

Wrap-Around Service Strategies:

How to help your customers save their homes from foreclosure

MORTGAGE CRISIS
JOB TRAINING
PROGRAM

USDOL/ETA Region 2
Rapid Response Roundtable

April 14, 2010

Joseph M. Carbone
President & CEO
The WorkPlace, Inc.



**In June 2008,
Connecticut legislators set aside
\$2.5 million* in bond funds to create
a workforce system response to the
mortgage crisis.**

Poorest people in urban
districts are impacted most

Sub-prime Loans

Top 3 Cities	26,913	58%
--------------	--------	-----

30 towns	46,035
----------	--------

The program is working to help resolve mortgage issues, now compounded by growing unemployment.

CT Unemployment Rising

Feb'08

Feb'09

Feb'10

4.9%

7.4%

9.1%



This is the story of how it happened, results to date, and learnings that you can apply to your challenges.

MORTGAGE CRISIS

JOB TRAINING

PROGRAM

Keep your home by getting the
skills you need

1-866-683-1682

www.workplace.org/mortgage.asp



MORTGAGE CRISIS
JOB TRAINING
PROGRAM

Program Rationale & Design

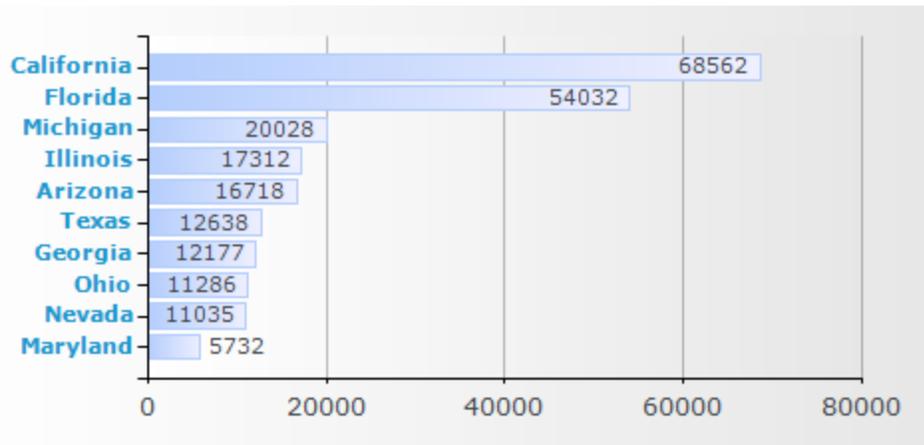
GETTING STARTED

Top 20 States by Rate of Foreclosures (Dec. 2008)

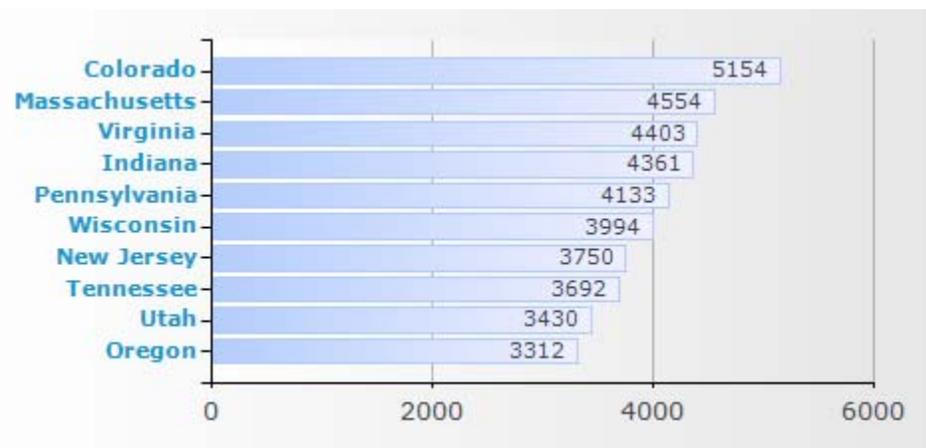
1.	Nevada	1/71	11.	Ohio	1/448
2.	California	1/147	12.	Utah	1/480
3.	Arizona	1/149	13.	Oregon	1/510
4.	Florida	1/168	14.	Maryland	1/518
5.	Michigan	1/333	15.	Rhode Island	1/528
6.	Idaho	1/525	16.	Indiana	1/578
7.	Georgia	1/386	17.	New Hampshire	1/674
8.	Colorado	1/394	18.	Tennessee	1/690
9.	Illinois	1/419	19.	Massachusetts	1/691
10.	Virginia	1/446	20.	Connecticut	1/695

Total Properties with foreclosure filing reported (these 20 states): 258,469

New Foreclosures: Feb'10



Top 20 States,
of foreclosures



AHA! (core concept reinforced)

- **Insight: Loan modifications alone don't eliminate delinquencies**

Nationally, more than ½ of loans modified fell delinquent within 6 months

*Table 26. Modified Loans 30 or More Days Delinquent (30+ Re-Default Rate for 2008–2009 Modifications)**

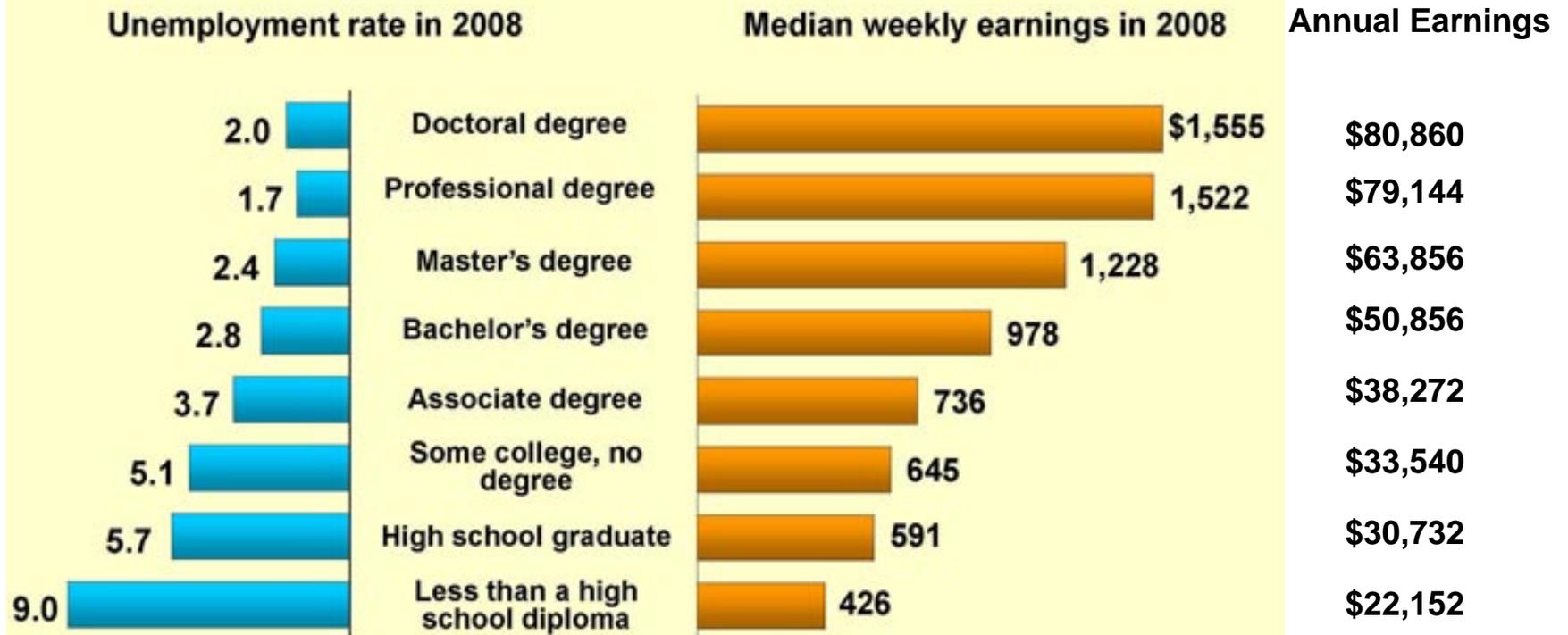
Modification Date	3 Months after Modification	6 Months after Modification	9 Months after Modification	12 Months after Modification
Second Quarter 2008	54.4%	64.2%	66.6%	69.4%
Third Quarter 2008	55.2%	62.1%	66.5%	70.7%
Fourth Quarter 2008	46.6%	57.0%	64.2%	--
First Quarter 2009	45.6%	56.2%	--	--
Second Quarter 2009	34.2%	--	--	--

Source: US Treasury, OCC, 3Q09 report

- **Opportunity: MCJTP uses extended workforce system to help borrowers increase their earning capacity**
→ ability to pay mortgage

Core Principle:

**Education pays...
in higher earnings & lower unemployment rates**



Source: Bureau of Labor Statistics, Current Population Survey

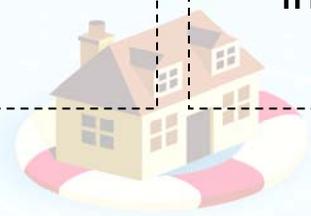
MCJTP helps borrowers gain the skills they need to be able to earn more money to become financially stable.

Services:

- The program offers:
 - ❖ Customized Employment Services
 - ❖ Job Training Scholarships
 - ❖ Job Placement Assistance
 - ❖ Financial Literacy
 - ❖ Credit Counseling
 - ❖ Referrals to other needed services
- 8 Program Specialists; assigned to customers geographically

Eligibility:

- 60 days or more past due on mortgage
- Mortgage is for primary residence in CT
- Household income less than \$120,000
- Referred by the Connecticut Housing Finance Authority (CHFA), or can demonstrate an imminent need for services



As of 12/31/09:

● Assessed for Program Eligibility	1,226
● Waiting for Assessment	780
● Currently Enrolled In Program	993
● Training Scholarships	577
● Provide Career Coaching*	971
(includes evaluating training opportunities, will lead to scholarships)	
● Employment Support Services*	1,580
(Resume Prep, Interview Prep, Assistance with Employment Applications)	
● Referral to Financial Literacy	704
● Credit Counseling	376

* A single participant may receive several services such as exploring multiple careers, preparing multiple resumes or multiple sessions preparing for interviews. These counts represent occurrences which are not unique

Education & Training through MCJTP

- Average duration of training is 9 weeks
- Types of training include:

Health Care:

Certified Nurses Aide

Dental Assistant

Veterinary Technician

Central Sterile
Processing

Medical Billing &
Coding

Pharmacy Technician
Certification

Manufacturing:

Project Management

Lean – Six Sigma Black Belt

Technology:

A+ Network & Microsoft Certified Professional

Home Energy Conservation Tech

Green Building Technologies

Administration:

Admin Assistant Certificate Program

Certified Payroll Professional

Identifying Earnings Potential

Finding The Right Path...

Intake - Interest

- Determine employment suitability, evaluate existing strengths

Individual Employment Plan

- Determine work readiness
- Skills inventory vs. market demand
- Assess training options, duration & can it make an immediate impact?

Case Load Prioritization

- Utilize Most-in-Need questionnaire



Initial Partnerships

Traditional

Nontraditional

1. Other WIB

- Co-staffed statewide program
- Assisted in sustaining legislative support

2. One-Stop Centers

- Provide support programs for clients and space to meet people near their own communities

3. United Way of Connecticut 211 Infoline

- List program and provide referrals

Initial Partnerships

Traditional

Nontraditional

4. Connecticut Housing Finance Authority (CHFA)

- Set up referral process (weekly feed)
- Provided sources for Financial Literacy Training and Credit Counseling
- High-level agreement to collaborate
- Both MCJTP & CHFA staffs needed to learn each others' programs; create new processes to work together

5. Connecticut Department of Banking

- Helps reach lenders and communicate program benefits
- Distributes information on the program to consumers who call their customer service center
- Source of referrals

Initial Partnerships

Traditional

Nontraditional

6. HUD Housing Counseling Agencies

- Work with clients to get modified payment plans with lenders while in training
- Conduct housing foreclosure clinics
- Provide “financial fitness” counseling (money management & budgeting)

7. State of CT Judicial Branch, Foreclosure Mediation Program

- Refer clients to MCJTP for career coaching, training, and job search assistance
- Recommend postponing action on a foreclosure while clients work through the program.

Workforce at the Table

Who's weighing in?

1. Institution holding mortgage
2. Agency guaranteeing (e.g. CHFA)
3. Housing counseling specialist
4. Judicial Branch, Foreclosure Mediators
5. Attorneys (for Lender & Borrower)
6. **Mortgage Crisis Program Specialist:
lends weight + voice**

Expanding Services through Nontraditional Partners

ADDING VALUE

Expanded Partnerships Add Value

1. National Student Loan Program

- Online Financial Literacy
 - Curriculum + tracking of usage/completion
-
- How found: search online (FDIC product didn't meet our needs; lacks reporting)
 - Why they were interested: wanted to expand exposure to different markets, national outreach
 - Organizations have different goals but common objective; can help each other

Expanded Partnerships Add Value

2. United Illuminating (electric utility)

- Energy efficiency program – home energy audits -- reduce homeowner's expenses
 - Green Training – need for more home inspectors -- job postings in an expanding industry
-

- How found: research
- Why they were interested: expand weatherization program outreach + community goodwill
- UI vendors had need for talent to implement weatherization

Expanded Partnerships Add Value

3. Aetna

- Low-cost health insurance
(manages HUSKY program in CT)
-
- How found: read article + picked up the phone
 - Why they were interested: looking to expand nationally
 - Actions:
 - Cross-marketed programs at housing forums
 - put flyers in MCJTP info packets + posters in One-Stops
 - Aetna trained their call center staff on MCJTP

Expanded Partnerships Add Value

4. Elected Officials

- Municipalities have range of involvement. They:
 - Include MCJTP in events (e.g. annual foreclosure forum)
 - Provide space for classroom training
 - Help build awareness of program
 - State legislators made referrals
 - Posted program info on their websites
-
- Approach: direct outreach to all; targeted “Legislative Update” program newsletter
 - Why they were interested: communities impacted by foreclosure

Learnings from Partnerships

- Find the Common Cause
 - ❖ Everything is “developmental” initially
 - ❖ Don’t assume you know what other entities do (vice versa)
 - ❖ “Let’s talk” as starting point; explore common interest
- Networking works
 - ❖ Old-fashioned but effective method of finding information and people
 - ❖ Frame the picture – let people know how you see them fitting in
- Workforce is relevant to many challenges
 - ❖ It’s a worthy effort to “connect the dots”
 - ❖ Potential partners abound – let them know what you can bring

New Approach That's Working

- For thousands of families facing delinquency, **mortgage modification alone is not enough.**
- The Mortgage Crisis Job Training Program has emerged as a new approach to help many keep their homes.
 - ❖ Training opportunities serve as a tool to attach people to the workforce system, **increase earning potential** and coordinate with other services.
- Training/education pays. MCJTP builds the financial capacity of the borrowers and sets them on a more promising course.
- **MCJTP coordinates services** of workforce development, housing, asset-building and meets borrowers.

Taking it home

How would you apply this framework to:

1. Address Mortgage Crisis in your region/state?
2. Create a response to workforce challenges/opportunities in healthcare?
3. Expand on Weatherization programs to create a broader “green” initiative?
4. Engage desirable (but as-yet-untapped) partners on issues for Veterans or Youth development programs?

THANK YOU!

Call on us if we can help.....

Joe Carbone

President & CEO

The WorkPlace, Inc.

- Phone: (203) 610-8502
- Email: jcarbone@workplace.org
- Web: www.workplace.org

