



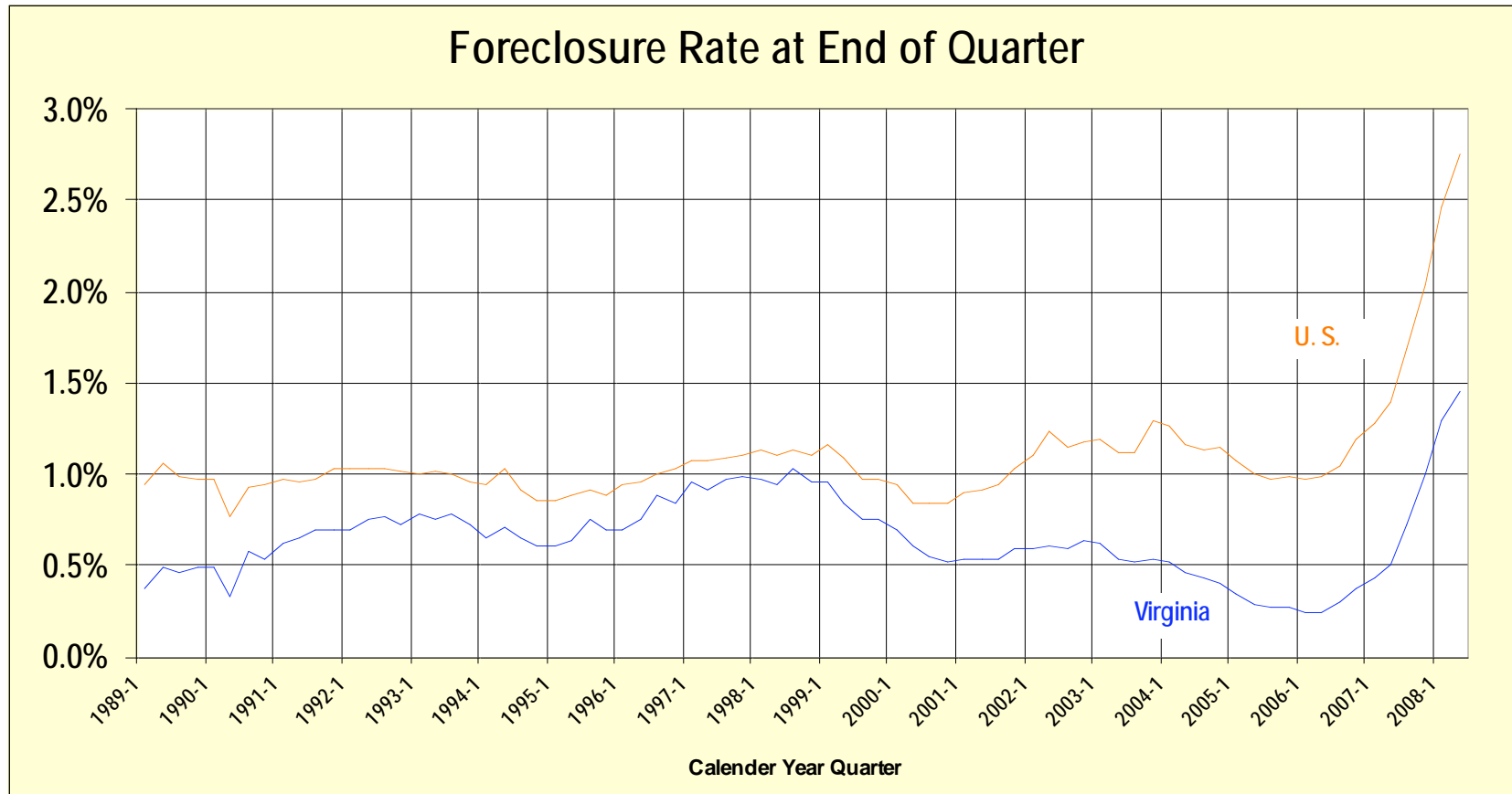
Virginia Foreclosure Prevention Task Force

2008 Governor's Housing Conference
Hampton Roads Convention Center
November 14, 2008

Created in November 2007

Governor Tim Kaine announced the creation of the Virginia Foreclosure Prevention Task Force at the 2007 Governor's Housing Conference to address the rising rates of foreclosure in the Commonwealth.

Virginia's foreclosure rate is much lower than the U.S. rate, but has risen rapidly since 2006.



Source: Mortgage Bankers Association (MBA)



The Task Force

- Secretary of Commerce and Trade, Patrick O. Gottschalk, chairs this 21-member body representing a wide array of affected parties with a stake in the future of Virginia's housing, including:
 - consumers
 - mortgage bankers
 - homebuilders
 - realtors
 - local governments and nonprofits
- Additional valuable partners include: the Federal Reserve Bank of Richmond, HUD, George Mason School of Public Policy, the Center for Housing Research at Virginia Tech, and the Office of the Attorney General.

The Task Force Charge

- The Task Force has four major functions:
 - Locate and analyze data to determine the needs of homeowners and affected communities.
 - Identify resources that could minimize the number of foreclosures occurring in Virginia.
 - Provide a source of outreach, counseling and education that supports foreclosure prevention.
 - Review existing laws and regulations related to foreclosure.

The Task Force

- To accomplish its purposes, the Task Force established three workgroups to focus on specific issue areas:
 - **Foreclosure Impact** - monitor economic, social and fiscal impacts of foreclosure and advocate strategies to mitigate the effects on families, neighborhoods and communities.
 - **Education and Outreach** - reduce the number of homeowners affected by foreclosure by increasing their knowledge of available options and overall financial literacy, enhancing housing counseling efforts, and promoting loss mitigation best practices.
 - **Regulatory Reform** - forestall future foreclosure problems by reviewing relevant existing laws and regulations to identify areas where adjustments may be needed.

Activities and Accomplishments

- Compiled and analyzed state and national statistics and data to produce Virginia composite.
- Created a comprehensive assessment of the incidence and locale of foreclosures in Virginia.
- Received presentations and testimony from state and national experts addressing foreclosure related issues.
- 341 new Foreclosure Mitigation Specialists have been trained to provide assistance statewide.
- An extensive outreach campaign has been launched covering television, cable, radio, and print media:
 - PSAs in English and Spanish
 - Several PSAs feature Governor Tim Kaine
- Initiated information website:
www.virginiaforeclosureprevention.com

Activities and Accomplishments

- Hosted education and outreach mortgage clinics for distressed borrowers:
 - Richmond, Tidewater, Roanoke, Woodbridge and Chantilly
 - Nearly **900** people attended, which led to **668** individual counseling sessions.
- Identified the concerns of local governments and communities through two community impact forums (Manassas and Virginia Beach) where governmental and agency officials met to provide critical information on issues impacting localities hardest hit by foreclosure.
- Hosted a community impact summit in Richmond which provided foreclosure prevention solutions and best practices to more than **150** representatives from local governments, housing advocacy groups, nonprofits and community service organizations.
- Assisting in the allocation of funding provided in the budget for foreclosure counseling services.



Activities and Accomplishments

- Legislative Efforts
 - Facilitated the passage of SB 797, which provided eligible homeowners facing foreclosure with breathing room to explore workout options with lenders.
 - Supported other consumer protection legislation that addressed foreclosure rescue scams (HB 408) and began the process of closing gaps in the regulation of mortgage brokers (HB 1487).

Activities and Accomplishments

- Moving Forward

- Continue to monitor the impact of foreclosures on neighborhoods and communities.
- Continue to foster opportunities for education, counseling and outreach to distressed borrowers and homeowners facing foreclosure.
- Ongoing information exchange to provide support to local governments and nonprofit service providers.
- Follow the effects of recent federal housing legislation as it addresses regulatory reform, housing finance, foreclosures, and the mitigation of the impact of concentrated foreclosures on neighborhoods and communities.



Activities and Accomplishments

- Moving Forward

HR3221: The Housing and Economic Recovery Act of 2008

- **The Neighborhood Stabilization Fund** authorizes a HUD program of grants to states and units of general local government for the purchase, management, and resale of foreclosed and abandoned properties.
- HUD allocated the \$3.92 billion as grants to states and units of general local government according to a formula based on:
 - home foreclosures
 - homes financed with a “subprime mortgage related loan”
 - homes in default or delinquency
- **Neighborhood Stabilization Program - Virginia Grantees**
 - Prince William County \$ 4.1 Million
 - Fairfax County \$ 2.8 Million
 - Virginia state program (DHCD) \$ 38.7 Million

