

**Kentucky Housing Corporation
Kentucky Homeownership Protection Center
Special Achievement**

Description

The Kentucky Homeownership Protection Center (Protection Center) was established by the 2008 Kentucky General Assembly to address the foreclosure crisis in Kentucky. The Protection Center is a joint effort of the Department of Financial Institutions (DFI), Kentucky Housing Corporation (KHC), and many other organizations across the state. The Protection Center is administered by KHC, under the direction of Governor Steve Beshear, to provide support to homeowners who are in default or in danger of default on their mortgage loan. KHC collects and reports data on the results to the Governor's Office.

When and Why It Was Undertaken

From 2005 until 2008, KHC was the lead agency in the *Don't Borrow Trouble*® Kentucky (DBTK) campaign. *Don't Borrow Trouble*® was pioneered in Boston by Mayor Thomas M. Menino and the Massachusetts Community Banking Council and was expanded nationally by Freddie Mac. DBTK consisted of a coalition of over 20 organizations working together to help prevent predatory lending in communities around Kentucky, sponsored by KHC and the Kentucky Predatory Lending Prevention Committee. The DBTK counselor network provided home buyer education, predatory lending education, budget/credit classes, post-purchase education, and comprehensive one-on-one counseling. The hard work by the DBTK committee kept predatory lending and foreclosure in the minds of state legislators and led to new initiatives to help foreclosure victims across the state. In 2008, the state legislature created the Kentucky Homeownership Protection Center naming KHC as the administrator of this new statewide program.

The newly created Protection Center took over the old DBTK hotline number, thereby solidifying in homeowners' minds where they can turn when they need help. The Protection Center was officially launched in August 2008 in Owensboro, Kentucky, by Governor Steve Beshear. The Protection Center provides a centralized location for information so that homeowners can find counseling, Legal Aid, information on the foreclosure process, utility assistance, and home repair assistance to make smart choices and avoid losing their homes. Many representatives from the media attended the launch and multiple news stories and articles were distributed concerning the Protection Center.

In addition to the phone line, a Web site was created, www.ProtectMyKYHome.org, to provide another option for clients to reach the Protection Center, as well as provide an easily-accessed forum for Protection Center partners to find the information and materials they need. When a client contacts the Protection Center, whether through the phone line or Web site, they proceed through the system in a well-structured way to ensure collection of all pertinent data for use by the state. The work flow starts when the client contacts the Protection Center and a representative starts taking contact and basic information about the client. That representative is able to assess whether the client should be referred to a counselor or Legal Aid. The client will then be contacted within two business days by either the counselor or Legal Aid and their situation will be assessed and a plan formed of how to best approach the situation.

To keep the momentum going after the launch, an information fair was held in Lexington to help further the message about the Protection Center in the Lexington area. Many Protection Center partners participated in providing the public with information on available financing for a home, as well as education in making informed decisions about buying a home.

On February 6, 2009, the Kentucky Homeownership Protection Center received a grant of \$1.5 million from NeighborWorks of America to help fund counseling and Legal Aid services provided by the Protection Center. A press conference was held to announce the grant to the public and media. Once again, this furthered public awareness of the Protection Center for all parties.

The most recent event concerning the Protection Center was the announcement of the Jefferson County Conciliation Project announced in June 2009 by Metro Louisville Mayor Jerry Abramson, which ties directly to the Protection Center. The conciliation project is a partnership of agencies throughout Metro Louisville that are working to decrease foreclosures in Jefferson County, the Kentucky county most in need. Jefferson County's magistrates and many judges are working with attorneys, sheriffs, counselors, and KHC to allow more time for homeowners, served with foreclosure papers, to find alternatives to losing their home.

Many materials were created by KHC to help brand and spread the message about the Protection Center. First, a logo and tagline were designed. The logo consists of a home as a padlock, surrounded by a circle, and followed by the tagline, "Protect My Kentucky Home." This helps cement the idea that the Protection Center does what it intends, helps Kentuckians find the information and help they need to stay in their homes.

Next, a brochure and flier were designed to give full details of what is offered through the Protection Center. An information sheet, work flow diagram, counseling map, and charts of results were all generated to allow both the public and media full knowledge of what the Protection Center was working to achieve.

KHC recognized the need for local area groups to have materials they could customize and distribute within their communities and created fliers and posters that could be printed locally and inexpensively. If an area needed something newly designed, KHC staff took care of drafting and modifying according to the local partners' wishes. Also, KHC wrote and recorded a public service announcement (PSA) with Governor Beshear to promote the credibility of the Protection Center over other "services" that are advertised to those in trouble and the PSA has aired across the state.

KHC also created an easily copied Web code that was made available on the Protection Center site to allow partners to place the Protection Center logo of their choice on their Web site. These logos direct visitors of partner sites to the Protection Center site, thereby further promoting the Protection Center across the state. Partners have been appreciative of the option to select a logo that best fits within the framework of their individual Web site.

Most recently, KHC designed a Protection Center billboard and negotiated a contract with Lamar Advertising that allows the billboard to be displayed as "filler" at any time a board would normally be left blank. As Lamar Advertising has billboards across the state, this has had a tremendous impact on the recognition of the Protection Center brand.

Results/Accomplishments

Since the launch of the Protection Center in August 2008, through June 29, 2009, the Protection Center was contacted 4,174 times from both the phone line and Web site. Of those, 2,034 were successfully entered into the work flow. The remainder was not entered into the work flow for various reasons including duplicates, lack of response from the client, or the client refused services. Those that are considered successfully in the work flow are either currently undergoing counseling or help from Legal Aid, or they have completed the process via home sale, refinancing, loan mitigation, or other action. Of the 2,034 Kentuckians in the work flow on June 29, 2009, only 25 actually had their homes foreclosed.

Because of the success of the Protection Center, representatives from KHC were asked to come speak to a national conference and explain how a similar program could be implemented in other states.

Why It Is Meritorious

While the Protection Center received funds for counseling and Legal Aid, no state funds are provided to support the initiative. KHC re-allocated funds from other projects to allow for materials to be produced and KHC employees spend many hours planning, organizing, creating, and executing materials and events. All efforts made within communities are done through grass-roots efforts by partners in that area. Despite the lack of funds, the Protection Center has helped many Kentuckians stay in their homes.