

# Pathways to Resettlement:

*Tools for Household Recovery from Foreclosure*

*In the Eastside Neighborhood of*

*Riverside, California*



**Melody Winter Nava**

May 2009

Advisor: Reginald Deon Chapple

School of Community Economic Development

Southern New Hampshire University

Submitted in partial fulfillment of requirements  
for the M.S. in Community Economic Development

Approved by Professor Reginald Deon Chapple

---

## Table of Contents

---

List of Tables & Figures	... Page 3
Abstract	... Page 4
I. Community Context	... Page 6
II. Problem Analysis	... Page 24
III. Review of Literature	... Page 38
IV. Project Design/Logic Model	... Page 43
V. Methodology and Implementation Plan	... Page 52
VI. Monitoring Plan	... Page 57
VII. Evaluation Plan	... Page 62
VIII. Sustainability Plan	... Page 75
IX. References and Bibliography	... Page 76
X. Appendices A through J	... Page 80

## List of Figures

---

Figure I - City of Riverside Population & Households Forecast	... Page 7
Figure II - Employment Change, California Markets	... Page 8
Figure III - Historical Unemployment Rate Trends	... Page 11
Figure IV - Most Common Reasons Homeowners Lose	... Page 17
Figure V - Greatest Needs of Borrowers in Foreclosure	... Page 18
Figure VI - What Services Do You Provide	... Page 18
Figure - VII How Satisfied Are You	... Page 19
Figure VIII - What the Barriers	...Page 20
Figure IX - City of Riverside Neighborhoods Map	...Page 21
Figure X - Metropolitan Areas Also Experiencing	...Page 32
Figure XI - Logic Model	...Page 51
Figure XII - Methodology Plan	...Page 54
Figure XIII - Eastside Project Budget	...Page 56
Figure XIV - Evaluation Plan	...Page 82
Figure XV - Evaluation Schedule	...Page 84
Figure XVI - Monitoring Plan	...Page 109

## **UABSTRACT**

The foreclosure crisis in California first became evident in late 2006 in the midst of declining home prices and the failure of the subprime mortgage market. That year it was estimated by the Center for Responsible Lending that two million homes would be lost nationwide. Two years later, in the midst of the worst economic recession in decades, the number is estimated at six to eight million. Combined with unprecedented levels of unemployment, communities are unraveling, particularly in regions of high concentration of foreclosure.

Public and private investments are directed at stabilizing the residential real estate market and yet, funding for household recovery is seldom available. Foreclosure counselors who could assist in the transition are without resources to do so. This study was conducted to examine the recovery needs of low-income households in the Eastside community of Riverside, California, where people have knowingly or unwittingly become victims.

Through a series of interviews, survey questionnaires, and community workshops with residents and stakeholders, a number of key findings were identified. First, in the assessment of community needs many of the residents and business owners had little knowledge or belief in the degree to which the neighborhood has been affected by foreclosure or how to respond to it. Second, there is a noticeable and on-going lack of access to information or financial education. Third, even as the awareness of foreclosure became evident through the media and the training afforded by this project, financial competency remains out of reach. It is the premise of this paper that in addition to unemployment and declining house prices, all three serve as primary indicators of the cause and perpetuation of foreclosure. As a result, dispelling the residents' initial foreclosure myth and providing residents with important information on post-foreclosure resources became leading reasons for pursuing this thesis.

## **ACKNOWLEDGEMENTS**

To accumulate data a series of local community workshops was devised by a team of collaborators. Rebecca Diaz of the Community Settlement Association served as the client and Rose Mayes and staff of the Fair Housing Council of Riverside County and Melinda Opperman and staff of Springboard Consumer Credit Management provided invaluable training. Katherine Latta of the Community Action Partnership of Riverside County provided advisory services. The Federal Reserve Bank of San Francisco, Los Angeles branch and Union Bank, Bank of America, Wells Fargo Bank, and WaMu/JPMorgan Chase provided important funding and oversight. Eva Yakutis and staff of the City of Riverside Development Department, division of Housing and Neighborhoods provided data, maps, and a willingness to answer endless questions. To all of them a debt of gratitude is owed.

Special thanks go to the management and staff of the Community Development Department of the Federal Reserve Bank of San Francisco, and in particular to Scott Turner and John Olson for their overall management support of this project, and to Carolina Reid, Laura Choi, and Lena Robinson for their encouragement of the pursuit of this subject. A sincere thanks goes to Mayor Ron Loveridge of the City of Riverside, Councilmember Andy Melendrez of Ward 2 and Director Scott Barber of the Community Development Department for their availability and to the staff of Ticor Title Insurance Company and Jim Bliesner, formerly with the San Diego City-County Reinvestment Task Force for information, suggestions, and tremendous guidance. A final word of thanks goes to Jim Head for his support in reviewing the many drafts and to Professor Reginald Chapple for his guidance in shaping both the problem statement and the logic model.

## I. Community Context



*The Old Mission Inn in downtown Riverside*

### *Community Profile*

Founded in 1870, the city of Riverside has grown to more than 300,000 inhabitants and is the largest city in the Inland Empire. According to the General Plan 2025, adopted in 2007, the population is expected to grow by fourteen percent by the year 2025. (Figure I) The greater area is commonly referred to as the Inland Empire and comprises Riverside and San Bernardino counties. It is best known as the birthplace of the citrus industry in California. It is the largest geographic region in the country and for the past ten years has been one of the fastest centers of population growth, having increased by 861,000 people (twenty-six percent) between 2000 and 2008.<sup>1</sup>

The rapid increase in population is attributable to the in-migration of residents from western coastal counties seeking the warm dry climate and affordable housing, and to the natural population increase (the difference between natural births and deaths).<sup>2</sup>

---

<sup>1</sup>The Inland Empire is a vast region of 27,000 square miles located thirty-seven miles inland from the Pacific Ocean, due east of Los Angeles. With a population of nearly 3.5 million people, it is the third largest metropolitan area in California, and fourteenth largest in the United States. Inland Empire, California – Wikipedia [http://en.wikipedia.org/wiki/Inland\\_Empire\\_\(California\)](http://en.wikipedia.org/wiki/Inland_Empire_(California))

<sup>2</sup> Riverside, California – Wikipedia - [http://en.wikipedia.org/wiki/Riverside\\_California](http://en.wikipedia.org/wiki/Riverside_California), and The Economic Impact of the Child Care Industry in Riverside County, 2005. p8.

<b>Figure I City of Riverside Population &amp; Households Forecast</b>			
City of Riverside-SCAG (est.)	2000	2005	2025
Population	256,352	286,935	353,397
Households	82,452	89,860	121,149
Employment (Jobs)	126,679	140,887	199,078

Source: City of Riverside General Plan, So. Cal Assn. of Govt. GIS Data Sec 5.12 2008

## **Rural to Suburban Landscape**

For most of the history it has been a rural area. In the 1950s, due to quarter acre single family home development and affordable home prices, many people moved from the coastal counties of Los Angeles and Orange to the Inland Empire.

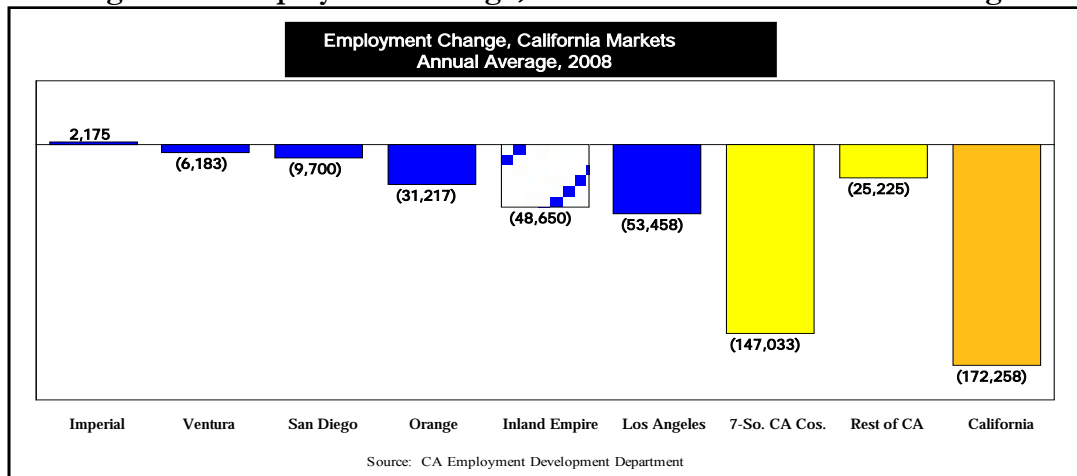
In the decades that followed, there has been a consistent effort to make Riverside suburban. Five thousand single family residences were produced in the last ten years, contributing to suburban sprawl, traffic congestion, degraded air quality, and the loss of open and environmentally sensitive land. What used to be primarily agricultural land and wineries are now bedroom communities.

It is estimated that thirty percent of the residents commute to work outside of the area, driving an hour or more to sources of higher paying employment in western counties. Others have reduced their travel costs by accepting lower wages in order to work locally. Due to the foreclosure and credit crisis many of those jobs are gone. In 2008 alone the Inland Empire lost 48,650 jobs. (Figure II)

## **The City of Arts**

Riverside is a place of art, culture and beauty. Officially named the “City of Arts”, there is a well-established arts community and a special emphasis on formal art venues.

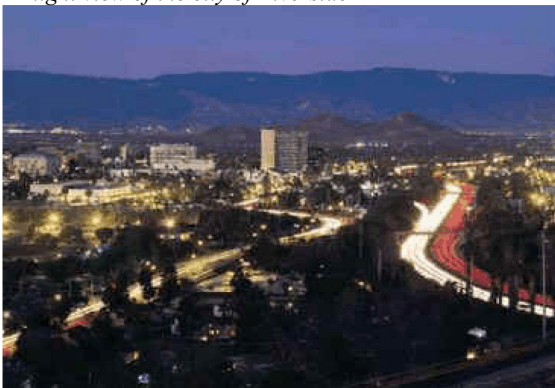
**Figure II - Employment Change, California Markets. Annual Average**



*Inland Empire Faces Its Most Difficult Challenges in 2009.* The Husing Report. <http://www.johnhusing.com/>

It is one of the most culturally and economically dominant cities in the Inland Empire. In many ways the architecture resembles the Mission-Revival design of smaller towns along the coast of Southern California where streets are lined with palm and eucalyptus trees and old-fashioned rose bushes. Were it not for extreme temperature variations in summer and winter months, Riverside would more closely resemble towns along the coast.

*A night view of the city of Riverside*



### **Riverside Renaissance**

The city is in year three of an ambitious five year \$1.8 billion public investment program in the downtown city center, known as “Riverside Renaissance”. The projected outcomes include improved traffic flow;



replacement of aging water, sewer, and electric infrastructure; and expanding and improving police, fire, parks, library, and other community facilities that enhance the general quality of life for residents, businesses, and visitors.<sup>3</sup>

### **Build Up to the Foreclosure Crisis**

The rapid increase in population in the Inland Empire following the year 2000 led to increased demand for housing, placing upward pressure on home prices. Combined with local “smart growth” policies, demand quickly exceeded supply causing prices to increase to levels unaffordable to most homebuyers.<sup>4</sup>

Moreover, unprecedented levels of low cost investment capital injected into the mortgage market resulted in alternative and nontraditional mortgage products that further fueled the housing market.

During this run up on home values, consumers had easy access to low initial interest rates on high cost sub-prime adjustable rate mortgage loans, and easy access to small business and consumer credit. Millions of homeowners tapped home equity to pay off consumer debts, acquire other assets, or finance home improvements.

---

<sup>3</sup> Riverside Renaissance is funded under the Capital Improvement Program and is intended to improve the flow of traffic (severely impacted by the surge in population growth in the 1990's), to replace aging water, sewer, and electric infrastructure, and to expand and improve police, fire, parks, library, and other community facilities that enhance the general quality of life for residents, businesses, and visitors. Riverside Renaissance, 2007 – 2012, <http://www.riversiderenaissance.org/default.aspx>.

<sup>4</sup> Although housing affordability increased in 2008 and is increasing in 2009 as the result of the deceleration in property values, it takes \$110,000 in wages to afford the county median priced home of \$353,000 assuming a 10% down payment and a 30 year loan at 6.5%, taxes and insurance included on a single family residence. *Out of Reach 2008*. SCANPH. <http://www.scanph.org/node/444#attachments>

Many became highly leveraged, taking on debt that eventually put them “underwater” when home prices began to fall. More specifically, home values throughout the Inland Empire depreciated far below outstanding loan encumbrances leaving many homeowners to decide whether to ride out the weak economy or abandon their homes. Exacerbating the situation is adjustable mortgage loan interest rate increases that take the payments to levels the homeowners can no longer afford to pay. The result is a foreclosure crisis so significant that the Inland Empire was recently rated third highest behind Stockton, CA and Detroit, MI.<sup>5</sup>

### **Unemployment and Changes in Life Situations**

According to economist, John Husing, the hardest hit sectors in 2007-2008 were, in order of the number of jobs lost; construction, engineering, finance, retail services, office services, education and manufacturing. Husing adds that the woes of residents are compounded by the higher than 12% unemployment rate (Feb.2009); the second highest in the nation behind Detroit, MI. Astonishingly, the rate has nearly doubled in just one year. (Figure III).

In anticipation of where the rate is likely to be in 2009, Husing forecasts that 27,000 jobs will be lost in population-related sectors.<sup>6</sup> Compounding the loss of jobs are changes in personal life situations such as illness, injury, and divorce resulting in additional losses of income and assets; contributing to a deep economic recession and increases in bankruptcy filings.

---

<sup>5</sup> Since 2007 the city of Riverside has diligently tracked the number of properties that have completed the foreclosure process has diligently tracked it since 2007. The number stands at just under 2,000 homes; two percent of the roughly 86,000 housing units in the city. This number is low compared to surrounding cities in the county. <http://www.therealestatebloggers.com/2007/11/17/top-10-cities-with-highest-foreclosure-rates-in-3rd-quarter-2007/>), and Swanstrom, T., Chapple, K., Immergluck, D. 2009. Regional resilience in the face of foreclosures: Evidence from six metro areas. *University of California, Berkeley*. May, 2009. p32. (2% of housing units have been foreclosed compared to 10% in nearby cities).

<sup>6</sup> *Inland Empire Faces Its Most Difficult Challenges in 2009*. The Husing Report. <http://www.johnhusing.com/> “*Inland Empire 2008 Recession!*”, and panel discussion at the May 30, 2008 Inland Empire Economic Partnership (IEEP) Roundtable.

<b>Figure III Historical Unemployment Rate Trends, Riverside</b>						
<b>Population</b>		<b>Housing Units</b>		<b>Housing Sales</b>	<b>Unemployment</b>	
<b>Year</b>	<b>Count</b>	<b>Year</b>	<b>Units</b>	<b>Units</b>	<b>Year</b>	<b>Rate</b>
2008	300,000	2008	100,000	<11,000	2008	6.8%
2000	255,000	2000	85,000	16,000	2007	6.2%
1990	235,000	1990	80,000	18,000	2005	5.4%
1980	175,000	1980	60,000	n/a	2002	6.5%
1970	120,000	1970	42,000	n/a	2000	5.2%

Source: City-data.com 2008

To assist those affected, local nonprofit housing counseling organizations are intervening on behalf of borrowers to negotiate repayment plans, loan modifications, and “short sale” mortgage loan deficiency payoffs in those situations where owners are fortunate enough to sell their properties. In the event that foreclosure is inevitable, some of the counseling agencies assist by preparing them for a gentle landing by discussing post-foreclosure recovery options and referrals to other agencies for housing and essential needs. Unfortunately, counselors are overwhelmed with heavy incoming case loads and are not compensated for this work, which lessens the time available to provide the service.

### **Poverty and Crime Rates**

The thirteen percent poverty rate in Riverside matches that of the state and the U.S. The crime rate has steadily dropped since an all-time high in the 1970's. However, there is currently a slight trend upward in overall violent crime.<sup>7</sup> There is a large gang population in Riverside, primarily concentrated in the poorest neighborhoods of Casa Blanca, Arlanza and

<sup>7</sup> IBID Riverside, California – Wikipedia

and the Eastside, where twenty-five percent of the gang members are juveniles.<sup>8</sup>

## **Transportation**

Transportation in and out of the area is accommodated by three above ground freeways, a bus system, and two train systems; the Amtrak and the Metrolink. Riverside is a major transportation hub with services concentrated in an interchange adjacent to the Eastside community, which serves to isolate the area from downtown and surrounding communities. During rush hour, traffic congestion in the hub is a problem.

## **Schools in Riverside**

Serving the residents of the city and the surrounding area are fourteen high schools and four highly regarded institutions of higher learning; UC Riverside, Cal Baptist University, La Sierra University and Riverside Community College. It is estimated that seventy five percent of people over age twenty-five have completed high school or have received higher education.<sup>9</sup> Conversely, UC Riverside in cooperation with the Community Foundation and NASA estimates that only twenty six percent of current high school graduates are taking the required courses for admission to a UC or Cal State school, and in some high school districts the drop-out rate is as high as forty percent.<sup>10</sup>

---

<sup>8</sup> In reaction to gang violence, local authorities in 2007 obtained the first civil injunction against a gang in Riverside County. Today, under court order more than 100 members of the East Side Riva gang are no longer free to associate in public, wear gang colors or carry weapons. According to local residents interviewed, gang violence is down, however long-term racial tension between Hispanic and African-American gang members remains. And some believe young Hispanics are subject to questioning by authorities if found on the streets after dark. *Injunction-confronts-Riverside-gang-violence* [http://www.pc.com/localnews/inland/stories/PE\\_News\\_Local\\_H\\_gang25.3e507bb.html](http://www.pc.com/localnews/inland/stories/PE_News_Local_H_gang25.3e507bb.html)

<sup>9</sup> City-Data.com

<sup>10</sup> In cooperation with the Community Foundation and NASA, UC Riverside has launched an initiative to increase the number of graduates entering university and reduce the number of high school dropouts. The intention is to develop a knowledge-based economy with a well-trained and highly skilled workforce. *UC Riverside Launches Initiative to Reduce High School Dropout Rate in the Inland Region and Increase Numbers of Students Who Choose College* <http://newsroom.ucr.edu/cgi-bin/display.cgi?id=1751>

## *Community Needs Assessment*

### **Eastside Neighborhood Plan**

The city of Riverside has a well developed needs assessment process governed by two departments; the Development department and the Community Development department. The results of their efforts are critical to the formation and implementation of the General Plan.

The Development department through its Housing and Neighborhoods division sponsors a coalition of neighborhood groups called the Riverside Neighborhood Partnership (RNP), where monthly forums are conducted with residents.<sup>11</sup> During interviews with residents from the Eastside, several commented on the notable importance the city places on community input in identifying needs.

The 2007 Riverside General Plan 2025 calls for the development of neighborhood sub-plans. The Eastside plan, created by the Community Development department with participation from the Mayor and the Development department, is the result of a series of community meetings held to answer important questions that would later be used by the city in its planning and revitalization implementation efforts under the General Plan.<sup>12</sup>

---

<sup>11</sup> The RNP is an organization of fifteen neighborhood and business leaders, chamber of commerce representatives, nonprofits, educators, and city government staff working together to improve the quality of life in Riverside. The monthly forums are held to promote communication between residents and the city, to offer assistance and education for solving problems, to provide leadership training, and to advocate for neighborhood interests in City Hall. “*Riverside Neighborhood Partnership*”, City of Riverside, 2007-2008 brochure

<sup>12</sup> Residents were asked to answer the following questions “What do you like about the Eastside Neighborhood?”, “What would you like to see changed in the Eastside Neighborhood?”, “What do you feel are the biggest challenges facing the Eastside Neighborhood?”

Riverside 2007 GeneralPlan2025, Eastside Neighborhood Plan, April 2009

<http://www.riversideca.gov/planning/pdf/Neighborhood-Plans/eastside/Eastside-Neighborhood-Plan-April-2009-DRAFT.pdf>

As the result of the meetings the Community Development department set six major themes for which a detailed and specific set of objectives, policies and implementation tools were developed.<sup>13</sup> Residents contributed to the process by supplying both favorable and unfavorable views.

They commented that they enjoy the diverse, friendly and family-oriented nature of their neighborhood, a place where they believe they have a strong sense of community in an old historic district, and a strong connection to police, providing them a place where they feel safe. They also shared common concerns about the run down liquor stores and motels and high degree of prostitution on University Avenue; the main thoroughfare through the Eastside, and the parked cars on residential lawns, the incidence of homes in a state of disrepair, and the preponderance of drug dealers and gang members.

In interviews with residents as part of the field work for this thesis project, many expressed satisfaction with the successful efforts to remove the prostitution by eliminating a number of motels and liquor stores. Residents also provided the city with specific strategies for revitalizing the community. They asked for more low-income housing, additional low cost space for small business start-ups, more ethnic diversity in business ownership, and a greater variety of ethnic foods.

---

<sup>13</sup> The six major themes of the general plan are:

- a) Land use, development and redevelopment
- b) Housing, neighborhoods, and historic preservation
- c) Parks, recreation, arts and culture
- d) Traffic, transit, walkability and parking
- e) Education, job training and skill development
- f) Health, safety and security

IBID

They also called for the generation of jobs inside the community, a public library, and artistic and cultural events involving children after school, as well as the development of a new elementary school in order to prevent young children from being bused out of the area, a practice now in place due to population overflow at Emerson and Longfellow schools.<sup>14</sup>

### **Key Informant Interviews in the Neighborhood**

In personal interviews with three long-term resident “promodoras”, it was suggested that some residents fear community development activities due to the potential for gentrification that could displace local families and small businesses. As an example, there was concern expressed that the redevelopment of University Avenue under the University Specific Plan of the General Plan 2025 could result in new store fronts and additional housing units unaffordable to current residents.<sup>15</sup>

### **Community Stakeholder Survey**

To discover local stakeholder beliefs about foreclosure and to identify the needs of borrowers and tenants who have experienced it in Riverside, a self-administered electronic survey was distributed to local and federal agency staff, bankers, nonprofit practitioners and nonprofit developers in June of 2008. Although not a focus of this project, tenants were included because foreclosure affects them as severely as it does homeowners. In California, twenty-two percent of the occupants of homes in foreclosure are tenants.<sup>16</sup>

---

<sup>14</sup>Eastside Neighborhood Plan, Appendix D of the 2007 General Plan 2025. <http://www.riversideca.gov/planning/pdf/Neighborhood>

<sup>15</sup> Promodoras are female neighborhood leaders. *Key informant interviews* June - August 2008

<sup>16</sup> Preston, D. California tenants displaced by foreclosures. *BeyondChron.org*. November 27, 2007 <http://www.tenantstogether.org/article.php?id=150>

The survey contained twenty-three questions intended to:

- Understand the recipients role in the foreclosure process
- Understand how foreclosures have impacted the volume of their work
- Learn where they believe the foreclosed-on have relocated
- Identify who they believe the foreclosed-on to be
- Determine which services are available to borrowers and tenants after foreclosure
- Identify the reasons they believe people are getting into financial trouble

Survey responses were received from fifteen percent of the recipients. Two-thirds of the responses came from government and the remainder from a banker and a community leader. Half service the city or the county, one in three services the Southern California area and seventeen percent serve the Inland Empire region. One-third has seen their workload double due to foreclosures and half are not directly involved in foreclosure work.

The results of the survey indicated that the delivery of financial education to both borrowers and tenants is not only important but vital and available. It also disclosed the perception of stakeholders that credit rehabilitation and temporary financial assistance are generally more important than housing relocation information or mental health services. An assumption can be made that education leads to referral information and sources of financial assistance and that the reverse does not necessarily lead to education. A second assumption can be made that information about mental health services for people traumatized by foreclosure is either not yet widely known or is not available. Due to time limitations these assumptions were not qualitatively tested.

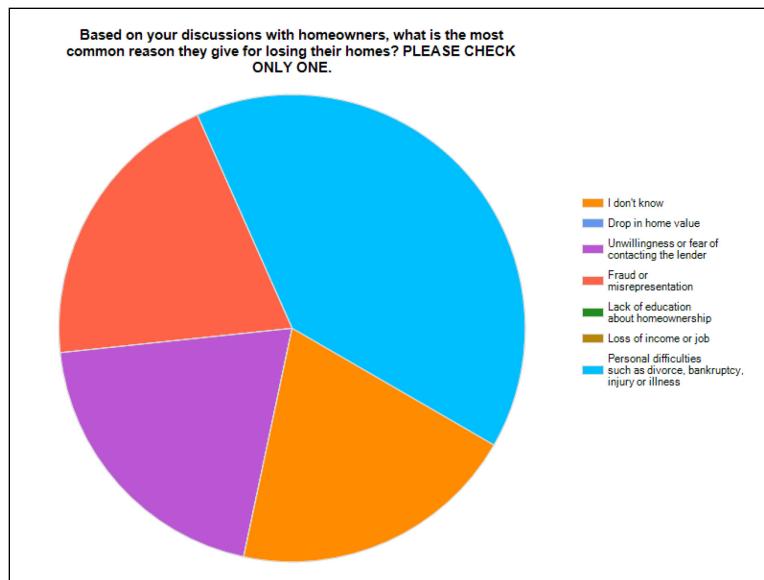
Most of the respondents did not know where people go after foreclosure and they did not know of a reliable source for keeping track of it. A few indicated that people stay in the area or move in with relatives and most did not believe that housing relocation assistance is



available in their area. Most believe that fraud and misrepresentation or a lack of education got people into financial trouble. When asked how the respondents thought borrowers would answer the question, most said they believe borrowers would say personal difficulties such as divorce, bankruptcy, injury or illness led to their dilemma. (Figure IV)

On the question related to the most severe ramifications of foreclosed properties, the responses were evenly split among three reasons; the loss of local property tax revenue, an increase in crime, or a decrease in property values

Figure IV



The most important question of the survey dealt with what the respondents believe to be the greatest needs of borrowers in foreclosure. The top answer was financial literacy education, followed by credit rebuilding and temporary financial assistance. Housing relocation assistance scored much lower. (Figure V) Likewise, when asked which of the services the

respondents provide, the top answers were financial education and financial assistance.  
(Figure VI)

Figure V

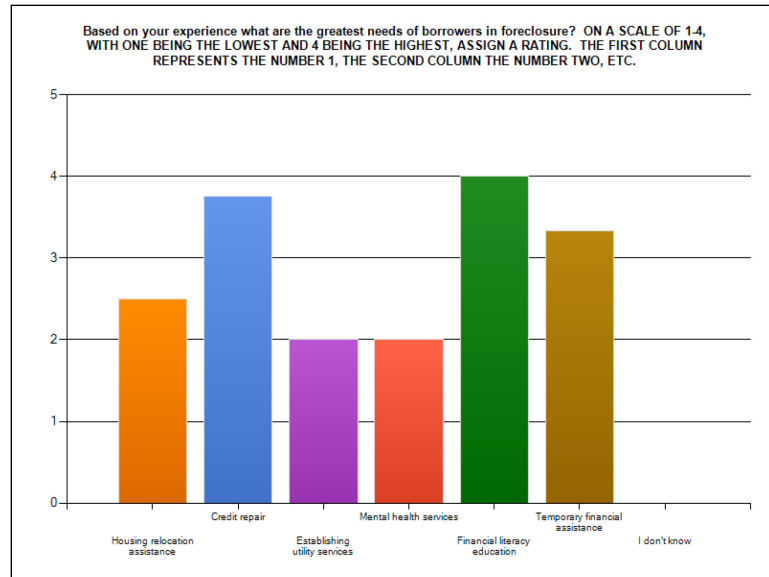
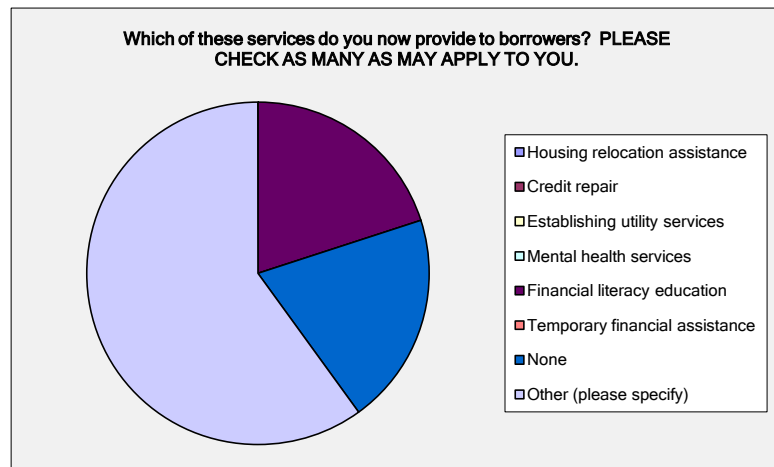


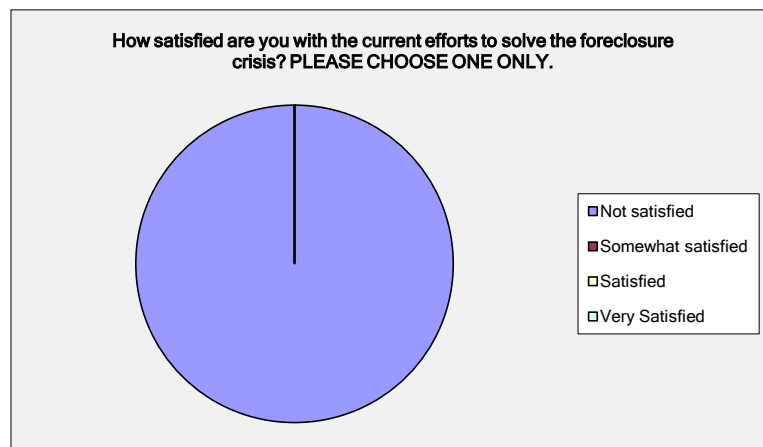
Figure VI



The same questions were asked about tenants affected by foreclosure. The respondents believe that relocation assistance is the greatest need for tenants, followed by credit rehabilitation and then financial education. Additional survey responses indicated that stakeholders believe foreclosed-on borrowers and tenants are more likely to be families with children rather than individuals or single parents. In contrast however, none of the respondents placed importance on the need for, or the availability of mental health services for children or adults.

In answering the closing questions of the survey the respondents divulged that they are unsatisfied with current efforts to solve the foreclosure crisis and are unable to do more to assist families due to a lack of funding. (Figures VII and VIII)

Figure VII



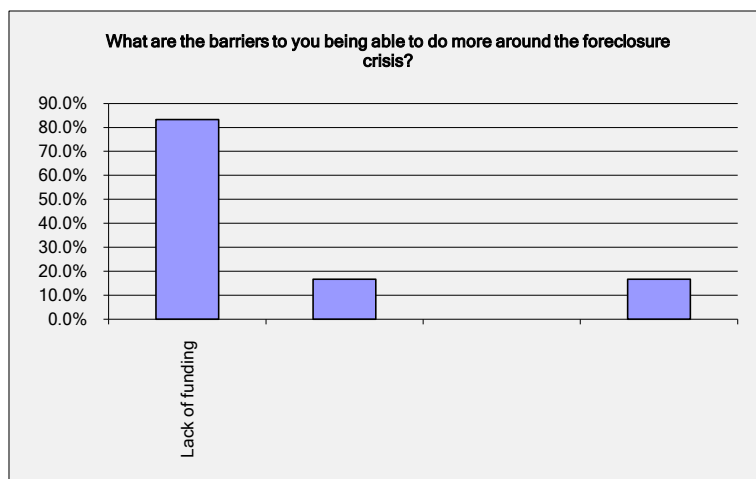


Figure VIII Source: Foreclosure Recovery Questionnaire, June 13, 2008, Survey Monkey.com<sup>17</sup>

## National Low Income Housing Coalition Surveys

In two separate surveys performed by the National Low Income Housing Coalition (NLIHC) in 2008n the income and tenure of households seeking foreclosure counseling, the 101 responding agencies commented on the reasons that many of their clients are likely to fall into foreclosure. The reasons, in priority order were: a slow economy, personal life situations, predatory lending practices and sub-prime lending.<sup>18</sup> Interestingly, two types of questions did not appear in the survey; the degree to which clients believe they had a lack of information or the whether they knowingly purchased homes above their means.

One finding from the surveys was that two-thirds of owners and renters seeking foreclosure counseling are low-income, earning less than eighty percent of the area median income and one-third of those are very low-income, earning less than fifty percent of the median. It is for this audience that the tools for recovery from foreclosure are targeted.

<sup>17</sup> Survey created at [http://www.surveymonkey.com/MySurvey\\_EditorPage.aspx?](http://www.surveymonkey.com/MySurvey_EditorPage.aspx?)

<sup>18</sup> National Low Income Housing Coalition <https://www2398.ssldomain.com/nlihc/doc/RN-08-03-Final-07-17-08.pdf> Income and Tenure of Households Seeking Foreclosure Counseling: A report from recent surveys, July 17, 2008.

## *Project Target Community*

### **The Demographics**

The historic Eastside neighborhood is one of the oldest of the twenty-six neighborhoods in the city of Riverside. (Figure IX) It is bound by Third Street to the north, the arroyo to the south, Mulberry Street to the west and Chicago Avenue to the east. Most residents are family households and many have lived in the area for more than forty years. And of them, many are related by blood or marriage.

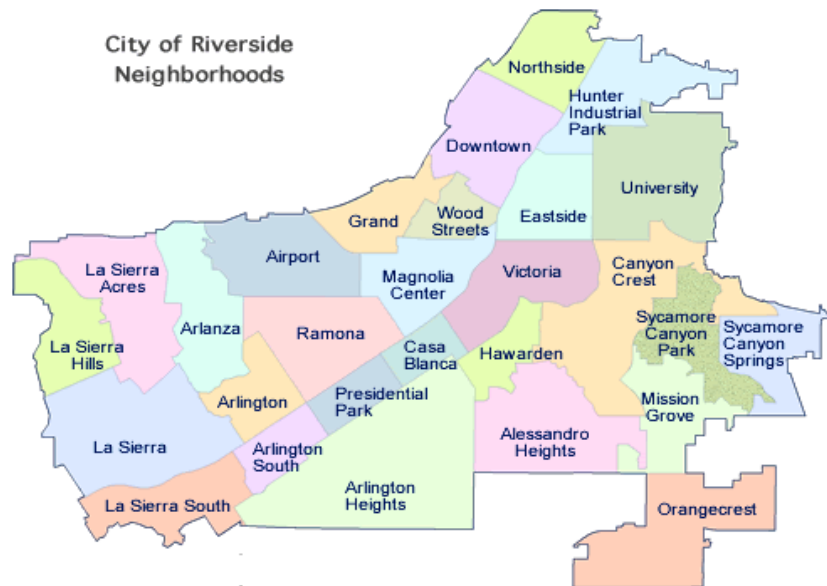


Figure IX

Source: <http://www.riversideca.gov/neighborhoods/neighborhoods-map.aspx>  
<http://www.riversideca.gov/neighborhoods/neighborhoods-map.aspx>

The Eastside is one of the poorest neighborhoods in Riverside, with high crime, numerous gangs, few employers and the highest unemployment rate in the city. It has the lowest education attainment with thirty-two percent of the population possessing less than a ninth grade education. Most of the housing stock is single family with a small percentage of older family rental apartments along the eastern edge of the community.

Most of the units are occupied by low-income tenants, many of which are UC Riverside students.<sup>19</sup>

The population of the neighborhood is primarily Hispanic and to a lesser degree African-American. The predominant languages spoken are Spanish and English. Just over one quarter of the residents was foreign born. The median age is thirty and more than one-third of residents are below the age of eighteen. More than sixty percent are over fifty years of age and the population is evenly split between males and females.<sup>20</sup>

Homeowners make up thirty-seven percent of the households. Developed over a hundred years ago, the East Side is home to more than 20,000 people living in nearly 5,000 housing units.<sup>21</sup> However residents believe the population to be closer to 25,000 considering that many residents went uncouncted in the 2000 decennial census. The community has many locally owned family businesses, but few are high tax revenue producers and very few have more than 10 employees. Family incomes in the four census tracts of the Eastside run from forty-one to sixty percent of the area median.<sup>22</sup>

On visual observation the Eastside is an attractive neighborhood with five parks, three community centers and two sports complexes. And nowhere is there evidence of graffiti. Conversely, there are only two bank branches, Bank of America and Citi; and at least ten check cashing establishments. There are two markets, Estrella and Stater Brothers and no hospitals.

---

<sup>19</sup> <http://www.answers.com/topic/riverside-california?cat=travel>

<sup>20</sup> Eastside Neighborhood Demographic Profile (2000 Census), Riverside Community Development Dept.-Planning Division, extracted June 13, 2008. <http://www.riversideca.gov/devdept/redev/top.htm>

<sup>21</sup> IBID

<sup>22</sup> Median income levels of \$24,615 in the central section to a high of \$37,912 on the Eastern edge. FFIEC Census Reports as of 061408. <http://www.ffiec.gov/webcensus/report>.

## **Public Investment**

To preserve and enhance the Eastside neighborhood the city of Riverside is investing resources from its community planning process. The University Avenue plan of the 2007 General Plan 2025 calls for mixed use retail-residential development and street improvements. The Marketplace Specific Plan involves improvements to the commercial and entertainment district. Of particular interest will be plan outcomes affordable housing, small business expansion, living wage jobs, and an overall increase in community-owned assets.



## II. Problem Analysis

### *Problem Statement*

Households of the Eastside neighborhood are without information on foreclosure and the tools necessary to recover from it. The problem persists, in part, due to the lack of access to information and more significantly to resident disbelief that there is a foreclosure problem in the neighborhood. Lending credibility to their disbelief is the results of a recent visual tour of the area that failed to identify more than three vacant or abandoned homes, despite the fact that the Eastside is located in one of the most impacted regions in the state of California and the nation.

### **Key Informant Interviews**

In a series of separate interviews in the summer of 2008, eleven long-time residents, business owners and civic or community leaders were unfamiliar with the local foreclosure problem. The reasons given for believing the community had evaded it were that the area has an older housing stock owned by older people of low-income and low property values with low resale activity, and an overall cultural (mostly Hispanic) aversion to excessive use of credit.<sup>23</sup>

---

<sup>23</sup> *Key informant interviews* June - August 2008



It is the premise of this paper that the insidious foreclosure dilemma in low wealth communities like the Eastside is tied to not just a lack of information but more accurately, to a lack of financial education. Whether borrowers acquired debt beyond their ability to repay or accepted loan terms they did not fully understand, or used the equity in their home to pay off consumer debt, trade up to a new house, acquire a rental, or just engage in consumer spending, a common theme applies to all; they willingly financed a large amount of debt, some many times over; and those in a serious state of default may not now understand how they got into the situation or how to get out of it. Without financial training they will miss the opportunity to experience the change in behavior or skills required to prevent it from reoccurring in the future. They will remain subject to poor credit reputations.

For those homeowners not yet in foreclosure, the lack of knowledge of how to prevent or recover from it puts them at risk of potentially losing their homes, or worse, becoming victims of foreclosure scams. Only now are warnings to consumers proliferating through the media advising them to not pay for free foreclosure prevention assistance, to never trusting anyone who guarantees results, and to ensure that they never sign any documents without first having them reviewed by a neutral party.<sup>24</sup>

### **The Research**

To counter local disbelief of the problem, specific data on the number of foreclosure filings, foreclosure trustee sales, and full value property resales were obtained from Ticor Title Insurance Company in Riverside. Interestingly, the data indicated that foreclosure has been a problem in the Eastside for at least two years.

---

<sup>24</sup>Tips for Avoiding Foreclosure Scams, <http://federalreserve.gov/pubs/foreclosurescantips/default.htm>

In fact, fifty-one percent of foreclosed properties returned to lenders (REOs) in zip code 92507 in the first half of 2008 occurred in the Eastside. In addition, the data on new foreclosure filings for the same time period indicated that thirty-two percent were in the Eastside; a year over year increase of forty-two percent.<sup>25</sup> Overall, this information suggested that not only is there a problem in the community, but there is a social disconnect between what is occurring and what is perceived by residents.

### **Causes and Effects of the Problem**

At the macro level, the cause can be ascribed to the failure of the market economy to regulate prices of services, led in part by a strong influx of low cost foreign investment dollars and a resulting increase in demand for mortgage loan production.

Creative solutions such as non-traditional high cost subprime loan programs with payment-option and interest only features were devised to meet the demand and they, in part, led to a ten year run-up of house prices that far exceeded increases in household income. Lending standards were relaxed, interest rates were low and over-buying and over-leveraging became common practice. Combined with the impetus from the federal government for increased levels of homeownership, the residential real estate market was on a steep upward trajectory for most of the decade, until the market bust in late 2006 when property values slide into a rapid deceleration. These leveraged properties are now worth far less than the balances of the underlying mortgages. As of April 2009 median home values in the area were estimated at \$282,870, a thirty percent drop from 2007.<sup>26</sup>

<sup>25</sup> Ticor Title Insurance, Riverside, CA NOD, NOS, & Resale Data. August 10, 2008, Real Estate Owned property report. August 2008

<sup>26</sup> "2009 Nielsen Claritas Update Demographics Shows California Dominates Top 20 Counties in Both Median Home Value Increases and Decreases". Nielsen Claritas. April 23, 2009. [http://findarticles.com/p/articles/mi\\_pwwi/is\\_200904/ai\\_n31531935/](http://findarticles.com/p/articles/mi_pwwi/is_200904/ai_n31531935/)

At the micro level, what was once touted as the fastest growing region in the country, with low cost housing and a rapid increase in the number of jobs is, as of April 2009, the region with the third highest foreclosure rate in California, (behind the cities of Merced and Stockton) and the fifth highest in the nation.<sup>27</sup> And compounding matters is a local unemployment rate approaching thirteen percent.

Civic leaders have voiced concerns that there will be 300,000 total loan foreclosures completed in the region, this despite large scale intervention efforts by lenders, national intermediaries and the federal government to modify or refinance loans at risk of default, or to accept short loan balance payoffs on resold properties. The federal administration is currently implementing an incentive-based system for mortgage servicers to work diligently to preserve homeownership and keep people in their homes.<sup>28</sup> These efforts are being waged to counter estimates by HUD and Credit Suisse of between six and eight millions homes foreclosed nationally in the next three to four years.

In the fall of 2008, as the incidence of foreclosure in Southern California escalated and the extent of the credit crisis in the U.S. and around the world worsened, there was almost daily print, internet, and television news on the severity of the problem. By the spring of 2009 residents in the Eastside had become keenly aware of it and the foreclosure problem had grown one hundred percent.<sup>29</sup>

---

<sup>27</sup> Clifford, C. "Las Vegas tops foreclosure list". CNNMoney.com. April 22, 2009.

<sup>28</sup> Homeowner Affordability and Stability Plan. Feb. 18, 2009, and the HERA Act of July 31, 2008.

<sup>29</sup> On April 16, 2009 there were 5,996 single family housing units in pre-foreclosure, at auction or in REO status out of roughly 86,000 total single family housing units in the city of Riverside – (<http://www.realtytrac.com/MapSearch> 04/16/09)

Compounding the decrease in values has been the rapid increase in the unemployment rate fueled by business failures. In 2008, it was reported that 2.6 million jobs were lost nationally, the highest level in more than six decades. In 2009 there is an expected net loss of over eighty-two thousand jobs in the Inland Empire.<sup>30</sup>

Equally as disruptive, and historically more damaging is that people throughout the nation have in the last 20 years saved less money than ever before, counting on equity in their homes to serve as savings.<sup>31</sup> Today, while there is a great need to save, most people do not have the budget skills or discipline to successfully engage in it. If ever there was a time for financial education of consumers, it is now.

### **The Effect of Foreclosure on Families and Neighbors**

After foreclosure, homeowners lose their familiar shelter and may lose the benefits of living near family and friends. The trauma affects everyone in the household. Frustration and embarrassment emerge, anger erupts and communication breaks down. Adults and children suffer. Few people are financially prepared to cover move-in costs, which can amount to as much as \$4,000. (Tull 2008) This is certainly the case for low-wealth individuals with few alternative assets to rely on. Homelessness becomes an option.

Foreclosed on homeowners are in poor credit standing and are labeled high risk to creditors for three to five years following the foreclosure, and they face higher costs to obtain credit for new utility service, credit cards, car loans, and other forms of credit where the interest rate and fees are based on one's credit rating.

---

<sup>30</sup> Husing: May 2008

<sup>31</sup> Pew Research Center. Social & Demographic Trends project, 2008. <http://pewresearch.org/pubs/837/americans-not-saving-enough>

On a personal level, foreclosure applies pressure on relationships, and can lead to life changing experiences such as divorce, illness, or bankruptcy. Teachers and housing counselors hear anecdotal stories of emotional embarrassment, depression, anxiety, and anger going unchecked. There are examples in the media of domestic violence by distraught borrowers taking their own lives or those of their families because of mortgage related pressures.<sup>32</sup>

Foreclosure creates chaos and can dismantle a family. Many school age children displaced by foreclosure face homelessness and the loss of their surroundings resulting in difficulties staying on top of their studies.<sup>33</sup> According to therapists at crisis hotlines, there is a surge in anxiety over housing woes, triggering a range of emotional problems including addictive behaviors such as alcoholism and gambling. There is no empirical evidence to suggest that the two are connected, however. Furthermore, there is no standard method of tracking such data and hence, no aggregate trend data are available.

There is, however, data available on the impact of foreclosure on children. It is estimated that nearly two million children over the next two years will be impacted by the loss of their homes to foreclosure. They will also suffer from losing friends and their social networks. They will most likely suffer a disruption in their education if they are forced to move away from their neighborhoods.

---

<sup>32</sup> So Cal Murder-Suicide Father Awash in Debt. <http://www.nbclosangeles.com/news/local/BREAKING-NEWS-Bodies-Found-in-Wilmington-Home.html?corder=&pg=1> and USA Today. "Foreclosures take toll on mental health". *Hitting home, the economic squeeze*. May 15, 2008.

<sup>33</sup> Hall, L. Children of foreclosure falling behind in school. <http://www.cnn.com>

In California, over 300,000 children will experience this fate. Researchers on this subject have concluded that changes in school and home residence can reduce the likelihood of graduating by more than fifty percent.<sup>34</sup>

### **The Effect of Foreclosure on State and Local Government**

Foreclosed and abandoned homes, typically in a state of deferred maintenance, serve to lower the value of neighboring properties and weaken the real estate market. For state and local government there is a corresponding reduction in tax revenues that results in budgetary cuts in vital public services such as police and fire protection, crime prevention, waste management, equipment maintenance, tree trimming and landscaping, and off-site improvements. At the state level, it was reported in 2008 that lost revenues amounted to an estimated \$4 billion.<sup>35</sup>

### **The Effect of Foreclosure on Lenders**

When properties are foreclosed, private and public lending institutions lose their investment grade assets and the interest they could have earned on them. They also incur increased staff costs to manage the process and as well, they bear the costs of carrying non-earning assets (real estate owned properties) on their balance sheets. In a declining economy like we are experiencing today, lenders cannot be assured of clearing these costs when properties are ultimately sold and returned to the market.

---

<sup>34</sup> Lovell, P. and Isaacs, J. 2008. The impact of the mortgage crisis on children. *First Focus: Making children and families the priority*. May 2008. Wash. D.C. Taken from the website August 31, 2008. [Http://www.firstfocus.net/pages/3401/](http://www.firstfocus.net/pages/3401/)

<sup>35</sup> “Just the Facts: The Economic and Social Impact of Home Foreclosures to Californians”. State of California Consumer Home Mortgage Information. April 19, 2009.

A secondary problem is the tightening of credit underwriting standards by lenders in times of high foreclosure activity. The restriction has the effect of eliminating access to homeownership for even the best qualified buyers, thereby slowing down the recovery of the local economy.

### **The Effect of Foreclosure on the Population**

It remains to be seen what impact the high number of foreclosures will have on the population. For example, in April of 2009 twenty-four percent of the housing stock in Riverside was in one stage or another of foreclosure. At the same time property values in the region were down forty-four percent from their peak in 2006, compared to a drop of twenty percent nationally.<sup>36</sup> As of December 2008 forty-five percent of all mortgage loans in the Inland Empire had negative equity.<sup>37</sup> Will people decide to leave the area for employment and lower cost housing elsewhere? Will those who came from other countries in the good times return to their homeland, disillusioned after having lost the American Dream they fervently sought? And what of homeowners who owe more than their homes are worth? Will they walk-away?

In light of recent studies that indicate a positive relationship between declining home values and the rise in mortgage defaults and foreclosure, and considering the high unemployment rate in the area, it is reasonable to assume that a high percentage of the properties with negative equity will proceed to the foreclosure sale.<sup>38</sup>

---

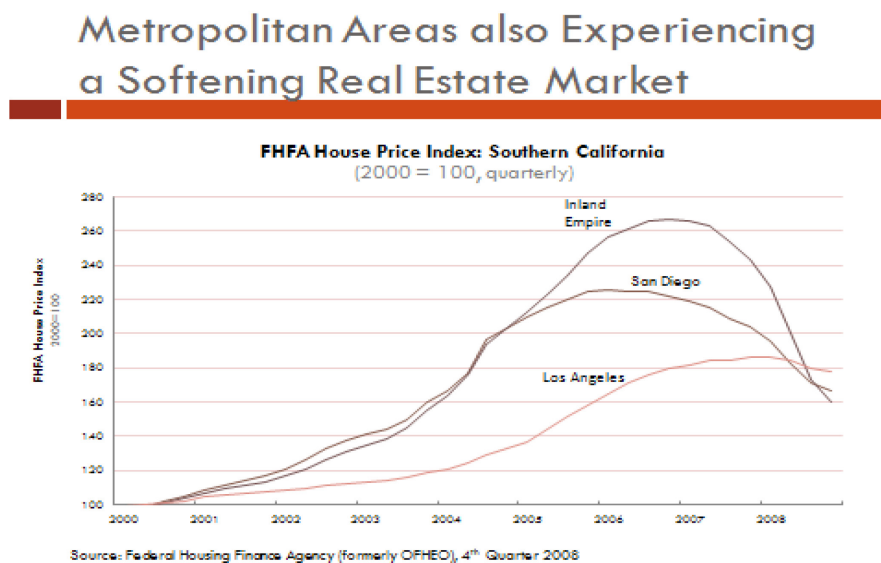
<sup>36</sup> Realty Trac: April 16, 2009, Census Bureau MSA level data report using Zillow Home Value Index and various mortgage loan characteristics).

<sup>37</sup> Top 50 CBSAs in Negative Equity Share (as of 12/31/08) by First American CoreLogic

<sup>38</sup> Gerardi, K. Shapiro, A. Willen, P. "Subprime Outcomes: Risky Mortgages, Homeownership Experiences, and Foreclosures". Federal Reserve Bank of Boston, May 2008., Immergluck, D. and Smith, G. "The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values". Housing Policy Debate Volume 17, Issue 1. Fannie Mae Foundation. 2006

Notwithstanding the 2009 foreclosure intervention programs of the federal administration and local housing counselors, a high percentage of properties underlying scores of newly delinquent loans will most likely proceed to foreclosure and will ultimately displace the occupants. Where will they go?

The loss of one property in a community is experienced by many. In Riverside and San Bernardino counties the foreclosure crisis is one of the worst in the nation. Thousands of people have been displaced and are in need of a pathway back onto the economic ladder. Property values are down and home price affordability is up, harking back to 2003 levels. (Figure X)



(Figure X)

It is noteworthy to mention that resale of foreclosed properties in the area has jump-started the real estate market while job losses increase into the tens of thousands. The weakened economy at both the macro and micro levels is likely to remain for the foreseeable future.



The implication is that more homeowners will experience the loss of their homes and possibly their jobs and will need the tools for economic and emotional recovery to manage through it.

### **The Stakeholders**

The stakeholders involved in the series of neighborhood workshops were local non-profit organizations; the Community Settlement Association (CSA), the Fair Housing Council of Riverside County, and Springboard Nonprofit Consumer Credit Management. The Community Action Partnership of Riverside County (CAP Riverside) served as advisor. These non-profits were crucial to the project as they lent credibility to the workshop activities. The CSA has been a trusted social service provider to residents of the Eastside for the past ninety-eight years. Fair Housing and Springboard Nonprofit Consumer Credit Management are widely recognized HUD certified housing counseling agencies. CAP Riverside is a social service provider with history back to the time of the “War on Poverty” in the mid-sixties.<sup>39</sup> These non-profit stakeholders contributed greatly to the education of residents and were able to assist in preserving their homes, thereby reducing the incidence of foreclosure, and potentially, homelessness as well.

The financial stakeholders included Bank of America, JPMorgan Chase, Union Bank, Wells Fargo Bank and the Federal Reserve Bank of San Francisco. They contributed valuable time and expertise in building the model for what has become small neighborhood workshops on foreclosure awareness. They also contributed staff as instructors and in-kind contributions toward print services and refreshments.

---

<sup>39</sup> Community Action Partnership of Riverside County. <http://www.capriverside.org/opencms/index.html>

## **Community Organizing**

Organizing residents of the Eastside came as a response to the need for a collective community voice on important civic and neighborhood issues.

The City of Riverside through the Housing and Neighborhoods Division of its Development department serves as the liaison for the Riverside Neighborhood Partnership, a community organizing initiative previously discussed in the Community Needs Assessment earlier on in this paper.

## **“CEDness” of the Project**

This project examines the economic, social, emotional and mental needs of households to recover from foreclosure. At a deeper level it asks whether financial education is the most important tool for sustainable recovery and just how it should be provided to be effective. It questions how awareness and education can increase options and give control over financial decisions to low-income people who have survived foreclosure. Overall, this project is about empowerment through knowledge and the transfer system to deliver it via community-based nonprofits, bankers, and the residents themselves.

The CEDness of this project lies in its primary purpose; to assist those that have been economically dislocated to arrive at a place where they can achieve better, safer and less costly outcomes from their financial decisions.<sup>40</sup> The population most deeply affected is people with few or no assets on which to fall back. It is a project of discovery involving the

---

<sup>40</sup> CEDness refers to the degree to which this project reflects the primary values of community economic development; participation, equity, and sustainability for residents of low wealth.

application of the four interventions of community economic development: awareness raising; advocacy; availability of resources; and association. In a small way it is about community power, one small neighborhood group at a time. It could also be said to be about productivity through vision and action designed to help people with political power to increase their social capital.

To the extent that local government participates in this form of community stabilization, there are policy and political implications. Most jurisdictions see the need to quickly dispose of vacant properties and some see the need to prevent the loss of people as well. Nevertheless, the willing use of public programs to ameliorate the affects of foreclosure in low-wealth neighborhoods is an indicator of positive public policy.

### **The Law and Foreclosure**

Since the beginning of the foreclosure crisis in California in 2007 there have been few federal or state laws passed relative to people in foreclosure. In July of 2008, the California Legislature passed SB 1137 a law designed to address the adverse effects of the state foreclosure crisis. In addition to providing protections for homeowners, the measure protects tenants by increasing the eviction notice period from 30 to 60 days in certain foreclosure situations, and requires notice to tenants of the trustee sale.<sup>41</sup> On the federal level, Senate Bill 896 was signed into law in May of 2009 to protect almost all tenants in foreclosed properties, requiring that they be given at least 90-days' notice to vacate.<sup>42</sup>

---

<sup>41</sup> <http://gov.ca.gov/index.php?/press-release/10119/>

<sup>42</sup> <http://tenantsforeclosure.blogspot.com/2009/05/new-federal-legislation-on-tenants-in.html>

In July of 2008 the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the S.A.F.E. Act) was created to develop and maintain a Federal registration system for individual employees of Agency-regulated institutions who engage in the business of residential mortgage loan origination. It is unknown if foreclosure counselors will be required to comply.

In late 2008 California Governor Schwarznegger passed into law a similar requirement for foreclosure consultants to be registered and regulated. (California Civil Code § 2945.) “According to Realty Trac, a foreclosure data tracking firm, the state now accounts for more than a quarter of all foreclosure filings nationwide. Fraudulent foreclosure consultants have exploited homeowners, often cheating them out of money or ultimately losing their homes. This new law regulates the activities of people who provide, or offer to provide, foreclosure-related consultation services, such as helping a homeowner stop or postpone a foreclosure sale.”<sup>43</sup> Other bills have been introduced at the federal and state level to protect homeowners and tenants, but few have survived.

A current legal target is the rampant abuse of occupants of foreclosed units who are approached by unscrupulous individuals falsely claiming to work with lenders to extend their right to occupy their homes for months at a time for a fee amounting to hundreds of dollars. In addition, homeowners in foreclosure and those already foreclosed-on are being scammed by similar characters to which they pay thousands of dollars under the assumption that their homes will be saved through a loan modification or temporary transfer of title with a lease-back provision.

---

<sup>43</sup> [http://www.foreclosureradar.com/ca\\_foreclosure\\_law\\_cc2945.php](http://www.foreclosureradar.com/ca_foreclosure_law_cc2945.php) and <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=civ&group=02001-03000&file=2945-2945.11>

Most often these arrangements do not produce the desired effect and the occupants are legally evicted through the action of a foreclosure trustee sale or are fraudulently sold to an unsuspecting homebuyer. The state attorney general, county district attorneys and community and statewide advocacy organizations are actively seeking to identify and have such activities closed down. Several notable nonprofit advocacy examples are the California Reinvestment Coalition and Tenants Together.<sup>44</sup> There are also public advocacy law firms, research organizations, housing councils and consumer protection agencies engaged in this work.

---

<sup>44</sup> <http://www.calreinvest.org/> and <http://www.tenantsaltogether.org/>

### **III. Review of Literature**

#### **Problem, Causes and Effects**

In the available body of literature on foreclosure, there is very little written on the impact of foreclosure on individuals and family. There is even less literature on the tools for recovery and resettlement from foreclosure. More has been written on strategies to prevent and intervene in foreclosure to keep borrowers in their homes, or ways to revitalize affected communities to return vacant and foreclosed properties to the market. Most of what is available is in the form speaker presentations at conferences that address the effect of foreclosure on residential real estate demand or its effect on the ability of states, counties and local cities to adequately provide services in the midst of reduced revenues. (Cadaviz, 2008) (Rueben, 2008). However, there is not much available that speaks to what is happening to people. (NLIHC 2008).

In a simple but effective focus group performed in July 2007 by the Ohio Housing Finance Agency (OHFA) and the governor's Housing Options Committee and Foreclosure Prevention Taskforce, participants were asked three questions: "How do you define "recovery" from foreclosure?", "What do individuals need in order to recover from foreclosure?", and "What do communities need in order to recover from foreclosure?" The participants in the focus group consisted of community-based nonprofits, the Ohio Housing Finance Agency, the Local Initiatives Support Corporation, the community foundation, city government and two banks.

In defining recovery they developed a useful and practical answer. "Individuals have recovered from foreclosure when:

- In the short-term, a person has decent, affordable housing. Individuals cannot concentrate on higher level recovery without a secure place to live.
- In the longer-term, when a person is able to re-establish good credit, or further, when a person returns to pre-foreclosure financial/credit status (assuming prior status was decent).
- A person meets the two conditions above and understands how to avoid repeat situations”.<sup>45</sup>

In a recent study for the Federal Reserve Bank by visiting scholar Dan Immergluck of Georgia Tech, he details the most widely recognized community responses to foreclosure: prevention and recovery by households and communities. With respect to household recovery the author looks at the question of how organizations respond to reduce the impact of foreclosure on families. He indicates that it is the least discussed of all foreclosure topics.

Immergluck states that cities may be reluctant to concern themselves with displaced families that go through forced relocation because they believe the families are no longer in the jurisdiction. He further details the varied costs of foreclosure, beyond the monetary kind such as the loss of social networks and the need to rebuild credit. (Immergluck 2008) My experience is that these tools and an additional two are the essential needs of foreclosed-on families: the immediate need for adequate and safe housing; and the near-term need to engage in financial education training.

In July 2008 the National Low Income Housing Coalition (NLIHC) published the results of two surveys they performed on income and tenure of households seeking foreclosure

---

<sup>45</sup> Recovery from Foreclosure: Focus Group Summary for the Housing Options Committee Governor’s Foreclosure Prevention Task Force, July 2007. Columbus, OH  
[http://www.communityresearchpartners.org/uploads/publications//OHFA\\_Summary%207-31-07.pdf](http://www.communityresearchpartners.org/uploads/publications//OHFA_Summary%207-31-07.pdf)

counseling. All of the agencies reported that two-thirds of their clients have incomes below 80 percent of the Area Median Income. (Waldrip/Pelletiere 2008). This could suggest that lower income people seek foreclosure related assistance more often than do people of higher incomes, and lower income people are the least likely to weather the impact of a financial crisis such as foreclosure.

According to Tanya Tull, executive director of Beyond Shelter, a nonprofit service provider in Los Angeles that seeks to improve conditions of poverty and homelessness among families with children, it is difficult for evicted families to find new housing and they often resort to what is commonly referred to as “room surfing”. This practice involves rotating between family and friends, never staying in any one residence for long. Tanya explained that move-in costs can amount to as much as \$4,000, causing many former low-income homeowners or renters to seek shared housing. For the past few years Beyond Shelter has been tracking the increase in traffic at downtown homeless service providers and the data show that increases in the volume of people served are attributable to families recently displaced by foreclosure. (Tull 2008)

The National Coalition for the Homeless report entitled “Foreclosure to Homelessness: the Forgotten Victims of the Subprime Crisis, a national call to action” in April 2008 argues that the number of homeless people at shelter programs in Los Angeles has increased as a result of foreclosure. “Nearly sixty-one percent of respondents had seen an increase in homelessness since the foreclosure crisis began in 2007”. The authors put forth five recommendations for preventing homelessness, one of which is to recreate the National Home Owners Loan Corporation from the 1930’s to assist homeowners who have lost their



homes or at immediate risk of losing them. Another is to promote and enforce accountability of investors and banks by not extending federal relief to them unless they agree to new ground rules. (Erlenbusch 2008)

With respect to mental and emotional health, there are reports of increases in family domestic violence and children acting out at school with poor or delinquent behavior. Psychologists are now reporting substance abuse, domestic violence and marital problems stemming from client worries about financial concerns. ComPsych, a Chicago-based employee-assistance firm that counsels employees with stress related problems says that financial worries are a top concern and has led to a twenty percent increase in calls to its offices.<sup>46</sup> To assist borrowers the American Psychological Association (APA) and other mental-health organizations publish tips on how to handle the emotional stress triggered by the real estate meltdown.

In a report by Catholic Charities Food Pantry of Wichita, Kansas in 2007, workers have seen a ten percent increase in clients served and they believe it to be coming from middle income families hit hard by the economy. (Witsman, J. 2007) The study summarized that most families have never been in mortgage emergency before and have no knowledge on how to proceed in order to keep their homes. It suggests that food pantries and banks are important tools to assist victims of foreclosure.

---

<sup>46</sup> [http://www.compsych.com/jsp/en\\_US/content/pressRelease/2008/financialWorries.jsp](http://www.compsych.com/jsp/en_US/content/pressRelease/2008/financialWorries.jsp)

Most of the literature available on foreclosure recovery pertains to prevention of foreclosure or solutions to mitigate the degree of lender loss incurred in a foreclosure.

In both processes early intervention by mortgage lenders and investors, nonprofit housing counseling agencies and local government is advocated. Housing counselors, who heretofore provided training for new homebuyers have now shifted resources to foreclosure counseling where they receive grant funding and other stipends for each case that results in prevention or mitigation. However there is no funding for post-foreclosure recovery counseling or credit rebuilding.

#### IV. Project Design/Logic Model – Figure XI

The Pathways to Resettlement logic model is designed to enable the project sponsor and client, the Community Settlement Association to host a pilot series of local neighborhood workshops on foreclosure awareness and resource availability to assist local residents suffering from the impact of foreclosure. The objective is to enable the development of household skills and knowledge to improve credit ratings and prevent or better manage future financial crises. This is the long-term outcome (LTO). It involves the principle of resilience.

The essence of the model is that it is local support for local problems. The staff of the Community Settlement Association will work with this researcher, nonprofit community organizations, elected officials, and bankers to deliver materials that will help residents make an easier transition back into the economic mainstream. (The longer-term outcome - IO1)

This logic model exercises the four A's of community economic development intervention; awareness, advocacy, availability and association and the three values of participation, equity, and sustainability.

The activities and the outputs, short-term outcomes (STO), are intended to generate resident *awareness* by encouraging their participation in the workshops as a means of *advocating* for their own early intervention into planning for possible housing relocation and rebuilding of the financial aspect of their lives. They are intended to transfer *available resources*: knowledge and skills in financial education with the expectation that the skills will be *sustained* over time thereby enabling the foreclosed-on population to make better financial decisions in the long-run. A by-product of this process will hopefully be the sharing of the skills by trained

residents who *associate* with those not able or unwilling to attend the trainings so that the community benefits from the knowledge in the long-run.

### **The Research Question**

The primary research question is “What do households need to recover from foreclosure?”

It is closely related to two sub-questions: “Is financial education the most important tool for household recovery”, and “What is the most effective way to educate households about the tools for recovery?”

### **The Tools for Household Recovery**

There are ten widely recognized tools for household recovery from the effects of foreclosure. It is generally agreed by housing counselors and other community economic development for-profit and non-profit members of the field that these ten strategies will assist households to design their own return from foreclosure. Not everyone will need all ten. Recovery is a subjective process and only the tools that a person or a household requires are utilized.

The following list was refined from conversations held with Community Affairs staff of various district Reserve Banks in the Federal Reserve System. The ten tools are listed below in the order of immediacy following foreclosure. Contact and referral information for access to the tools are found in the sample Helpful Resource Guide in the Appendix section of this thesis.

### **Tools for Household Recovery**

1. Housing relocation
2. Temporary financial assistance for utility deposits and move-in expenses
3. Advocacy to obtain utility service if previous service was involuntarily terminated
4. Food distribution services referrals
5. Legal services referrals
6. Faith-based services referrals
7. Mental health referrals
8. Financial education training
9. Credit rebuilding training
10. Workforce training and job placement

According to the key informant interviews and the stakeholder survey, the first four tools represent the most immediate needs of foreclosed-on homeowners. Identifying local resources to meet those needs and providing the information early on is an important component of the logic model. The goal of the activities is to assist owners with information so that they do not have to make decisions in haste that could otherwise lead to an undesirable or costly result such as jumping at the first available housing option.

### **Housing Relocation**

Former owners and tenants who make early contact with the mortgage lender may be able to negotiate a rental agreement to remain in the property as tenants for a period of time after the foreclosure. The arrangement helps the lender cover property maintenance costs. Conversely, if renting is not an option, the lender may offer the occupant a significant “Cash for Key’s” relocation stipend for moving out early and providing the property is left in good condition.

An indicator of knowledge of this tool would be evidence of the occupant obtaining a new place to live by first having utilized relocation referral information from a housing counselor and/or reaching out to a landlord or property owners association to negotiate a rental arrangement despite having negative credit due to the foreclosure. According to Malcolm Bennett, a long-term multi-family rental housing owner and member of several large apartment associations in Los Angeles who rents to former homeowners who have lost their homes, a foreclosure shows the ability to have qualified to own a home and it assumes that the former homeowner would make a better tenant.<sup>47</sup> This philosophy has also been expressed by many of the members of the California Apartment Association.

### **Temporary Financial Assistance**

Getting temporary financial and advocacy assistance to move out of the home or to set up utility service at a new residence is available in some jurisdictions in the form of small dollar grants from municipal and county public housing agencies and are typically under \$2,000. This benefit is particularly important because an applicant's credit rating generally determines the amount of the deposit required. This is the case in Riverside and Los Angeles where the municipal water districts use credit scoring to set the amount of the deposit, regardless of whether the foreclosure was caused by circumstances beyond the control of the homeowner, such as in the case of fraud perpetrated against the owner by foreclosure rescue scam operators.

---

<sup>47</sup> Bennett, M. Guest speaker at the February 23, 2009 Community Affairs Post-Foreclosure Conference Call Series of the Federal Reserve System.

In the Hispanic community there is a form of social network saving in the cash economy of lower income communities called a “cundina”. It requires ten people to each contributing a set monthly amount to a savings pool. For example, each participant puts in \$100 monthly. In the first month one person receives the total collected in the pot. In the second month, another person receives the collection, and so on. The benefit to each person is the ability to finance an expense without having to qualify for credit or pay interest. (Cheskin 2003)

### **Advocacy and Service Referrals**

Information on organizations that provide advocacy services, food distribution, legal referrals, mental health referrals, or job training and placement services is typically provided through a municipal emergency services 2-1-1 phone number. It is a free and accessible source of information for basic life needs and vital community services.

In addition to 2-1-1, many non-profit organizations provide free referral information. For example, the Community Action Association (CAA or CAP), a national organization dedicated to helping people help themselves and others maintains lists of agencies and nonprofit organizations for referring callers. The Pico National Network is another example. It is a statewide collaborative network of twenty congregation-based community organizations in California that develops solutions to issues facing families and communities.<sup>48</sup>

---

<sup>48</sup> Community Action Partnership: <http://www.communityactionpartnership.com> and Pico National Network  
Pico National Network <http://www.picocalifornia.org/>

In general, information on referral sources for all of the ten tools for recovery from foreclosure are available online via search engine websites such as Google.com and Yahoo.com. Specific examples would be local faith institutions, public legal rights organizations, and municipal workforce investment boards that are readily available on the web.

### **Financial Education and Credit Rebuilding**

Once the urgent and immediate needs of former homeowners have been addressed and they begin to settle into a new living environment, there are two remaining tools vital to sustainable recovery from foreclosure. The first is credit rebuilding training by a nonprofit counseling service, financial institution, educational institution or government agency. Credit rebuilding assists people to reduce and retire overall debt (budgeting), to learn how to manage credit and avoid scams or unscrupulous creditors, and to improve credit scores.

It is reasonable to argue that future financial decisions are dependent on former homeowners knowing what happened to them to land in the position of losing their homes. It is also reasonable to argue that it could influence their ability to avoid a reoccurrence in the future. Conversely, when people who have experienced foreclosure do not learn how to avoid it in the future they run the risk of continuing poor credit management and repeating mistakes of the past.

It is therefore that financial education from qualified consumer counseling agencies is deemed to be the most effective tool for recovery from foreclosure and by virtue of the on-going practice of combining new skills with new knowledge, is certainly the one that leads to sustainable recovery from foreclosure.



A few of the nonprofit organizations that provide financial education training are Springboard Consumer Credit Management, NeighborWorks America's Neighborhood Housing Services, and Consumer Credit Counseling Services. In addition, community development corporations and nonprofit community housing organizations often provide it too. Financial education typically involves week-night or week-end training on:

- Setting objectives and goals
- Learning key financial terms and concepts
- Locating resources
- Rebuilding credit
- Creating a financial budget to track expenses
- Creating a list of assets and debts to reduce debt and build wealth
- Banking skills and knowledge of high cost alternative services
- How credit works
- Managing your credit
- How saving works
- How to track and measure progress

Following financial education, the next most important tool is credit rebuilding and is often a subset of overall financial education training. Seeking to rebuild credit is the first step in removing a negative credit rating that could potentially stand in the way of getting a job, getting a loan, obtaining utility service, or serving as a volunteer. Credit rebuilding assists people in reducing and retiring debt, improving payment history, learning how to manage credit and avoid unscrupulous creditors or scam artists, and managing monthly expenses (budgeting). Collectively, the steps to rebuilding credit allow for regaining control over financial decisions now and making better credit and savings decisions in the long run.

The ultimate benefit of having improved credit and lower monthly expenses is the ability to save for the future. The process of learning how to rebuild one's credit history is applied behavioral modification training.

## **Workforce Training and Job Placement**

The last of the tools is the one that ensures the long-term continuity of financial education and that is opportunity for job training or placement in a weak economy. Although many jobs are lost in recessionary times, economic recovery depends on the training or re-training of the workforce to meet the requirements of an adapted industry. New job classifications require new skills. Public agencies and nonprofit organizations step in to provide the training. For example the Riverside Workforce Development Center provides access to training, research and job openings. It is a resource for both job seekers and employers with job openings.<sup>49</sup> The funding for local job training programs is supported by the U.S. Department of Labor (DOL), which has as its mission the responsibility to advance opportunities for profitable employment.

---

<sup>49</sup> Riverside Workforce Development Center, a division of the Riverside County Economic Development Agency, <http://www.rivcojobs.com>

## Pathways to Resettlement Project

LTO

Increased ability of Eastside households to make better financial decisions during resettlement and recovery from foreclosure resulting in fewer foreclosures over time

IO 1: Increase in household awareness of foreclosure and the tools to recover from it

IO 2: Increase in stakeholder support for education about foreclosure recovery

STO 1:

Increase in household understanding of credit building methods

STO 2:

Increase in household knowledge of the foreclosure process

STO 3:

The CSA is recognized by residents & stakeholders as a source for foreclosure information

Output 1:

25 residents receive financial education training on money and credit management

Output 2:

25 residents receive training on foreclosure and the tools for recovery

Output 3:

CSA improves its capacity to provide foreclosure training and assistance

Activities:

Facilitate a workshop on financial education on the use of money and credit (in Spanish)

Activities:

Facilitate a workshop on foreclosure and community impact (in English & Spanish.)

Activities:

CSA to meet with bankers to secure funding for the training programs

## **V. Methodology and Implementation Plan**

### **Project Beneficiaries**

The beneficiaries of this project are residents in the Eastside that have experienced foreclosure or are about to go through it. A secondary beneficiary is the Community Settlement Association that seeks to have a more educated and aware community and the city of Riverside that will benefit from fewer foreclosures and vacant properties and stabilized tax revenues over time.

Additional beneficiaries include local businesses and utilities that stand to retain customers and employees who, having found alternative housing after foreclosure, may not be forced to leave the area. The same can be said for local schools that may not see the loss of children in families that were foreclosed upon.

### **Host Organization/Group**

The Community Settlement Association (CSA) is a ninety-eight year old community-based service provider funded by private grants and program revenues that fosters communication to and from the residents of the Eastside community in the city of Riverside. The CSA serves an important role in disbursing much needed social services to residents to include training programs, arts programs for children, a food pantry, seniors programs, group and individual counseling for substance abuse recovery, and municipal bus passes. The CSA will introduce the series of three workshops to the community and will serve as emcee and host of the events.

### **Project Staff**

The bank and nonprofit counseling staff who will serve as trainers compensated by their respective organizations and have in their description of duties the responsibility to participate in this work. Their time is considered volunteer for purposes of the activities described in this project and as

such, will not receive compensation from the project. Examples of the staff are volunteers from the Community Settlement Association, financial institutions, community-based nonprofit housing organizations, and the Federal Reserve Bank of San Francisco, Los Angeles branch.

### **Project Roles, Tasks, Responsibilities**

Primary project roles include two facilitators to create, organize and lead the workshops; inviting special instructors as required. The facilitator roles will be filled by staff of the CSA, local financial institutions, Springboard Nonprofit Consumer Credit Management, the Fair Housing Council of Riverside County and the Federal Reserve Bank of San Francisco, Los Angeles branch. They are tasked with overseeing the implementation of the plan and for coordinating measurement and evaluation of the results. They are tasked communicating changes in the training from one event to the next, seeking input from area residents to improve the trainings, and being a liaison to the city and elected officials in keeping its staff apprised of accomplishments at the community level.

## V. Methodology and Implementation Plan:

**Figure XII – Timeline**

Figure V –STO 1: Increase in household understanding of credit building methods									
Period Activity 2008 – April 2009)	(Oct. M Oct 1	M Nov 2	M Dec 3	M Jan 4	M Feb 5	M Mar 6	M Apr 7	Outcomes	
1. Financial education workshop								25 residents receive training on money and credit mgmt.	
Pre-Planning Set objectives, create budget, ID audience, set date								Purpose of program identified	
Planning Send announcement, create agenda & course materials, select speakers								Preparation for event	
Hold event								Training occurs	
Data Analysis Evaluation								Questionnaire and pre/post test evaluated	
Update to thesis Work plan & budget								Adjust plan as required	

STO 2: Increase in household knowledge of the foreclosure process									
Period Activity 2008 - April 2009)	(Oct.	M Oct 1	M Nov 2	M Dec 3	M Jan 4	M Feb 5	M Mar 6	M Apr 7	Outcomes
2. Foreclosure workshop									25 residents receive training on foreclosure and tools for recovery
Pre-Planning Set objectives, create budget, ID audience, set date									Purpose of program identified
Planning Send announcement, create agenda & course materials, select speakers									Preparation for event
Hold event									Training occurs
Data Analysis Evaluation									Questionnaire and pre/post test evaluated
Update to thesis Work plan & budget									Adjust plan as required

**STO 3: The CSA is recognized by residents & stakeholders as a local source for foreclosure info**

Period Activity (Oct. 2008 - April 2009)	M Oct 1	M Nov 2	M Dec 3	M Jan 4	M Feb 5	M Mar 6	M Apr 7	Outcomes
<b>3. CSA meeting with bankers</b>								
<b>Pre-Planning</b> Identify community needs & extent of foreclosure problem								Bankers meet with the CSA to discuss community needs
<b>Planning</b> Set training program objectives, agenda, schedule & funding								Bankers and the CSA agree on content of the trainings
<b>Confirm resources</b> Submit funding requests & follow up								The CSA prepares and submits grant requests
<b>Evaluate funder relationships</b>								CSA and bankers discuss relationship and ways to improve it
<b>Update</b> Work plan & budget								Adjust plan as required

**Figure XIII****EASTSIDE PROJECT BUDGET**

Entry	Cost Calculation	Donations	Subtotal	Total
1. Financial Education Workshop				
Planning & speaking	Donated time and mileage: 4 @ \$25	\$(100)		
Print and copy supplies	Donated in-kind services	(100)		
Room and chairs	Donated	(100)		
Incentives	Donated 2 - \$50 gas cards	(100)		
Flyer distribution	Donated service	(25)		
Childcare services	Donated service	(50)		
Refreshments	Donated	(35)		
	Sub-total			\$(510)
2. Foreclosure Workshop				
Planning & speaking	Donated time and mileage: 4 @ \$25	\$(100)		
Print and copy supplies	Donated in-kind services	(100)		
Room and chairs	Donated	(100)		
Incentives	Donated 2 - \$50 gas cards	(100)		
Flyer distribution	Donated service	(25)		
Childcare services	Donated service	(50)		
Refreshments	Donated	(35)		
	Sub-total			\$(510)
3. Foreclosure Workshop				
Planning & speaking	Donated time and mileage: 4 @ \$25	\$(100)		
Print and copy supplies	Donated in-kind services	(100)		
Room and chairs	Donated	(100)		
Incentives	Donated 2 - \$50 gas cards	(100)		
Flyer distribution	Donated service	(25)		
Childcare services	Donated service	(50)		
Refreshments	Donated	(35)		
	Sub-total			\$(510)
4. Meetings with Funders				
Planning and prep	Donated: time and mileage 4 @\$50	(\$200)		
5. Additional events	7 more workshops in the year @ \$510			\$3,570
	Subtotal			\$3,570
Contingency	5%			\$350
	Total paid expenses			\$3,920
	Total donated services	(\$1,700)		



## **VI. Monitoring Plan**

### ***Indicators:***

The Pathways to Resettlement Project contains a series of activities that result in three specific outputs, each one leading to a short-term outcome. These outcomes signify a change in resources available to the community or a change in knowledge or skills of the residents. In order to ensure that the outcomes are achieved the outputs are monitored and then measured. In the list below the outputs, also known as indicators or variables are listed as expressions of measurement of the activities that produced them.

Output 1: In the timeframe of this thesis project 25 residents receive financial education training on money and credit management.

Output 2: In the timeframe of this thesis project 25 residents receive training on foreclosure and the tools for recovery.

Output 3: CSA improves its capacity to provide foreclosure training and assistance.

The activities and the resulting outputs will be monitored and evaluated by the executive director of the Community Settlement Association and the nonprofit and bank speakers as an evaluation team. As an example, to arrive at output one where 25 residents receive financial education training on money management, the team will distribute the event announcement with a pre-event questionnaire that asks potential participants to share a bit about themselves, their borrowing and spending patterns and what training would be of interest to them. During the event the participants will be given a short set of questions to answer for their own benefit that will serve to test their confidence, attitudes and aspirations to change their money management behavior.

At the close of the event the participants will be tested to determine comprehension of the materials presented, changes they are willing to make in their attitudes and behavior, and what additional learning they would like to see at future workshops. The answers to the questions will assist the evaluation team in planning the second and third events; a community meeting on foreclosure with a discussion of the rate of defaults in the Eastside compared to the whole zip code: 92507.

### ***Methods, Tools, Forms***

#### Qualitative Research Methods

1. Ethnographic research via key informant interviews and qualitative survey questionnaires. The success of the Pathways to Resettlement project depends on the use of qualitative survey questionnaires provided to the participants at the beginning of the workshops. The results of the surveys will be used to improve the workshop agenda for subsequent trainings.

2. Pre- and post-testing

A test comprised of questions on money and credit management and foreclosure awareness will be given at the start of each workshop and then repeated at the end. The test will assist the organizers in determining participant comprehension of the workshop materials and will serve as the basis of improvements to the curriculum of future workshops.

3. Grounded Theory Approach:

Through the process of reviewing the results of the survey questionnaires an attempt will be made to explain the relationship between conditions that led to foreclosure for the families and the level of their financial literacy, as stated in the Problem Analysis section, which reads:

*“Households of the Eastside neighborhood are without information on foreclosure and the tools necessary to recover from it.” p.23*

#### 4. Case Study Research

In the course of researching the subject of this thesis it became quite evident that there are scant resources and very little literature available on what happens to people after foreclosure. In California this is a new topic, but in much of the country it is an on-going concern that advocates have struggled with for four years or more. The lack of resources and literature is directly proportional to the lack of data on the subject. Housing counselors are not paid to track it and in the course of their daily work, they cannot afford to devote staff resources to providing it.

At best, counselors and other nonprofit providers espouse a gentle landing strategy that, in the short-run assists former homeowners by briefly preparing them for displacement; a limited discussion of the steps to foreclosure, the tools and resources available for recovery, and the timeline for eviction.

There are no aggregated accounts of what happens after foreclosure and few case studies from which to draw conclusions or recommendations. Those that do exist may be explored and included in this report. The balance of the research for this method will come from the anecdotal information derived from key informant interviews.

#### External Factors

An external influence would be the power of the Federal Reserve Bank of San Francisco (SF Fed) to co-facilitate the planning and convening of the community workshops and to provide foreclosure data resources for the training. The SF Fed has the ability to devote resources of time, people, and money to ensure that the meetings will be held and that key stakeholders are invited.

Quantitative Research Methods The data to be analyzed will come from the responses to the workshop participant survey questionnaires. The data collected and evaluated from the tracking tools will be summarized by event and reported in the aggregate in this paper for benefit of the for profit funders and nonprofit sponsors. Data at the individual or household level will not be shared.

### Reporting

The monitoring tools will include tally sheets of the numbers of attendees at community and taskforce meetings, the geographic location within the community where they live, the number of households represented, and the distinction of whether the attendees came for the information on foreclosure, financial education, or referrals to services after foreclosure. In this way the monitoring tools will provide valuable information about demand for the trainings, necessary changes in the content of the training materials, and the extent to which other training is needed.

### **Monitoring Report: Figure XIV**

The project monitoring report will be completed on a monthly basis and will resemble the sample report found in the Appendix section.

### ***Team/Tasks***

The activities and their associated tasks will be managed by the evaluation team comprised of the executive director of the Community Settlement Association and this researcher from the Federal Reserve Bank of San Francisco in conjunction with regional bankers acting as advisors.

The evaluation team will be responsible for data gathering and the researcher will serve as lead consultant to the Community Settlement Association with respect to coordinating stakeholder outreach, development of training materials and review and evaluation of data. Lastly, the city of Riverside will be asked to review the program objectives.

### ***Schedule***

Reports will be produced monthly for data tracking and quarterly for summary reports on the achievement of activities and the resulting outputs.

## **VII Evaluation Plan: from the Logic Model (Figure XV)**

### ***Evaluation Variables and Indicators:***

Refer to the chart in the Appendix section for the table of variables and indicators.

### ***Data Gathering Methods, Tools, Forms***

- Statistical foreclosure data from title records and other online data tracking entities
- Reference materials: print and internet
- Analysis of responses to survey questionnaires from stakeholders and workshop participants
- Analysis of pre- and post-test answers from the three workshops
- Observations from key informant interviews
- Observations of the training process at the workshops

### ***Data Analysis***

The analysis of the data gathered from the two survey questionnaires appear in the Community Needs Assessment of this report. The analysis of the responses to the participant questionnaires from the workshops and the results of the pre- and post-tests appear in the Appendix section.

### ***Evaluation Team/Task***

The executive director of the Community Settlement Association and the student thesis project manager collaborated on preparing the questions for the surveys and the tests. The evaluation of the responses was performed by the student project manager with input from the CSA director.

### ***Evaluation Schedule (Figure XVI)***

Refer to the chart in the Appendix section for the table of the evaluation schedule.

## **Summary Evaluation:**

This project was designed to examine the needs of homeowners in a low-income neighborhood in a region heavily impacted by foreclosure and to identify the tools necessary for its residents to recover. To achieve this end a series of interviews and survey questionnaires were conducted with stakeholders and residents in the first quarter of 2009. One of the early findings in this assessment of community needs was that they had little knowledge of the degree to which the neighborhood has been affected by foreclosure or even what the foreclosure process entails. Many of the residents identified simply did not believe foreclosure to be a problem there. Dispelling this myth and providing residents with information and resources became the reason for this thesis.

In support of early protestations of business owners and residents that foreclosure was not a problem in the Eastside community, a street level tour of every block was undertaken to search for visual signs of vacant or abandoned homes or ones in a state of serious disrepair. Surprisingly, for a community of more than twenty thousand people, only six properties were obviously vacant, or showed signs of deterioration with little indication of occupancy.

In lieu of researching those six properties to determine if they were in foreclosure, Ticor Title Insurance Company was engaged to produce data reports on properties within the street boundaries of the very large 92507 zip code uniformly agreed to be in the Eastside.<sup>50</sup> The reports indicated that fifty-one percent of REO property foreclosures in zip code 92507 in the first six months of 2008 were located there.<sup>51</sup>

---

<sup>50</sup> The Eastside encompasses an area bound by Mulberry St. to the west, Chicago St. to the east, Third St. to the north and the Arroyo to the south. The Arroyo is an impressive neighborhood of rugged ravines, hilltop properties and winding roads just south of Prince Albert Drive. Zip code 92507 covers a large portion of the City of Riverside and the Eastside neighborhood geographically constitutes but a very small piece of it.

<sup>51</sup> Ticor Title Insurance, Riverside, CA NOD, NOS, & Resale Data. August 10, 2008, Real Estate Owned property report. August 2008

To uncover the attitudes and beliefs of residents and to then provide them with information on foreclosure, a series of three similar educational community workshops were held in the first quarter of 2009. The findings and recommendations follow in this section.

### **The Workshop Sessions**

The workshops were facilitated by the Community Settlement Association and the Federal Reserve Bank of San Francisco, Los Angeles branch. The three events were designed to; 1) administer a participant questionnaire to collect demographic, economic and personal preference data; 2) test participant comprehension of the instruction, using both a pre- and post-test format; and 3) set expectations on why the topic is important, explaining the steps to foreclosure, and providing the tools for post-foreclosure recovery along with referrals to agencies that could provide assistance.

The success of the workshop sessions is directly attributable to the high quality training provided by the instructors from the Community Settlement Association, the Fair Housing Council of Riverside County, and Springboard Nonprofit Consumer Credit Management held in three hour segments, one classroom in English and the other in Spanish. The instructors thoroughly conveyed the materials to the participants and provided plenty of time for response to individual questions.

In total, twenty-nine residents participated in the three workshops. Each person attended just one workshop. Of this sample size, only nineteen participants completed the survey questionnaire and the pre- and post-tests in their entirety. For purposes of evaluation, only the responses from those nineteen samples were included.

Similar material was covered in each of the sessions, however after the first one the format of the agenda was amended to focus more on foreclosure recovery and less on the importance of banking



relationships. For example, at the initial workshop in February the content was focused on money management, the use of credit, and the importance of a banking relationship, incorporating information about foreclosure at the end. This approach was taken so as to gently introduce the subject of foreclosure and its effect on a community that was unprepared to receive the information, or so the results of the key informant interviews and discussions held with event organizers suggested. The second workshop in March and the third in April emphasized the foreclosure process and included budgeting and credit management. A consistent module in the curriculum at all events was the “Helpful Referral Resources” guide by Springboard Nonprofit Consumer Credit Management in Riverside.<sup>52</sup>

In the two final workshops, it was noted that residents came in with knowledge of foreclosure and the growing problem in their community and hence, came for more in-depth foreclosure understanding. This was an interesting finding in that the workshops were just a month apart and there was no indication of prolific word-of-mouth messaging having taken place in the interval.

Over half of the later participants came seeking foreclosure training and more than eighty percent knew someone at risk of losing their home or were interested in learning how to save a home or recover after losing one. However they professed to not have a personal need for it. However, almost all of them were more interested in foreclosure prevention than recovery, hopeful that it was not too late and that the workshops could help those they care about avoid foreclosure

In analyzing the responses to the survey questionnaires and in comparing the results of the pre- and post-tests, it was determined that the participants, for the most part, were aware of the benefits of

---

<sup>52</sup> Refer to the Helpful Referral Resources table in the Appendix section

budgeting and a banking relationship, but not how to deal with foreclosure. More than eighty percent of them have a checking or savings account and more than sixty percent are on a budget. Only sixteen percent considered themselves heavy credit users, defined as having more than three open lines of credit.

All of the participants were unaware of why so many foreclosures had already been completed or why there are so many homes currently in process of being foreclosed in the neighborhood. And all were unfamiliar with the timing of when a delinquent mortgage loan falls into foreclosure or what happens in the process. They claimed to have never been presented with money management or foreclosure training, which was evident based on the comments and questions asked during the workshops. Therefore, conveying proper information to them became equally more important in assisting them to improve their skills and knowledge and hopefully, carry a message to their fellow residents in the Eastside.

Having a greater awareness of the tools with which to recover could lead to a change in behavior (the “condition”) and the possibility of more Eastside households making better financial decisions during recovery, (the “long-term outcome”), which is the object of the logic model that supports this thesis. The combined effect of which could lead to fewer foreclosures in the future.

### **The Participants**

Most of the participants learned of the workshops from the Community Settlement Association, where they or someone they know goes weekly to receive social services such as bus passes, food supplies, artistic lessons or give performances, or receive substance abuse recovery services. Hence, they are in essence a captive audience.

Most of the participants were Spanish-speaking female homeowners over forty with a long history of living in zip code 92507; many with families having resided in the Eastside for a long-time. Most were raised outside of the U.S. in Mexico or Guatemala and earn less than a quarter of the HUD area median income of \$62,000 (2008-2009)<sup>53</sup>

In the third workshop it was noted that all but one participant had completed high school or had some college experience. It is important to note that the level of education was not asked on the survey instruments handed out at the first two workshops, rather an empirical observation was made of language and communication skills leading to the conclusion that the participants appeared to possess limited K-12 education.

## **Key Findings**

**Throughout 2008, interviews with resident business and home owners indicated that they believed foreclosure was not a growing problem in the Eastside community.**

1. Residents stated they believe they would know otherwise; either through word of mouth or by evidence of families leaving the area.
2. Between March 2008 and April 2009, the number of properties in foreclosure in the Eastside increased more than 200%. (Foreclosure is defined as properties where a notice of default or notice of sale was recorded or became lender-owned properties (REOs) following trustee sales.
3. There exists a lack of access to information or training on foreclosure and how to recover from it.

**Residents initially came to a workshop seeking information on money management and the use of credit.**

1. The first workshop in February 2009 had the greatest attendance and participants were genuinely interested in the topic of financial education over foreclosure, even though they all knew someone affected by it and believed that foreclosure training would greatly help.

---

<sup>53</sup> <https://www.efanniemae.com/sf/refmaterials/hudmedinc/hudincomeresults.jsp?STATE=CA>

2. None of the participants could recall ever having been offered financial education classes and said they would return for more concentrated training on foreclosure, if held locally.

**By the second and third workshops participants came with knowledge of foreclosure and a concern about the financial well-being of someone they know.**

1. Most participants in the latter workshops came to learn how to prevent foreclosure on behalf of someone they knew at risk of losing their home, not necessarily in the Eastside.
2. By the second and third workshops, less than one or two months after the first one, participants had become aware of rising foreclosure and were able to articulate what it is. They claimed to have acquired the knowledge through the media.
3. The same participants expressed a strong interest in on-going financial education classes and all claimed to have come to the workshop to assist a neighbor, friend or relative with credit problems.

**Contrary to early assumptions made by the workshop organizers, most participants were not embarrassed to talk about their personal financial affairs or those of someone they knew.**

1. The participants were almost all foreign-born Hispanics over forty years of age. Only a few were men and it was believed that the women were more open to sharing personal concerns because of their cultural propensity to speak openly with one another.
2. Most of them preferred small group training sessions held on Friday mornings and not on week-ends or week nights.
3. Participants stated that the time commitment and the times the sessions were available possibly led to the low turnout.

**Results of the pre- and post-tests indicated that participants obtained knowledge of money and credit management and the causes of foreclosure.**

1. Despite moderate test score results, the participants verbally demonstrated a fairly good understanding of the material presented.
2. Due to the limited time in instruction, three hours, it is questionable how much of the knowledge the participants will retain, unless offered additional follow-on training.

**There are no nonprofit housing counseling agencies in the Eastside and no funding for foreclosure recovery efforts at agencies located in adjacent communities.**

1. The instructors were committed volunteers who came to train in the Eastside despite having heavy foreclosure prevention workloads and not being reimbursed for their time.

2. Great support for financial education training has come from a wide array of stakeholders to include the City of Riverside, regional nonprofit housing counselors, financial institutions, and several service providers. The support has come in the form of making information available, financial contributions, providing space for classes, and serving as instructors.
3. The participants were eager to have the workshops continue and acknowledged the presence of demand for more training.
4. The instructors acknowledged that the average attendance in most financial education classes is typically five to seven people, regardless of timing of the training event or its location.

## Conclusions

### Local financial education is both needed and wanted

The residents that came to the workshops as well as those who registered but did not attend appeared very much interested in local training in the neighborhood. This is an important factor in reaching local residents. Moreover, the workshop participants were eagerly engaged in the transfer of knowledge and wanted more of it. Clearly demand was established.

Irrespective of the level of **financial competency**<sup>54</sup>, residents that attended the workshops wanted to learn about money management and credit. And despite the fact that many of them had retail consumer bank accounts, they did not understand that a banking relationship is important to their future in so far as starting or growing a business, going to school, or saving for retirement or large purchases. They also did not understand how credit is measured or priced. And they agreed that the people they know who are suffering from foreclosure might have avoided it if they had received training on how to buy and maintain a home.

---

<sup>54</sup> Financial competency is described as the ability to make informed decisions on cost, quantity and quality when making financial decisions. It is having control of financial indicators such as managing a banking relationship, handling cash, making personal investments, applying for loans and saving for the future in a credible and responsible manner. It is the ability to plan and set goals.

This definition is broadly based, in part, on resources available through the financial education website of the Community Development Department of the Federal Reserve Bank of San Francisco and the “Community Development Fact Sheet on Financial Literacy” of the Office of the Comptroller of the Currency.

<http://www.frbsf.org/community/issues/education/index.html>, [http://www.occ.treas.gov/cdd/Fact\\_sheet\\_Financial\\_Literacy.pdf](http://www.occ.treas.gov/cdd/Fact_sheet_Financial_Literacy.pdf)

To take it one step further, classes on financial education that comprise foreclosure modules can be a powerful credit management tool to avoid personal financial crises in the future. Assuming it is true that people do better when they know better, continuous financial education training in local communities can teach people how to avoid high cost or unsuitable credit that could destroy their reputation and render them high risk applicants.

### **The information provided was comprehensible**

In evaluating whether there was comprehension of the information provided at the workshops, it was necessary to rely on empirical observations rather than the data collected on test scores.<sup>55</sup> The data were inconclusive in that the change in the number of correct answers to questions on the pre-test and the post-test was nominal. In the aggregate, it would appear that the test scores were the same or very similar. In fact, they were not.

The participants who answered the questions correctly on the pre-test were not the same people that answered the questions correctly on the post-test. This could be attributed to the difference in knowledge of the participants upon arrival, the high level of instruction provided or the low participant to instructor ratio. Additionally, there were weaknesses in the multiple choice test formats. The correct answers were fairly easy to discern, and from one workshop to the next the questions were improved upon and a few were added.

Whether there was comprehension of the information was best answered through empirical observation at the workshops.

---

<sup>55</sup> For purposes of this evaluation comprehension is defined as sufficient understanding of the subject matter of the foreclosure awareness workshop to be able to answer the questions on the post-test, irrespective of the number of correct answers attained. Comprehension can be low, medium or high based on the results of the post-test scores and the degree of participant involvement in the workshop as visually observed by the event organizers. All three workshops had active participants.

It was obvious that the participants had different levels of experience with credit, budgeting and foreclosure. Some knew very little about any of it and others knew more about credit than foreclosure. From the level of questions posed by the participants to the instructor about the materials presented and from the degree of interest for additional workshops in the future, it can safely be said that there was a positive change in knowledge.

For example, there were questions and discussion about the impact on credit scores of delinquency versus foreclosure or eviction. Another example would be questions and discussion around the use and form of budgets. Furthermore, the instructors addressed in class the topics covered by the test questions, thereby assisting comprehension, perhaps to the extent that it served to increase the post-test scores.

### **Media attention and training changed beliefs despite the lack of visual evidence of foreclosure**

Although the look of the neighborhood had not changed in the course of the field work for this thesis, namely the summer of 2008 through early winter of 2009, residents in the Eastside neighborhood, in short order, went through a transformational change in their beliefs and attitudes about the rising incidence of foreclosure there. They began to talk about it and awareness of the problem in the Eastside grew rapidly.

### **Financial education is the most effective tool for household recovery from foreclosure**

Of the ten commonly known tools for household recovery from foreclosure, some are more immediate than others and some are more effective. Given the devastating lasting effects of foreclosure and the lack of awareness or lack of access to information about it, financial education rises to the top as the most effective and the most important tool.

That is not to say that housing relocation, deposit assistance, advocacies, access to food, legal or mental health services, or job information are not important. They are, in the short run, but they do not create a change in knowledge or skills necessary to change the condition of people in foreclosure. Financial education is a long-term solution requiring repeated practice.

### **Foreclosure Recovery does not receive sufficient attention to achieve scale or sustainability**

As important as financial competency is to one's financial future, there is insufficient funding available to promote the supply of the education. As a result local classes are often short in duration and infrequently held. It takes more of them to create impact in a community. It is reasonable to assume that short-term training will have short-term impact unless the participants seek and receive additional education and build more skills. Without it the ability of residents to make better financial decisions to avoid foreclosure or to recover from it is minimized.

The positive side of short neighborhood workshops is that they create teachable moments in that they are convenient, easy to organize and cost less to provide than more extensive training taking place over several days or weeks. They also counter the issue of retaining participants in longer term programs. Which method is more effective in educating residents about the tools for recovery depends on whether the goal is to create awareness or teach the details of the foreclosure recovery process. Factors to consider in making the decision are the severity of the foreclosure problem in the area, the degree of resident demand for the information, and the extent of resources available to fund on-going sessions.



## **Recommendations**

In the course of this thesis project, the residents that were the subject of the work went from holding a position of disbelieving foreclosure had impact in the Eastside to one of acknowledging it as a crisis. And they recognized that without additional financial education made available to the community, very little would change and foreclosure would prevail. In fact, it would appear that education and the access to information are the best remedies.

### **1. Community roundtable**

The primary recommendation from this evaluation is for the local stakeholders concerned about stabilizing neighborhoods particularly hit hard by foreclosure to come together to identify sources of funding for nonprofit housing counselors to assist the people living in the affected properties, regardless of whether they are homeowners or tenants. Housing counselors are trained to prevent and intervene in foreclosure proceedings to rescue those afflicted. They are not paid and therefore do they have time to help the ones that are certain to lose their homes. There is no soft landing for them unless those best qualified to step in are provided with the financial means to do so.

Without education, the conditions that allowed residents to get into foreclosure will go unchecked and could be repeated in the future. In the meanwhile they will stay at the bottom of the economic ladder and at a minimum, will contribute little to the welfare of the community and the city in which they live. At the extreme, they will move away.

### **2. Community investment**

Considering the more than 300,000 estimated foreclosures for the region, investing in and retaining residents should be an important strategy pursued. This call to action is for bankers and other

lenders, regulators, local government, foundations, and private enterprises. What does not get fixed locally becomes a problem regionally.

Foreclosure will continue to exist as long as the recession persists. At this date, it appears that it will run for several years into the future. Although there is little funding available to address the current need for assistance, a convening of stakeholders could develop creative ways to attract capital into the area to meet the need for financial education in the Eastside.

### **3. Additional training**

According to the views of residents, as expressed in the workshops, there is demand for continued workshops on foreclosure and on topics related to financial education, such as small business development and ways to build wealth. In response, the workshop instructors expressed a desire to return to the area to continue providing the education, albeit on a limited basis due to the constraints of their case loads at their respective jobs. And the Community Settlement Association has offered to host training workshops throughout the remainder of 2009 and into 2010.

### **4. Standardized testing**

Lastly, it is recommended that community workshop facilitators, in general, develop standardized educational tracking and measurement procedures to ensure that results are comparative and that survey and test results can be aggregated in the whole and shared at the regional, state and national levels. Only in this way can the full story be told of changes occurring in local neighborhoods that lead to long-term outcomes.

## **VIII. Sustainability Plan**

### ***Sustainability of Project Activities and Resources***

The workshops that are the essence of the activities for this project are designed to run beyond the scope of the time frame on which this project is based. The project consists of three workshops in early 2009. Following the submission of this project the Community Settlement Association has agreed to meet with the other non-profit organizers to identify the subject and format of subsequent trainings to be held throughout 2009 and into 2010 in the Eastside, and in the two other low-income neighborhoods of the city of Riverside: Casa Blanca and Arlanza.

Funding for the workshops has come from Union Bank, the Federal Reserve Bank of San Francisco, the Fair Housing Council, Springboard Nonprofit Consumer Credit Management, and the Community Settlement Association. For future workshops the budget will be evaluated to determine sufficiency and effectiveness for the future events.

### ***Sustainability of Benefits***

Although the knowledge imparted to the participants in the workshops took place in three hour increments, the training was performed in small groups where personal attention was given to each participant the instructor(s). The participants took away with them the knowledge of the importance of credit and budget management and how to do it, and they took away the knowledge of how to prevent foreclosure and the steps involved in seeking assistance from a nonprofit housing counselor, regardless of whether the participants were looking for prevention or recovery from foreclosure. They also took language-appropriate hand-outs to assist them in sharing what they have learned with their neighbors, friends and families.

## IX. References and Bibliography

### References

- Armour, S. 2008. Foreclosures take toll on mental health. *USA Today*. May 15, 2008. Front page. McLean, VA. Pp. 1A-2A.
- Cadaviz, E. 2008. Foreclosure fact sheet, *Los Angeles NeighborWorks Center for Foreclosure Solutions*. April 29, 2008 presentation to the faith-based community.
- Carreras, J. 2008. "Foreclosures in our communities". *Southern California Association of Government* (SCAG), Housing and Community Planning. Presentation at the HUD Western Region Housing Summit on August 25, 2008. Slide 10.
- Cheskin Added Value. 2003. "How low income hispanics get around financial hurdles"5. *Cheskin Added Value: Hispanic Markets*. August 6, 2003. Taken from the website on July 15, 2008. <http://www.cheskin.com/blog/blog/archives/000175.html>
- Erlenbusch, B; O'Connor, K. et al, "Foreclosure to homelessness: The forgotten victims of the sub-prime crisis", *National Coalition for the Homeless*, April 15, 2008. Pp. 5-4.
- Husing, J. 2008 Inland empire 2008...recession! *John Husing, Ph.D. Economics and Politics, Inc.* May 30, 2008 presentation to the Inland Empire Economic Partnership (IEEP). <http://www.riverside.bia.org/cmsdocuments/Husing.ppt>.
- Immergluck, G. 2008. Community response to the foreclosure crisis: Thoughts on local Interventions. Atlanta, GA. *Federal Reserve Bank of Atlanta*. Pp. 1-7
- Immergluck, D. and Smith, G. "The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values". Housing Policy Debate Volume 17, Issue 1. Fannie Mae Foundation. 2006
- Jackson, M.R., Kabwasa-Green, F., and Herranz, J. 2006. Cultural Vitality in Communities: Interpretation and Communities. *The Urban Institute*. [http://www.urban.org/UploadedPDF/311392\\_Cultural\\_Vitality.pdf](http://www.urban.org/UploadedPDF/311392_Cultural_Vitality.pdf)
- Lovell, P. and Isaacs, J. 2008. The impact of the mortgage crisis on children. *First Focus: Making children and families the priority*. May 2008. Wash. D.C. Taken from the website August 31, 2008. <http://www.firstfocus.net/pages/3401/>
- Morin, R. 2008. "Feeling guilty: Americans say they aren't saving enough". *PewResearchCenter Publications*. May 14, 2008.
- Preston, D. California tenants displaced by foreclosures. *BeyondChron.org*. November 27, 2007. <http://www.tenantstogether.org/article.php?id=150>
- Retsinas, N.P., Belsky, E.S. 2008. Borrowing to live: Consumer and mortgage credit revisited.

*Interventions in Mortgage Default: Policies and Practices to Prevent Home Loss and Lower Costs*. Pp. 203-254. Cambridge, Mass and Washington, D.C. Joint Center for Housing Studies at Harvard University and the Brookings Institution Press.

Riverside 2007 General Plan 2025. Housing, Land Use and Urban Design, Arts and Culture, and Transportation Elements. 2007. Riverside, CA. *City of Riverside Community Development Department*. Pp. Preamble i-xi, HE 1-3, 46-47, 57-63, 71-90, LU 46-76, 141-141, AC1-11

Rueben, K. 2008. "Changes in housing markets and the effects on families, neighborhoods and local governments". *Stabilizing Communities: Addressing the negative impacts of foreclosure*. July 15, 2008. FRBSF. Hollywood, CA. P.2.  
IBID, P.18.

Sichelman, L. 2008. "Mortgage crisis takes a toll on children too". *Los Angeles Times*. July 6, 2008.

Swanstrom, T., Chapple, K., Immergluck, D. 2009. Regional resilience in the face of foreclosures: Evidence from six metro areas. *University of California, Berkeley*. May, 2009.

Tull, T. 2008. Interview June 26, 2008 on the connection between foreclosure and homelessness. Beyond Shelter. Los Angeles.

UC Riverside Newsroom. 2008. UC riverside launches initiative to reduce high school dropout rate in the inland region and increase numbers of students who choose college. *UC Riverside Newsroom*. January 18, 2008. Riverside, CA.

Witsman, J. 2007. Food pantries see increase in middle class families. KSNW-TV. Wichita, Kansas.  
<http://www.ksn.com/news/local/19810558.html>

## Bibliography

California Reinvestment Coalition. 2008. "The growing chasm between words and deeds". October, December, 2008.

City of Riverside. 2008. "Neighborhood Stabilization Program, substantial amendment". Development Department, Neighborhoods and Housing division. November 4, 2008.

Dale, A. 2007. "More Loan Forgiveness Sought". *The Wall Street Journal online*. June 17, 2008.

Delaware State Housing Authority. Delaware statewide housing needs assessment 2008-2012. *Mullin & Lonergan Associates, Inc.* September, 2007. Pennsylvania.

Doms, M., Furlong, F., Krainer, J. Subprime mortgage delinquency rates. Federal Reserve Bank of San Francisco. November, 2007. Working Paper 2007-33

Erlenbusch, B. O'Connor, K. Downing, S., Watlov Philliops, S. 2008. "Foreclosure to homelessness: the forgotten victims of the subprime crisis". National Coalition for the Homeless. April, 2008. Washington, DC.

Fields, D., Libman, K. Saegert, S. Clark, H. Justa, F. 2007. "Understanding responses to the threat of foreclosure among low-income homeowners". *The Graduate Center. The City University of New York*. July 2007. New York.

Freddie Mac. 2005. "Foreclosure avoidance research". Roper Public Affairs and Media, a division of GFK NOP. December 12, 2005. Virginia.

Human Relations Commission, City of Riverside. Annual report – 2005. Riverside

Husing, J. Ph.D. 2008. "Inland empire 2008...Recession!" *Economics and Politics, Inc.* May 30, 2008. Riverside.

Johnson, M. 2008. Riverside county survey. University of California, Riverside. UCR Survey Research Center.

Leonard, P. 2008. "The mortgage crisis today: How far have we come and where do we need to go" *Center for Responsible Lending*. August 4, 2008. Oakland.

Neighborhood Housing Services of Chicago, Inc. "Lessons from the front lines". October 2007. "A roadmap for HOPI 2007-2009". Chicago.

Reynolds, M. 2008. "Loan troubles hit new heights". Los Angeles Times. March 6, 2008. Los Angeles.

Christie. L. 2007. "Study: Rust Belt Sees highest foreclosure risk". CNN Money.com. June 7, 2007. New York.

Sharp, L. 2008. "Why is it so hard to originate loans & what is needed". Arrowhead Credit Union. May 30, 2008. San Bernardino. University of California, Riverside. 2008.

UC riverside launches initiative to reduce high school dropout rate in the inland region and increase numbers of students who choose college". *UCRiverside Newsroom*. January 18, 2008.

Van Zalingen, M. 2007. "Neighborhood housing services of Chicago and the home ownership preservation initiative – A successful partnership looks to expand its scope and impact".

Waldrip, K. and Pelletiere, D. 2008. "Income and tenure of households seeking foreclosure counseling: A report from recent surveys.". *National Low Income Housing Coalition*. July 17, 2008. <http://www.nlihc.org/doc/RN-08-03-Final>