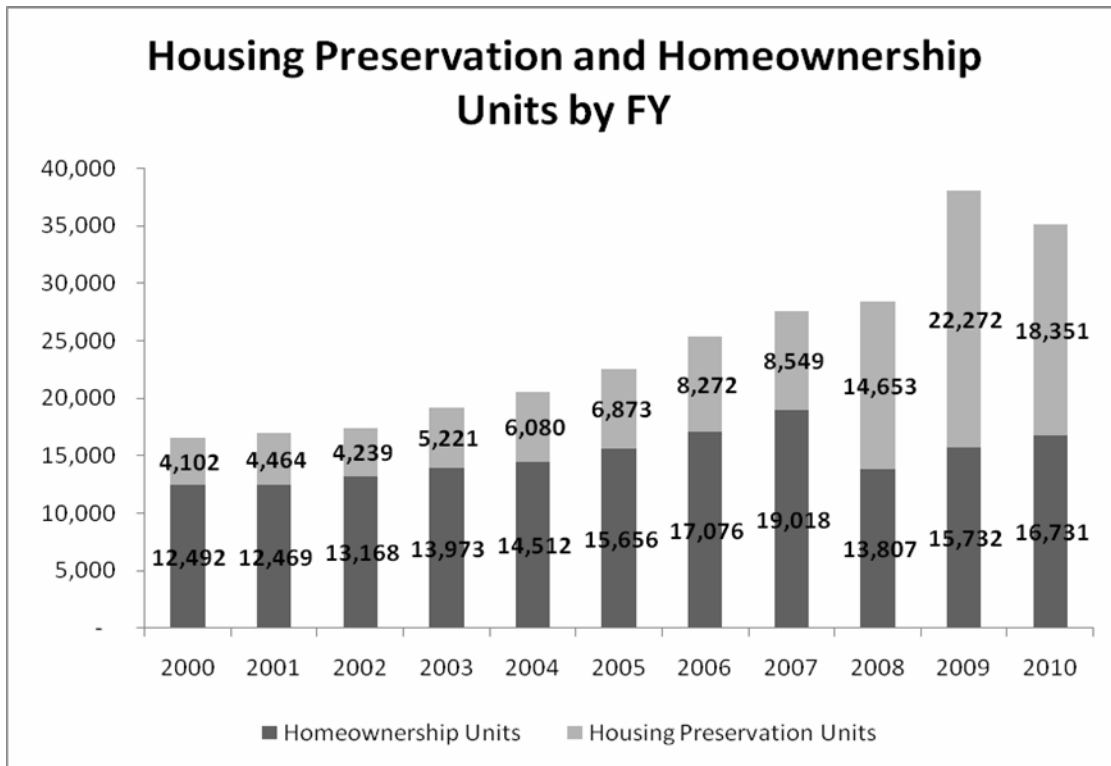


NeighborWorks America – Homeownership Programs

Over the last decade, NeighborWorks and its network have assisted more than 250,000 families of modest means to become homeowners or retain their homes.

NeighborWorks has a 30-year history of successfully working with lower income families, borrowers with impaired credit, and others. NeighborWorks Homeownership Programs offer a continuum of strategies to ensure sustainable homeownership (meaning the ability to not simply *attain* homeownership, but to also *maintain and sustain* ownership status over the long term) for families of modest means. Sustainable homeownership is not only important to the families who attain it – it is also an essential ingredient in creating and maintaining stable communities around the country.



Strengthening Communities through Sustainable Homeownership Opportunities:

Despite the erosion of the housing market, the strategy of promoting homeownership for families of modest means has never been so critical -- and stimulating home purchases is an important tool for community stabilization in many cities and towns. In many markets, home prices have fallen significantly, making home ownership achievable for many moderate- and lower-income buyers.

In FY 2012, NeighborWorks will promote sustainable and responsible homeownership through its core strategies including:

NeighborWorks HomeOwnership Centers: More than 100 NeighborWorks HomeOwnership Centers across the country provide one-stop access to the services and training that customers need to shop for, purchase, rehabilitate, insure and maintain a home. Customers include renters, first-time homebuyers and homeowners in need of affordable financing for housing rehab or repair.

Homeownership Education and Counseling: As the current housing/foreclosure crisis demonstrates, objective pre-purchase homeowner education before shopping for a home or a loan is the buyer's best defense against delinquency and foreclosure. Homeowners who received upfront housing counseling and assistance from their local NeighborWorks organization to access responsible financing products and learn how to manage budgets, credit, and home maintenance, find themselves facing foreclosure with less frequency than other homeowners. In FY 2010, NeighborWorks organizations provided more than 125,000 individuals or families with pre- and post-purchase counseling, helping families remain in their homes over the long term.

Homeownership Financing: NeighborWorks assists homeowners obtain financing for home purchase in numerous ways. Some NeighborWorks organizations have been direct originators of first mortgage loans for some time, and other affiliates are brokers. These NeighborWorks organizations offer responsible mortgage products and provide a responsible alternative to the unscrupulous and predatory lenders that still operate in many low-income and minority communities.

Affordability Assistance: NeighborWorks continues to bridge the affordability gap for homeowners -- leveraging NeighborWorks capital funds, local and private down-payment assistance and flexible second mortgages to help low- and moderate-income homebuyers choose, buy, and remain in homes they can afford. The vast majority of families achieving home ownership with assistance from the NeighborWorks network receive first mortgage loans originated by traditional mortgage lenders that have partnered with local NeighborWorks organizations.

Post-purchase Education and Services: Post-purchase education and counseling is a vital part of the homebuyer education process because it supports successful long-term home ownership. In many communities served by NeighborWorks organizations, consumers have limited access to conventional financial services. Residents of these communities are more likely to access high cost financial services, including pay-day lenders, credit cards, check cashing outlets, and rent-to-own stores. The focus of NeighborWorks' post-purchase education and counseling programs and services is on sustaining homeownership and foreclosure intervention.

Retention of Homeownership through Property Rehabilitation and Responsible Refinancing:

In FY 2010, Congress appropriated \$35 million to NeighborWorks to assist the network in its rehabilitation and rehabilitation financing activities.

- ***Property Rehabilitation:*** Effective home repair and rehab is a critical strategy for homeowner retention, affordability, increased energy efficiency, and stabilization of strong communities. NeighborWorks organizations offer a broad array of services to clients whose properties require rehabilitation. Staff loan officers help with financing (often through local NeighborWorks revolving loan funds), while staff construction specialists help residents find qualified contractors, write work specifications and oversee repairs so that work is done correctly and within budget. NeighborWorks is also incorporating an increased emphasis on energy efficient, healthy, and sustainable building techniques into rehabilitation.
- ***Responsible Refinancing:*** Traditionally, low- and moderate-income home owners are far less likely than higher-income home owners to seek to reduce their mortgage payments through mortgage refinancing, even when they are paying interest rates that are significantly higher than the current market rate. At the same time, scam-artists prey upon lower-income homeowners, minorities, and the elderly, often convincing them to refinance at exorbitant interest rates and/or with high fees. NeighborWorks provides nonprofit consumer education programs on mortgage refinance, modifications, and other consumer loan products.