

Foreclosure and Delinquency in Iowa

Sub-prime Loans in Iowa

Quarter Ending:	12/31/2007	6/30/2008	9/30/2008	12/30/2008
Number of Loans	28,230	26,376	26,000	26,727
% of Loans in F/C	10.39%	11.07%	10.84%	10.93%
Position in US Ranking	13th	17th	19th	21st
Foreclosure Starts	3.20%	3.59%	3.33%	2.96%
Position in US Ranking		18th	23rd	35th
% Seriously Delinquent	15.14%	15.71%	17.00%	19.21%
Position in US Ranking	14th	21st	20th	24th

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Sub-prime ARM Loans in Iowa

Quarter Ending:	12/31/2007	6/30/2008	9/30/2008	12/30/2008
Number of Loans	11,175	9,583	9,058	9,158

% of Loans in F/C	17.66%	19.14%	18.47%	17.03%
Position in US Ranking	7th	16th	18th	23rd

Foreclosure Starts	4.94%	5.10%	4.90%	3.72%
Position in US Ranking	23rd	23rd	27th	31st

% Seriously Delinquent	24.16%	25.92%	25.94%	27.33%
Position in US Ranking	9th	16th	20th	28th



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Iowa Mortgage Help: A Statewide Response

How Did IMH Happen?

- On September 11, 2007, Iowa Attorney General Tom Miller unveiled a project to help borrowers and lenders work together so that borrowers can make payments –and keep their homes.
- February 28, 2008 Iowa Mortgage Help funded with a \$1.5 million grant through NeighborWorks America.
- The project has been funded through December 31, 2009 with an additional award of \$652,000.



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A State-Wide Partnership

Iowa Attorney General – started the hotline and a leader on mortgage foreclosure issues in Iowa and the U.S.

Iowa Finance Authority – Grantee and Administrative Partner

Iowa Mediation Service – Negotiates with servicers

Housing Counseling Agencies – Provide initial services

IHOEP – Administrative Partner representing IHOEP members

Iowa Legal Aid – Provides free legal assistance and representation

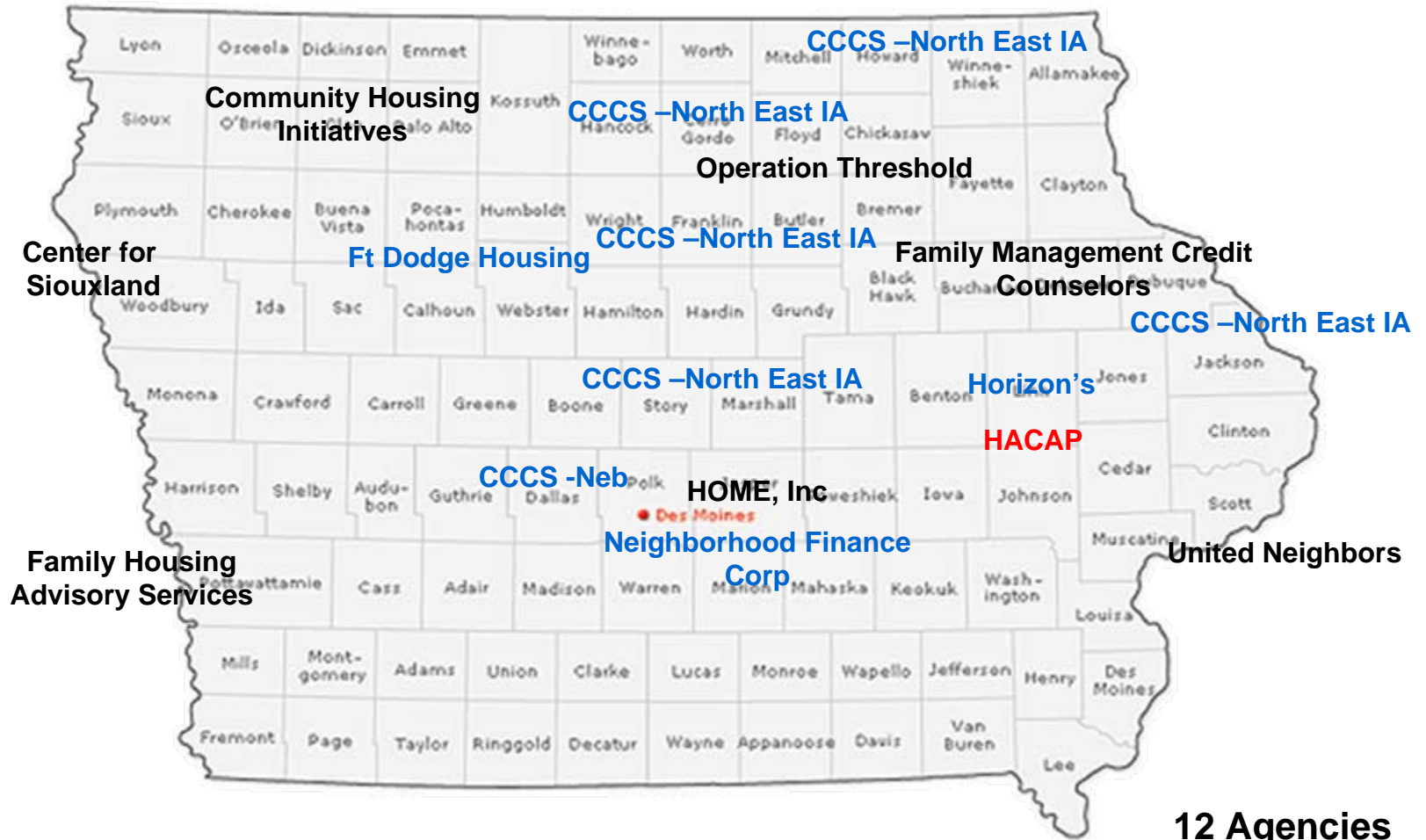
Strategic America – Marketing Partner



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IMH Counseling Agencies





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12 Month Checkup

- **Number of Calls: Estimate 6,344**
- **Number of Application: 4,605 – average # a day 19**
- **Percentage of Applicants in default: 75.37%**
- **Applicants 0 months in default: 22.50%**
- **Applicants 5 or more months in default 28.55%**
- **Percentage of Applicants in foreclosure: 27.19%**
- **Applicants from Des Moines MSA: 37.48%**
- **Applicants from all 99 counties; 564 zip codes**

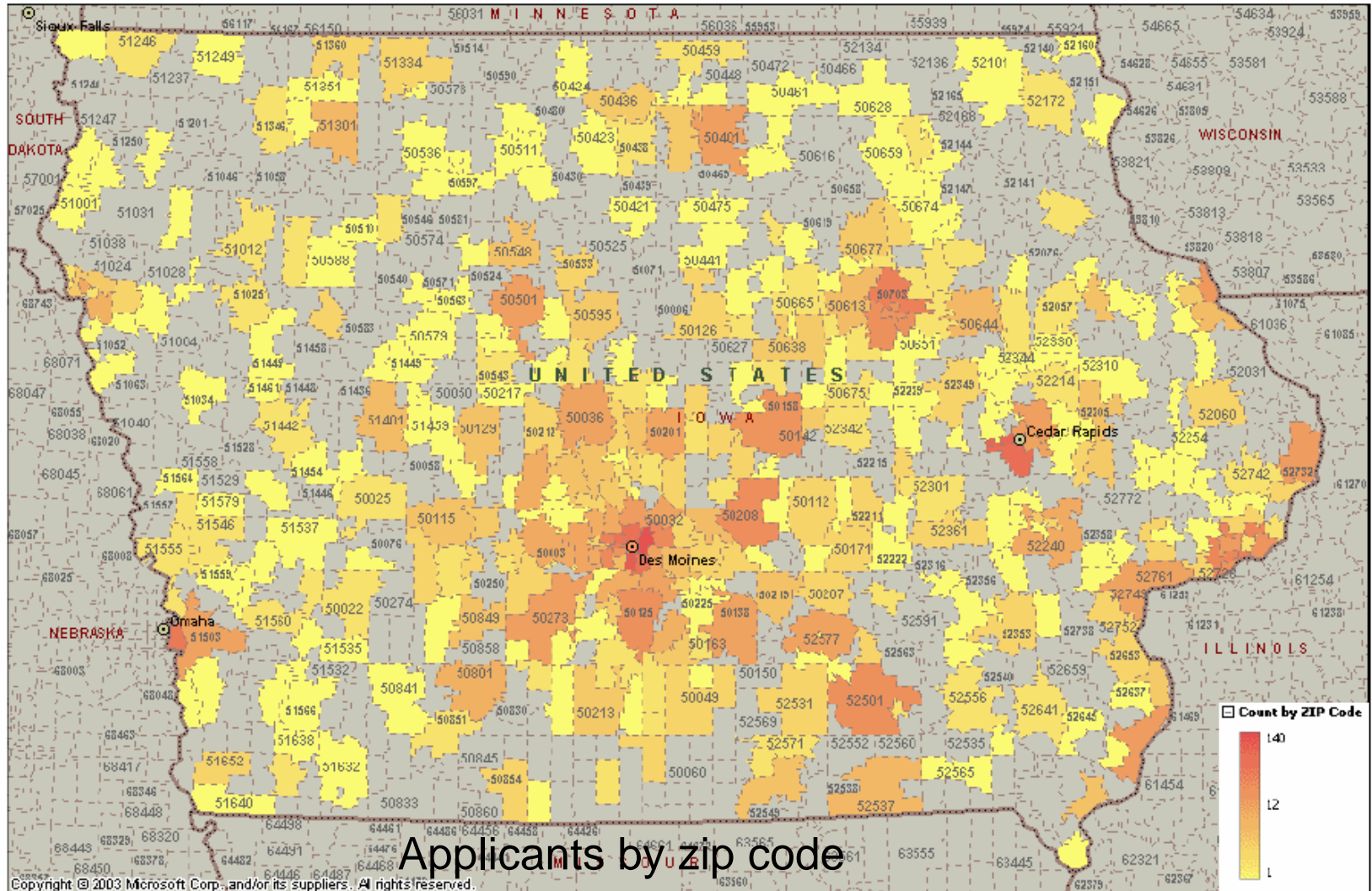
Iowa Mortgage Help Outcomes

Outcomes	Number	Percentage
Brought mortgage current	16	1.03%
Currently in counseling	371	23.89%
Forbearance agreement	22	1.42%
Initiated forbearance agreement/repayment plan	30	1.93%
Mortgage foreclosed	21	1.35%
Mortgage modified	380	24.47%
Non-responsive	32	2.06%
Other	70	4.58%
Recommended to pursue a workout	18	1.16%
Referred to other social service agency	34	2.19%
Waiting for servicer answer	216	13.91%
Withdrew from program	208	13.39%
Workout request declined	49	3.16%
Options less than 2% of total	86	5.54%
Grand Count	1,553	100.00%



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Iowa Mortgage Help: A Statewide Response



New Iowa Law: IOWA FORECLOSURE BILL (Senate Bill 364)

- Effective May 1, 2009
- Notice of availability of counseling and mediation (Iowa Mortgage Help) must be sent to borrower along with initial debtor contact, acceleration notice, or Dunning letter.
- Notice must also be served with original notice and petition of foreclosure.

New Iowa Law: Notice

Mortgage Mediation Notice

You are receiving this notice because (1) your lender believes that your mortgage is seriously delinquent, or (2) a foreclosure petition was recently filed against you. The purpose of this notice is to inform you that help is available through Iowa Mortgage Help, a State of Iowa-sponsored program.

help is available

Iowa Mortgage Help is a group of organizations partnering with the Iowa Attorney General's Office and the Iowa Finance Authority to offer all Iowans access to free, confidential mortgage counseling with local organizations located right here in Iowa. Iowa Mortgage Help is here to assist you in working through your situation.

Please call 1-877-622-4866 as soon as possible. The earlier you call, the more options that are available to you. When you call, you will be referred to a trained, professional counselor who will listen to your situation and offer free, confidential advice through each step of the process. In some cases, we are able to work with lenders and borrowers to restructure mortgage terms. While we are not able to help everyone, we are able to help the majority of homeowners who call Iowa Mortgage Help.

The fact that a foreclosure petition may be or has been filed against you does not necessarily mean that you will lose your house. It is NOT too late. There is still time for help.

Do Not Delay. This may be your best chance to save your home from foreclosure.

Call 1-877-622-4866 today or go to IowaMortgageHelp.com. This free call could save your home.



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www.IowaMortgageHelp.com

This notice is being provided as required by Iowa Code section 654.4B(2).

Making Home Affordable: a.k.a. “Obama Plan”

- Iowa Mortgage Help Services to Client remain the same
- Estimate is that it will serve 7 to 9 million borrowers
- 11 Servicers have “signed up” to participate – covers all their loans
- Covers all Fannie Mae and Freddie Mac loans even if not with one of the 11 servicers.
- Borrowers can access information at www.makinghomeaffordable.com
- Refinance option is for those that can't refinance because own up to 105% of value of property.

Making Home Affordable: Criteria for Modification

- Owner-occupant in a one to four unit property
- Have an unpaid principal balance that is equal to or less than \$729,750 for one unit properties
- Have a loan that was originated on or before January 1, 2009
- Have a mortgage payment (including taxes, insurance, and home owners association dues) that is more than 31% of your gross (pre-tax) monthly income
- Have a mortgage payment that is not affordable

Making Home Affordable: Criteria for Modification

Goal is to get payment to 31% of income

- 1st will reduce rate down to 2%;
- 2nd will extend term up to 40 years
- 3rd principal forbearance
- 4th can (not required) forgive principal

Servicer will evaluate cost of providing modification against cost of foreclosure. This is a set formula.

Making Home Affordable: Modification

- Borrowers who make timely payments on their modified loans will receive success incentives.
- For every month a payment is made on time, Treasury will pay an incentive that will reduce the principal balance.
- Over five years can be up to \$5,000.

Making Home Affordable: Modification

- Servicers will receive a one time, up-front incentive fee of \$1,000 for each modification of a delinquent loan and a \$1,500 up-front incentive fee for each modification of a current loan. They are also eligible for success incentives. That means that every month a borrower remains current on the modification, the servicer earns an incentive, which could total \$1,000 per year for 3 years.
- Investors will receive a subsidy for a portion of the cost to reduce the interest rate down to an affordable level. They will also receive a one time incentive payment of \$1,500 if they agree to modify a loan that is not delinquent.

Foreclosure and Delinquency in Iowa

Thank You

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