

Foreclosure Mediation Assistance Program COVID-19 Expansion

New Jersey Housing and Mortgage Finance Agency
Special Achievement: COVID-19 Response

HFA Staff Contact

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On March 19, 2020, New Jersey Governor Phil Murphy and the New Jersey Housing and Mortgage Finance Agency expanded the Foreclosure Mediation Assistance Program (FMAP) to include renter and pre-foreclosure counseling to address hardships caused by COVID-19. Codified into a permanent program in 2019, FMAP originally provided foreclosure counseling to struggling homeowners at no-charge with select counseling providers solely to those entering foreclosure mediation. This change was designed as an aggressive intervention to prevent a surge of foreclosures and evictions upon expiration of the various moratoriums put into place in response to the COVID-19 outbreak and ensuing economic impact. By providing housing counselors to help struggling residents navigate the labyrinth of available state, federal, local and nonprofit assistance programs, the resident should be able to reach their best possible outcome.

Background

Prior to the outbreak of COVID-19, New Jersey had one of the country's highest foreclosure rates and foreclosure filing rates. Peaking during the Great Recession at over 65,000 foreclosure filings, foreclosure filings in New Jersey in recent years have remained higher than most other states, consistently coming in at more than 20,000 filings per year since the peak years. Addressing this persistent issue, Governor Murphy codified FMAP to be led by NJHMFA, the State's primary agency for administering, funding and supporting the development and preservation of affordable housing. Since expanding and creating a permanent funding source for FMAP in November 2019, NJHMFA has successfully stewarded the program while providing New Jersey homeowners with essential foreclosure counseling services at no-cost.

The COVID-19 Pandemic has presented an unparalleled economic crisis for communities across the country, and that has been especially true in New Jersey - one of the highest cost-burdened states in the country. As the pandemic continued to become increasingly severe in March 2020, the joint effects of mass employment loss and broader economic uncertainty made clear the need for additional protections for both homeowners and renters. In order to mitigate the possible foreclosure and/or eviction of New Jersey residents from their homes, Governor Murphy expanded the breadth of the FMAP program to provide no-cost counseling to pre-foreclosure residents and renters. These counselors provide struggling residents with a roadmap of their situation – informing them of available assistance programs; financial planning; and coaching on how to best interact with landlords and/or mortgage companies.

Studies show that early intervention is the most effective means of preventing housing instability on both an individual and community level. Having a housing counselor increases the odds of the resident receiving a positive outcome threefold, while the creation of a financial plan has been found to make residents 70% more likely to remain current on their mortgage moving forward.

These lasting impacts keep families in their communities, children in their schools, housing values up and rental markets strong.

Without these interventions, New Jersey would have been vulnerable to another extended housing crisis. In fact, New Jersey's foreclosure rate only returned to pre-recession levels in 2019. The excessive instability that residents have faced due to COVID-19 threaten to pull New Jersey backwards. By providing both homeowners and renters free expert resources, we believe these impacts can be mitigated.

Recent Results

Since broadening the program in March, FMAP has experienced a significant uptick in the amount of counseling provided. Initial reporting has found that in the month and a half period since expanding, the program has counseled nearly eight times the amount of people compared to the prior month and half period – reflective both of the increased need for the counseling service during the crisis and the new population of eligible residents. Given the increased need and confirmed success, new legislation has been advanced that would further increase the funding available for early intervention programming, such as the newly expanded FMAP.

Supporting Visual Aids (Total of 1)

1. Press

https://njhousing.gov/dca/hmfa/media/news/2020/approved/20200319_2.html

March 19, 2020

Governor Murphy Announces Effort to Help Renters, Homeowners Threatened by Potential Foreclosure

NJHMFA Expanding Housing Counseling Program to Provide Resources, Guidance for Residents Affected by COVID-19

TRENTON – Governor Phil Murphy today announced an expanded housing counseling initiative to help New Jersey renters and homeowners who are threatened with a loss of housing due to the COVID-19 crisis.

At the direction of Governor Murphy, the New Jersey Housing and Mortgage Finance Agency's (NJHMFA) housing counseling initiative is expanding to include renters, who may be concerned with

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eviction, and homeowners who may need counseling to help prevent possible foreclosure. These services are available at no cost to the consumer.

"We are taking significant action today to help New Jersey residents facing rental or home mortgage hardships brought on by COVID-19. Expanding the state's housing counseling initiatives will provide guidance to homeowners and renters to help them navigate through this difficult time," said Governor Murphy. "We are all in this together, and whether you or a family member, friend or neighbor are adversely impacted by COVID-19, New Jersey is standing with you."

NJHMFA is expanding its Foreclosure Mediation Assistance Program (FMAP) to include renter and pre-foreclosure counseling by utilizing a network of participating housing counselors in each county. The counseling is available now and can be provided remotely.

FMAP, created in 2018, is a free housing counseling initiative which works with New Jersey's existing court mediation program to help homeowners who have received a foreclosure complaint.

The expanded program will now include pre-foreclosure counseling to provide upfront assistance to help homeowners avoid potential foreclosure. At the same time, the counseling made available to renters will guide them on how to approach discussions with their landlords on dealing with their rent situation.

"Renters, particularly those who are gig workers or employed in sectors such as restaurants, bars and other industries hard hit by the COVID-19 crisis, are facing severe income reductions or losses," said NJHMFA Executive Director Charles A. Richman. "These new counseling initiatives will give them, as well as homeowners on the verge of foreclosure, resources and guidance on how to help stabilize their housing options."

An analysis of the benefits of housing counseling found that homeowners who participated are nearly three times as likely to receive a loan modification, counseled homeowners were 70 percent more likely to remain current on their mortgage after receiving the loan modification; and counseled homeowners achieved on average a reduction of close to \$5,000 per year on their mortgage payments.

A full list of participating counselors follows or can be found at: njhousing.gov/foreclosure

NJHMFA is a leader in the creation and rehabilitation of affordable housing opportunities for families, seniors and special needs residents statewide through its loan financing and bond programs; mortgage, down payment and closing costs assistance; and the award of federal Low Income Housing Tax Credits. NJHMFA does not rely on any direct funding from the New Jersey State Treasury to meet its core operating or administrative expenses. For more information on NJHMFA, visit njhousing.gov.

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Participating Housing Counselors by County

Atlantic County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-
8800

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Bergen County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Burlington County

Clarifi
800-989-2227

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-8800

Camden County

Clarifi
800-989-2227

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-8800

Cape May County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-8800

Cumberland County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-8800

Essex County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Gloucester County

Clarifi
800-989-2227

NJ Citizen Action
800-656-9637, 973-643-8800

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Hudson County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Hunterdon County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Navicore
Housing Counseling: 1-866-
472-4557
FMAP: 1-866-552-4557
NJMediation@navicoresolutions.org

NJ Citizen Action
800-656-9637, 973-643-8800

Puerto Rican Action Board
732-249-9700

Mercer County

Affordable Housing Alliance
of NJ
732-389-2958

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Navicore
Housing Counseling: 1-866-

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472-4557
FMAP: 1-866-552-4557
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NJ Citizen Action
800-656-9637, 973-643-8800

Middlesex County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

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FMAP: 1-866-552-4557
NJMediation@navicoresolutions.org

NJ Citizen Action
800-656-9637, 973-643-8800

Puerto Rican Action Board
732-249-9700

Monmouth County

Affordable Housing Alliance
of NJ
732-389-2958

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Navicore
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472-4557
FMAP: 1-866-552-4557
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NJ Citizen Action
800-656-9637, 973-643-8800

Morris County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Ocean County

Affordable Housing Alliance
of NJ
732-389-2958

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Navicore
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472-4557
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NJ Citizen Action
800-656-9637, 973-643-8800

Passaic County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Salem County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

NJ Citizen Action
800-656-9637, 973-643-8800

Somerset County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Navicore
Housing Counseling: 1-866-
472-4557
FMAP: 1-866-552-4557
NJMediation@navicoresolutions.org

NJ Citizen Action
800-656-9637, 973-643-8800

Puerto Rican Action Board
732-249-9700

Sussex County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

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Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637 | 973-643-
8800

Tri-City Peoples Corporation
973-676-5506

Union County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506

Warren County

Consumer Credit and Budget
Counseling
609-390-9652, 888-738-8233

Epic CDC
732-727-9500

Housing Partnership
973-659-1414

NJ Citizen Action
800-656-9637, 973-643-8800

Tri-City Peoples Corporation
973-676-5506