

HelpCenter: A Safe Place for Home Help Combating Homelessness

Home is Worth Keeping

The national foreclosure and unemployment crisis has hit Rhode Islanders particularly hard. Rhode Island's foreclosure rate ranks tenth in the country and the state has the second-highest unemployment rates in the nation. Advocates have seen first-hand how the unemployment and foreclosure crisis have displaced homeowners and exacerbated the barriers low income renters have encountered in their search for safe, quality, affordable housing. Rhode Island Housing's HelpCenter works to ensure that Rhode Island 'at-risk' homeowners and tenants can keep a roof over their head.

The Need

The nation's foreclosure crisis has impacted Rhode Islanders – homeowners and renters alike – who are threatened with the loss of their home and no one to turn to for help. A stagnant economy, lack of affordable housing options, deep cuts to social services and a growing state budget deficit mean that residents are feeling the squeeze from the high cost of living and lack of services available to offset the overwhelming need. Add to this the rising number of foreclosures throughout the state, and the result is more and more families being displaced and losing any sense of permanency in their lives.

A newly released report shows that while in 2007-2008 there was some success in reducing the number of individuals experiencing homelessness in Rhode Island, the last six months have shown a troubling reversal of this positive gain. Data from the RI Homeless Management Information System shows that shelter use was 43% higher in February 2009 than that in February 2008. The reasons given for shelter use clearly reflect the impact of the current economic crisis – higher unemployment and foreclosure rates. The number of shelter residents who cited foreclosure as their reason for becoming homeless has quadrupled in the last 8 months as compared to the previous year.

Many tenants across Rhode Island are being forced out of their homes as a result of post-foreclosure evictions; the National Low Income Housing Coalition (NLIHC) estimates that 40% of the households who lose their homes because of foreclosure are renters. Local shelters have steadily witnessed new faces showing up at their doors following foreclosure of rental properties. Families are being caught off guard with little if any resources to get them back on track with the shelter and assistance they need. The Rhode Island Coalition for the Homeless reports that between April and December 2008, 100 families became homeless due to apartment foreclosures. When a multi-family building is lost to foreclosure, two to five families are displaced and at risk of homelessness.

A Proactive Approach to Preventing Homelessness

Our HelpCenter works hand-in-hand with our housing partners on a strategy of keeping people in their homes, helping those at risk of becoming homeless *before* they become homeless. Although numerous agencies exist to help homeowners and tenants in need, there was no real comprehensive system of collaboration in place to help them navigate through the myriad of options available to them. Not only was there an urgent need in the state to assist people in trouble, there was an even greater need to build bridges between agencies and social service organizations to ensure that people seeking assistance had the resources available to them to find the help they need.

In a state that ranks 2nd highest in the nation for unemployment; the highest percentage of subprime loans in the country; with record-breaking number of foreclosures, and homelessness at an all-time high throughout the state, we needed a comprehensive solution to assist both homeowners and tenants at risk of

becoming homeless. Recent trends, and the growing number of individuals and families seeking shelter, illustrate the need for services and support that provide real solutions to the challenges at-risk populations face. With a scarce inventory of affordable housing, Rhode Islanders who lose their homes have little if any options when it comes to relocation.

We know how difficult it is to know who to trust and where to turn when in trouble or at risk of losing a home. That's why we opened the Rhode Island Housing HelpCenter – a safe place for advice and education when it comes to protecting both homeowners and tenants from foreclosure or coping with the loss of a place to call 'home.'

Help for Rhode Islanders Facing Foreclosure

While the housing crisis is being felt throughout the country, by the fall of 2007, Rhode Island began to take the lead among New England states in foreclosure initiations and subsequent loss of homes. Homeowners are not the only ones impacted by this crisis. Renters, too, are finding themselves homeless with little notice and even less resources available to them.

In the fall of 2007, Rhode Island Housing opened the doors to its HelpCenter, a comprehensive counseling center dedicated to providing professional support and education that was created as part of our plan to respond to the growing foreclosure crisis and assist people at risk of becoming homeless. At the core of the HelpCenter's mission is the message "We are here to help." To get this message out, Rhode Island Housing developed a strategic, statewide educational campaign to promote the HelpCenter and publicize another key message – the sooner you call, the more options you'll have. The goal is to notify the public about the HelpCenter and, in turn, provide homeowners and tenants with foreclosure prevention advice and education *before* losing their home, as well as helping them make safe, informed decisions for their futures.

The Rhode Island Housing HelpCenter's trusted, trained counselors work one on one to assess each individual's situation and provide advice, education or referrals to help.

For homeowners, we work to help them avoid losing a home or cope with the loss of a home; make sense of their existing mortgage; and make safe, informed decisions about finding an affordable rent or mortgage.

For tenants, we offer assistance through our extensive network of service providers; our HomeLocator, which includes thousands of listings for safe, affordable rental homes; and our advocacy efforts to ensure renters are adequately protected from the effects of the foreclosure crisis.

Education and Outreach

Building upon existing relationships, while also forging new ones, Rhode Island Housing and its partners also bring free foreclosure workshops to communities throughout the state. Our HelpCenter's trusted and trained counselors are on hand to provide advice, education, resources and referrals to help avoid the loss of a home or, when necessary, cope with the loss of a home. For those who lose a home, we work closely with our service providers and housing partners to assist families with finding safe options.

Marketing efforts relating to the HelpCenter include bus-stop advertising in communities hardest-hit by foreclosures, outreach through our extensive network of nonprofit CDCs, and public workshops in partnership with our Congressional delegation. By promoting these workshops through these leaders, prospective clients trust the information they are receiving is trustworthy. Rhode Island Housing has also undertaken additional outreach through local, large-scale employers, with work-place workshops. We also continue to promote the work of the HelpCenter through our statutory responsibility in the notification of

municipal tax liens whereby homeowners who are faced with the loss of their home due to tax liens are provided with our information. Classes in conjunction our housing partners are given in English and Spanish to low-income and minority families. We recently obtained First American Loan Performance data through the Federal Reserve Bank of Boston and have designed a targeted coordinated outreach effort with non-profit partners and the faith-based community to reach zip codes identified in the data sets with very high use of subprime ARMs. We are also working closely with neighborhood advocacy groups managing a door-to-door campaign that includes information for tenants as well as homeowners.

In response to the newest threat to those at risk, we have implemented an aggressive communications campaign, including a series of public service announcements in partnership with the state Attorney General's office, Department of Business Regulation, our Congressional delegation, the Mayor of Providence, Urban League, NAACP, Money Management International, the Housing Network of Rhode Island, and our housing partners around foreclosure-prevention scams.

The Result

As a result of our extensive educational and outreach campaign, more than 4,800 families have sought and received assistance from the HelpCenter. Of these, 2,564 homeowners with a full range of financial challenges have met face-to-face with our counseling staff. 1,805 homeowners have completed the counseling process and 759 homeowners are in various stages of counseling.

The HelpCenter is an effective work model - counselor/processor and outside partners. Volume in the HelpCenter remains high as more and more people are at risk of homelessness due to the weakening economy. While the first wave of the foreclosure crisis – those homeowners with weak, or subprime credit – appears to be cresting, a new and even larger wave involving homeowners who had good credit when they bought their homes is just beginning. As the economy weakens, hard-working Rhode Islanders who have either lost their jobs or cannot keep up with the increasing costs of home-heating fuel, food and gasoline are now becoming the faces of foreclosure. The need for the HelpCenter grows stronger everyday.

How the program responds to the judging criteria:

Innovative: represents a shift to homeless *prevention* with a specific focus on the challenges of the foreclosure crisis

Replicable: outreach, education, partnerships and counseling model can be replicated in other states

Responds to an important state housing need: with foreclosure numbers continuing to climb (and expected to continue), represents our number one housing need as high foreclosures have already drastically increased the number of homeless living in our shelters

Demonstrates measurable benefits to HFA targeted customers: provides prevention and intervention to all segments of population – both homeowners and renters

Has a proven track record of success in the marketplace: already experienced **50% success rate** with modification of loans for both single and multi-family properties; utilizes best practices and available assistance and guidance at local state and federal levels

Provides benefits that outweigh costs: keeping people in their homes while also keeping communities and neighborhoods intact

Demonstrates effective use of resources: the program utilizes effective use of resources with funding from grants through NeighborWorks and the United Way.

Effectively employs partnerships: local partnerships with service providers, congressional delegation, housing partners and statewide advocates for housing and homeless issues have been forged and strengthened

Achieves strategic objectives: our efforts are a key component to keeping people in safe, healthy homes while also aiding neighborhoods from further erosion due to foreclosures