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Responding to Foreclosures in Cuyahoga County: 2013 Evaluation Report

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INTRODUCTION

In 2005, Cuyahoga County became one of the first places in the nation to respond to the rapid increase in the number of residential foreclosure filings. In response to concerns raised by suburban mayors, the County developed a comprehensive foreclosure prevention initiative. The County’s response was multi-faceted and included modifications to the judicial foreclosure process to make foreclosures faster and fairer, greater coordination across County agencies involved in foreclosures such as the sheriff, the prosecutor, the treasurer and the recorder. A key facet of the response was the creation of the Cuyahoga County Foreclosure Prevention Program (CCFPP) which involves face to face counseling to help struggling homeowners address mortgage issues and stay in their homes. Since its creation in 2005, the CCFPP has adapted to the rapidly changing nature of the crisis.

Early on, in 2006, Cleveland State University was brought on to evaluate the program. The role of the evaluators has been to track progress and provide information about the program that has been used to improve and adapt it to the rapidly changing state and national context surrounding foreclosures. This report is the eighth annual evaluation report to the County. It highlights trends and identifies successes and gaps and makes recommendations for program improvements.

The number of foreclosure filings in the County peaked in 2007 at 13,777; remained over 13,500 for three years, and finally began to decline in 2010. In 2013, there were 8,912 residential foreclosure filings in Cuyahoga County, a 24 percent decline from 2012 and a 38 percent decline from the peak in 2007. This is good news for local housing markets, many of which are still in recovery mode throughout the County.

Since Cuyahoga County began its foreclosure prevention program in 2006, a total of 13,505 homeowners have received counseling from one of the five participating agencies. In 2013, 3,617 households were counseled by the five participating agencies.

With an estimated 26,000 vacant parcels countywide, (15,718 of them in the city), and thousands of homeowners still facing foreclosure, the County’s housing markets remain weak and values have not recovered. The result is an estimated 9-13% decrease in County property tax base and associated tax revenue receipts. Property tax foreclosure is becoming an increasing concern.

Weinstein, Hexter, et. al. 2006 County Foreclosure Report.
Ford, Frank, Vacant Property Trends in Cuyahoga County, 1995-2013, Thriving Communities Institute, September 22, 2013.
County Council member Sonny Simon, addressing the Ohio Fair Lending Conference, June 27, 2014.
METHODOLOGY

In August 2006, the County entered into a contract with the Maxine Goodman Levin College of Urban Affairs, Cleveland State University to evaluate the program. Since that time, the CSU evaluation team has been gathering data to help the County:

• track progress
• understand the successes and barriers of the Initiative
• understand whether the program was accomplishing its goals and objectives
• improve and adapt the program going forward

This report on the 2013 program year is the eighth annual report on the progress of the initiative.

The evaluation team uses a continuous learning model of evaluation, with feedback provided to the County on a regular basis. Because of the County’s longstanding interest in program assessment and evaluation, it has seven years of data about foreclosure prevention activities in Cuyahoga County.

The information used in this report is drawn from the following sources:

1. Interviews with directors and counselors from the participating housing counseling agencies, County Department of Development administrators, housing managers from the First Suburbs Consortium, the director of 211 First Call for Help and representatives of the Vacant Properties Advocacy Council. (Detailed list can be found in Appendix C.)

2. Monthly county foreclosure counseling agency coordinating meetings.

3. Agency data on foreclosure counseling client demographics and outcomes provided to the County Department of Development.

4. Data on foreclosures provided by the Northeast Ohio Data and Information Service of the Levin College and NEO CANDO at Case Western Reserve University.

5. 211 First Call for Help documentation of calls and referrals by service type and agency, a description of their referral process, and definitions of the service categories used.

6. Data on the Foreclosure Mediation Support Program provided by the Cuyahoga County Court of Appeals.

Two important notes about the data:

1. From March 2006 to March 2008, client outcome data was gathered from agencies through a data request from the County Foreclosure Prevention Program office. This early data was not reported consistently across agencies and was limited in scope.
RESPONDING TO FORECLOSURES IN CUYAHOGA COUNTY

With strong encouragement and support from the evaluation team, in 2008, the participating counseling agencies adopted the common reporting format of the then-new National Foreclosure Mitigation Counseling (NFMC) program. Agencies used the NFMC reporting platform and the evaluators were able to collect much more consistent and detailed information electronically about the outcomes of the counseling. Thus, we have continuous, consistent client outcome information from March 2008 forward.

2. In 2009, the County requested that we switch the reports from a program year (March through February) to a calendar year (January through December). This change resulted in a two-month overlap (January and February) in the 2009 program year.

Our work would not be possible without the full cooperation and assistance of the numerous County departments, the Court of Common Pleas mediation program and the participating counseling agencies. We especially wish to thank Paul Herdeg, Housing Manager, Department of Development for his support.

FORECLOSURE TRENDS

The national foreclosure crisis hit Cuyahoga County residents earlier and the recovery is taking longer than other places. The declining number of foreclosure filing in Cuyahoga County trails the national trend. As of February 2014, approximately 752,000 homes in the United States were in some stage of foreclosure, known as the foreclosure inventory, compared to 1.2 million in February 2013, a year-over-year decrease of 35 percent (compared with Cuyahoga County’s 24 percent decline.)

“Although there is good news that completed foreclosures are trending lower, the bigger news is the impressive decline in the foreclosure and shadow inventories,” said Dr. Mark Fleming, chief economist for CoreLogic. “Every state has had double-digit, year-over-year declines in foreclosure inventory, which is reflected in the $70 billion decline in the shadow inventory.”

The Joint Center for Housing Studies at Harvard University concludes, “The US housing market continues its gradual return to normal, with far fewer delinquencies, foreclosures, and underwater mortgages than a year ago... Over the short term, housing markets will benefit most from a continued economic recovery that increases employment and raises incomes, particularly among younger adults hardest hit by the recession.”

The foreclosure crisis in Northeast Ohio has persisted because of the weak economy and the weak housing market. Further, when homes in Cuyahoga County are foreclosed, they are more likely to become vacant and abandoned than they are in other parts of the country. This is


Joint Center for Housing Studies of Harvard University, “The State of the Nation’s Housing, 2014”, p.11.
especially true on the city’s east side. Another trend that bears watching is the shift from owner occupancy to rental occupancy of single family homes. Investors are purchasing foreclosed homes and renting them as income property. The long-term effects of this trend are unknown. While no one can predict the future, the crisis has fundamentally changed housing markets in Cuyahoga County.

From 2012 to 2013, the number of residential mortgage foreclosure filings declined more rapidly in the suburbs (30%) than in the city (14%). The largest percentage decline (33%) was in the eastern suburbs.
As Map 1 illustrates, even though foreclosures now touch every community in the County, 60% are concentrated in the predominantly African American neighborhoods on the east side of Cleveland and the inner-ring eastern suburbs. On a positive note, this concentration of foreclosures on the east side is down slightly from 64% in 2012. (Table 1)
RESPONDING TO FORECLOSURES IN CUYAHOGA COUNTY

TABLE 1. FORECLOSURE FILING TRENDS, EAST -WEST COMPARISON

<table>
<thead>
<tr>
<th>Area</th>
<th>2007</th>
<th>2012</th>
<th>2013</th>
<th>Percent Change, 2012-2013</th>
</tr>
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<tbody>
<tr>
<td>East Side Clev</td>
<td>5,255</td>
<td>2,791</td>
<td>2,282</td>
<td>-18%</td>
</tr>
<tr>
<td>West Side Clev</td>
<td>2,024</td>
<td>1,677</td>
<td>1,539</td>
<td>-8%</td>
</tr>
<tr>
<td>East Suburbs</td>
<td>4,329</td>
<td>4,668</td>
<td>3,110</td>
<td>-33%</td>
</tr>
<tr>
<td>West Suburbs</td>
<td>2,169</td>
<td>2,611</td>
<td>1,981</td>
<td>-24%</td>
</tr>
<tr>
<td>EAST Cuy. County</td>
<td>9,584</td>
<td>7,459</td>
<td>5,392</td>
<td>-28%</td>
</tr>
<tr>
<td>WEST Cuy. County</td>
<td>4,193</td>
<td>4,288</td>
<td>3,520</td>
<td>-18%</td>
</tr>
<tr>
<td>Clev Total</td>
<td>7,279</td>
<td>4,468</td>
<td>3,821</td>
<td>-14%</td>
</tr>
<tr>
<td>Suburbs Total</td>
<td>6,498</td>
<td>7,279</td>
<td>5,091</td>
<td>-30%</td>
</tr>
<tr>
<td>TOT. Cuy. County</td>
<td>13,777</td>
<td>11,747</td>
<td>8,912</td>
<td>-24%</td>
</tr>
</tbody>
</table>

CUYAHOGA COUNTY FORECLOSURE PREVENTION PROGRAM (CCFPP) 2013

Over the past eight years, Cuyahoga County has employed a range of programs and policies to address foreclosures including: foreclosure prevention counseling, mortgage payment assistance, mortgage modification, mediation through the Court, principal reduction to help homeowners negotiate for affordable monthly payments; early intervention; and advocacy for additional funding and programs. Keeping people in their homes on the front end helps the homeowner, the neighborhood and the County while saving tax dollars that would otherwise have to be spent on code enforcement or cleaning up or tearing down the vacant and abandoned properties on the back end.

The County program operates within the context of state and federal programs, policies and settlement agreements. These programs and policies vary from year to year and are described in Appendix B.

Local and national research has demonstrated that the centerpiece of this program, face-to-face foreclosure prevention counseling resulting in a loan modification, is an effective option in terms of helping homeowners stay in their homes. However, it is important to note that we have observed a notable shift in 2013 outcomes from mortgage modifications to “brought mortgage current”. The causes and implications of this will be discussed further in the outcomes section of the report but it raises concerns about the long-term sustainability of the intervention.
It is important to keep in mind that the end goal is housing stability, which benefits homeowners, neighborhoods, cities and the entire county. Foreclosure prevention counseling works best when there is early contact with motivated but vulnerable homeowners as it helps them understand their options and navigate the foreclosure process.

The counseling services are supported, in part, by funding from the County and provided by a network of local nonprofit counseling agencies. In 2013, five agencies participated in the program. The agencies employ trained counselors to work directly with homeowners at risk of or facing foreclosure. Ongoing evaluation by Cleveland State University has validated the success of this service delivery model. The objectives of the Cuyahoga County Foreclosure Prevention program for 2013 were to:

1. Coordinate outreach to homeowners in Cuyahoga County and connect them to foreclosure counseling and/or court mediation resources.
2. Raise and distribute funding and other resources to partner counseling agencies.
3. Conduct research on and provide publicly available information concerning the nature and scope of the evolving foreclosure crisis.
4. Advocate for and support legislative initiatives at the state and federal level that better address the local foreclosure crisis.

PROGRAM ADMINISTRATION AND CONVENING

Cuyahoga County funds and administers the program and convenes the partners. The administrative structure has evolved since the program began in 2005. From 2005-2008, the program had a dual administrative structure within both the County Treasurer’s Office and the Department of Development (DOD) as described in previous reports. From 2008-2010, the program was housed and administered in the offices of County Treasurer. In 2011, with the transition to the new form of County government, the program administration remained in the treasurer’s office.

As the transition continued however, in 2012, the DOD took over all aspects of management of the program. Responsibility for the program fell under County’s housing manager, Paul Herdeg. The DOD works closely with the counseling agencies, serves as convener of the agencies’ monthly meetings, coordinates the counseling plus mediation program with the court, monitors state and federal legislation and advocates for issues that impact the industry.
In 2013, the director of the County’s Department of Consumer Affairs began to regularly attend the monthly coordinating meetings along with representatives from the County Treasurer’s office, United Way’s 211 First Call for Help, the County Court of Appeals Mediation program and the representatives from the Counseling Agencies: Cleveland Housing Network (CHN), Community Housing Solutions (CHS), Empowering and Strengthening Ohio’s People (ESOP), Neighborhood Housing Services of Greater Cleveland (NHSGC), the Home Repair Resource Center (HRRC) in Cleveland Heights.

The DOD has consistently provided funding from its Community Development Block Grant funds for counseling services to clients in the “urban county.” DOD also ensures compliance with County and Federal funding rules. This compliance is ensured through annual monitoring.

**Eligibility.** County residents are eligible to receive counseling and legal services through the County Foreclosure Prevention Program provided the property in question is the principal residence, the resident has the means to meet monthly obligations going forward, and the resident wants to stay in the home. Clients who do not meet these eligibility requirements are referred to other assistance programs. Residents do not have to have a foreclosure filing in order to apply. In fact, they are encouraged to apply at the first signs of trouble, before the foreclosure filing occurs.

**Foreclosure Prevention Counseling.** The hallmark of the County’s Foreclosure Prevention program continues to be face to face counseling. All of the agencies are HUD certified housing counseling agencies and most of them provide a range of other programs aimed at successful homeownership and/or budget counseling. Homeowners at risk of foreclosure can request counseling through a variety of methods, including United Way’s 211 First Call for Help, the regional resource and referral network, which has been an integral part of the program since its inception. The earlier a homeowner at risk of foreclosure seeks mortgage payment counseling assistance, the more effective the counseling can be.

Agencies are continuously adapting their intake and counseling processes to meet changing needs and changing program requirements. For example, NHSGC added the option of a web application portal as one option for accessing services and does initial intake over the telephone. Generally, though, the agencies hold intake session in person. Some agencies use group intake sessions at which they see about 10-25 clients per session. Agencies use these sessions to explain the foreclosure process, give clients a checklist of paperwork needed to proceed with counseling, and identify the various funding sources that may be available.

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6 The Cuyahoga County Department of Development serves as the entitlement agency for 51 of the smaller suburban communities. As the entitlement agency for these communities, the County is responsible for administering federal Community Development Block Grant funds and HOME funds. The six larger cities located in Cuyahoga County - Cleveland, Cleveland Heights, East Cleveland, Euclid, Lakewood and Parma - are also considered entitlements, and are responsible for administering and distributing their direct allocation of these funds on behalf of their residents.
With the County CCFPP office serving as the “backbone support” organization, providing staff, funding and the skills needed to bring all the groups together, the system functions as a model of “Collective Impact.” The evaluation provides the shared measurement system necessary to make this model work; measuring results consistently across all participants.7

Funding Sources. The County has drawn on a number of funding sources over the life of the Foreclosure Prevention Program:

- County General Funds
- Community Development Block Grant Funds
- Grants and donations

From 2006 to 2013, a total of $6.6 million has been raised to support the program (Table 2.) Annual or program year funding has fluctuated from a high of close to $1 million in the first year of the program, to a more sustainable $250,000 in 2012 and 2013. For the past two years, the County program has had two sources of funding: 1) the County has allocated a portion of its Community Development Block Grant dollars to support foreclosure prevention counseling for clients living in the ‘Urban County,’ e.g. those cities in the County that are not direct entitlement cities and 2) St. Luke’s Foundation has supported the foreclosure mediation support program which provides counselors on-site at the court during pre-mediation conferences (see page 34.)

### TABLE 2. SOURCES AND COMMITMENTS OF FUNDS, MARCH 2005 – DECEMBER 2013

<table>
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<tr>
<th>Funds Source</th>
<th>2005-2009</th>
<th>2010</th>
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<th>2013</th>
<th>Total Program Commitments</th>
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<td><strong>Community Grants</strong></td>
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<td>Neighborhood Progress, Inc.*</td>
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<td>National City</td>
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<td>Key</td>
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<tr>
<td>Miller Foundation</td>
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<td>Chase</td>
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<td>Ohio Savings/AmTrust</td>
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<td>Dominon Foundation</td>
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<tr>
<td>Safeguard Properties</td>
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<td>David S. Stein Foundaion</td>
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<tr>
<td>Ocwen Loan Servicing</td>
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<td>Eaton Charitable Fund</td>
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<td>St. Lukes Foundation**</td>
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<td>The Cleveland Foundation</td>
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<td>$125,000</td>
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<td>$250,000</td>
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**Subtotal** $960,050 $325,000 $20,000 $100,000 $1,405,050

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<tr>
<th>County</th>
<th>2005-2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total Program Commitments</th>
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<td>General Fund</td>
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<td>$93,464</td>
<td>$250,000</td>
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<tr>
<td>TANF</td>
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<td>$400,000</td>
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<tr>
<td>DTAC</td>
<td>$2,800,000</td>
<td>$230,000</td>
<td></td>
<td></td>
<td></td>
<td>$3,030,000</td>
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**Subtotal** $4,222,500 $386,536 $93,464 $250,000 $250,000 $5,202,500

**Total** $5,182,550 $711,536 $113,464 $350,000 $250,000 $6,607,550

* NPI pledged an additional $75,000 that was redirected to another County Initiative at the request of the County Treasurer
**2012 St. Luke's Foundation funding was for July 15, 2012-July 15, 2013
As Table 3 illustrates, from 2006 through 2013, a total of $2.9 million has been allocated to the participating counseling agencies to provide counseling services. From 2006-2011 the County also funded a pot of “rescue” funds that provided up to $3,000 to help a homeowner cure a mortgage default. However, that funding ended in 2011 soon after Ohio’s Restoring Stability (RS) program began taking applications in September 2010. The RS program, supported by Ohio’s share of Hardest Hit Funds, offered a range of assistance programs including rescue payment assistance (up to $25,000) and mortgage payment assistance (up to $22,000, or 18 months of full mortgage payments) for unemployed or underemployed homeowners. It also made available a lump sum payment up to $35,000 to reduce the principal balance on a homeowner’s mortgage to make it more affordable.

8 In February 2010, the U.S. Department of the Treasury announced a new program to provide targeted aid to families facing foreclosure in states hit hard by the economic and housing market downturn. The program, called the Hardest Hit Fund, was intended to assist states struggling with high unemployment rates or steep home price declines.
PROGRAM COMPONENTS

211 FIRST CALL FOR HELP

United Way’s 211 First Call for Help serves as the primary point of contact for County residents seeking foreclosure assistance. From March 2006 through December 2013 “211” received 26,955 calls for foreclosure prevention assistance. However, the number of calls for assistance has been declining since 2010, for reasons described below.

CHART 2: 211 FIRST CALL FOR HELP CALL VOLUME, 2006 - 2013

As Chart 2 illustrates, “First Call for Help” received 1,552 calls for foreclosure assistance in 2013, the lowest number since the CCFPP began and a decline of 33% from the 2,347 calls in 2012. This decline has been steady since 2010.

The decline is due to a number of factors. In addition to “211”, there are several other entry points to the system for homeowners needing assistance. Agencies have been taking large...
numbers of referrals from state and federal toll free numbers (such as Ohio’s Save the Dream program, Hope for Homeowners, the National Foreclosure Mitigation Counseling Program and the Ohio Hardest Hit Fund). Further, clients may contact the agencies directly. Two other relatively new sources of referral to the program include the mediation program for homeowners in foreclosure (every homeowner receives information about the mediation program and the counseling program with the notice of foreclosure filing) and, as the program has become more widely known, word-of-mouth referrals have increased.

In 2013, the majority of callers to 211 were from the City of Cleveland, a pattern consistent with previous years (Chart 3).

**CHART 3: 211 FIRST CALL FOR HELP TOP CITIES, 2013**
FORECLOSURE PREVENTION COUNSELING CLIENTS

From March 2006 through December 31, 2013, participating agencies have served over 20,000 homeowners at risk of foreclosure. The number of clients peaked in 2011 and 2012 at 4,824 and 4,883 respectively. In 2013, for the first time since 2009 the year over year number of foreclosure clients declined by 24%. A number of factors may explain this drop. First, while homeowners are not required to have a foreclosure filing in order to seek counseling, the 25% decrease in the number of foreclosure filings in 2013 appears to be one factor.

Chart 4: TOTAL HOMEOWNERS COUNSELED

Another factor that appears to impact the number of clients seeking assistance both positively and negatively is the availability of funds to help with mortgage payments. As illustrated in Chart 4, the number of clients jumped in August 2007 when the County announced that rescue funds were available. A second surge came in September 2010 with the state’s announcement of the “Hardest Hit Funds” which provided an unemployed homeowner with up to $35,000 to help with monthly mortgage payments.
**Demographic Profile of Counseling Clients**

The demographic characteristics of clients served has changed somewhat, most notably in terms of racial composition. Tables 4-8 display the demographic characteristics of clients for the 3 most recent years of the program.

As illustrated in the following tables:

- The majority of clients seen by the agencies continue to be female-headed households, although the percentage has declined from 67% in the first program year (March 2006 to February 2007) to 61% in 2013.
- The percentage of clients that is African American declined from a high of 81% in the first program year to a low of 54% in 2009. Since 2009, the percentage has stayed in the 54-60% range. The percent Hispanic has consistently been small (between 4 and 7 percent) although it increased in 2010 to a high of 12%.
- The percentage of clients age 62 or older is small but growing, more than doubling from 7% in the first year of the program to 15% in 2013.
- The percentage of clients with incomes below 50% of Area Median Income (AMI) has stayed fairly consistent, ranging from 43-47%, indicating that the program is serving those with the lowest incomes. In 2013 the percentage was 44%.

---

### TABLE 4: DEMOGRAPHICS OF CLIENTS SERVED, 2011 – 2013 (see 2006 – 2013 in Appendix D)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
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<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>White</td>
<td>1569</td>
<td>32%</td>
<td>1509</td>
<td>31%</td>
</tr>
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<td>African American</td>
<td>2672</td>
<td>55%</td>
<td>2941</td>
<td>60%</td>
</tr>
<tr>
<td>African American &amp; White</td>
<td>16</td>
<td>0%</td>
<td>18</td>
<td>0%</td>
</tr>
<tr>
<td>American Indian &amp; White</td>
<td>5</td>
<td>0%</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>American Indian &amp; Black</td>
<td>4</td>
<td>0%</td>
<td>2</td>
<td>0%</td>
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<tr>
<td>Asian</td>
<td>28</td>
<td>1%</td>
<td>21</td>
<td>0%</td>
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<tr>
<td>Asian &amp; White</td>
<td>5</td>
<td>0%</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Not Native Hawaiian/Other Pacific Islander</td>
<td>6</td>
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<td>Other</td>
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<tr>
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</tr>
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<td>4883</td>
<td>100%</td>
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<td>253</td>
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<td>4451</td>
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<td>4%</td>
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<tr>
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<td>4824</td>
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<td>4883</td>
<td>100%</td>
</tr>
<tr>
<td><strong>GENDER</strong></td>
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<tr>
<td>Female</td>
<td>2760</td>
<td>57%</td>
<td>2999</td>
<td>61%</td>
</tr>
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<td>Male</td>
<td>1794</td>
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<td>1752</td>
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<tr>
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<td>270</td>
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</tr>
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<td>4824</td>
<td>100%</td>
<td>4883</td>
<td>100%</td>
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<td>Single Adult</td>
<td>539</td>
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<td>791</td>
<td>16%</td>
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<tr>
<td>Female-headed Single</td>
<td>306</td>
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<td>453</td>
<td>9%</td>
</tr>
<tr>
<td>Male-headed Single</td>
<td>47</td>
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<td>71</td>
<td>1%</td>
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<tr>
<td>Married with no dependents</td>
<td>187</td>
<td>4%</td>
<td>229</td>
<td>5%</td>
</tr>
<tr>
<td>Married with dependents</td>
<td>302</td>
<td>4%</td>
<td>402</td>
<td>8%</td>
</tr>
<tr>
<td>Two or more unrelated</td>
<td>69</td>
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<td>64</td>
<td>1%</td>
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<tr>
<td>Other</td>
<td>18</td>
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<td>0%</td>
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<tr>
<td><strong>Total</strong></td>
<td>4824</td>
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<td>4883</td>
<td>100%</td>
</tr>
<tr>
<td><strong>AGE</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>62 and over</td>
<td>493</td>
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<td>613</td>
<td>13%</td>
</tr>
<tr>
<td>Under 62</td>
<td>2644</td>
<td>55%</td>
<td>2731</td>
<td>56%</td>
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<tr>
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<td>1687</td>
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<td>1539</td>
<td>32%</td>
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<td><strong>Total</strong></td>
<td>4824</td>
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<td>4883</td>
<td>100%</td>
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<tr>
<td><strong>INCOME</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Less than 50% of AMI</td>
<td>2023</td>
<td>42%</td>
<td>2213</td>
<td>43%</td>
</tr>
<tr>
<td>50-79% of AMI</td>
<td>1351</td>
<td>28%</td>
<td>1420</td>
<td>29%</td>
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<tr>
<td>80-100% of AMI</td>
<td>841</td>
<td>17%</td>
<td>854</td>
<td>18%</td>
</tr>
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<td>Greater than 100% of AMI</td>
<td>295</td>
<td>6%</td>
<td>359</td>
<td>7%</td>
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<tr>
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<td>125</td>
<td>3%</td>
</tr>
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<td><strong>Total</strong></td>
<td>4824</td>
<td>100%</td>
<td>4883</td>
<td>100%</td>
</tr>
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<td><strong>CREDIT RATING</strong></td>
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<tr>
<td>700 and up (excellent)</td>
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<td>133</td>
<td>3%</td>
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<tr>
<td>680-699 (good)</td>
<td>53</td>
<td>1%</td>
<td>60</td>
<td>1%</td>
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<tr>
<td>620-679 (fair)</td>
<td>257</td>
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<td>324</td>
<td>7%</td>
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<tr>
<td>580-619 (poor)</td>
<td>709</td>
<td>14%</td>
<td>724</td>
<td>15%</td>
</tr>
<tr>
<td>500-589 (bad)</td>
<td>1060</td>
<td>22%</td>
<td>998</td>
<td>20%</td>
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<tr>
<td>459 and below (very bad)</td>
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<td>818</td>
<td>17%</td>
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<td>None Reported</td>
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<td>46%</td>
<td>1194</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4824</td>
<td>100%</td>
<td>4883</td>
<td>100%</td>
</tr>
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</table>
### TABLE 5: DEMOGRAPHICS OF CLIENTS SERVED BY AGENCY, 2013

<table>
<thead>
<tr>
<th>Household Type</th>
<th>CHS Number</th>
<th>CHS Percent</th>
<th>ESOP Number</th>
<th>ESOP Percent</th>
<th>HRRC Number</th>
<th>HRRC Percent</th>
<th>NHS Number</th>
<th>NHS Percent</th>
<th>TOTAL Number</th>
<th>TOTAL Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>713</td>
<td>63%</td>
<td>670</td>
<td>57%</td>
<td>578</td>
<td>22%</td>
<td>794</td>
<td>33%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>Male</td>
<td>422</td>
<td>36%</td>
<td>399</td>
<td>33%</td>
<td>418</td>
<td>17%</td>
<td>437</td>
<td>17%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>Married with no</td>
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<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
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<td>Single</td>
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<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Head of household/No sex</td>
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<td>39%</td>
<td>619</td>
<td>51%</td>
<td>481</td>
<td>21%</td>
<td>574</td>
<td>22%</td>
<td>1155</td>
<td>100%</td>
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<td>Two or more unrelated</td>
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<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
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<td>Age under 62</td>
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<td>796</td>
<td>66%</td>
<td>839</td>
<td>35%</td>
<td>924</td>
<td>36%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>62 and over</td>
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<td>13%</td>
<td>193</td>
<td>16%</td>
<td>119</td>
<td>5%</td>
<td>172</td>
<td>6%</td>
<td>1155</td>
<td>100%</td>
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<td>None reported</td>
<td>141</td>
<td>12%</td>
<td>131</td>
<td>11%</td>
<td>118</td>
<td>5%</td>
<td>143</td>
<td>5%</td>
<td>1155</td>
<td>100%</td>
</tr>
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<td>Income</td>
<td>613</td>
<td>53%</td>
<td>407</td>
<td>34%</td>
<td>447</td>
<td>19%</td>
<td>454</td>
<td>17%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>20% to 49% of AMI</td>
<td>362</td>
<td>31%</td>
<td>104</td>
<td>8%</td>
<td>104</td>
<td>5%</td>
<td>103</td>
<td>4%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>50% to 79% of AMI</td>
<td>291</td>
<td>25%</td>
<td>216</td>
<td>17%</td>
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<td>10%</td>
<td>230</td>
<td>8%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>80% to 100% of AMI</td>
<td>138</td>
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<td>83</td>
<td>7%</td>
<td>80</td>
<td>4%</td>
<td>80</td>
<td>3%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>Greater than 100% of AMI</td>
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<td>12%</td>
<td>89</td>
<td>7%</td>
<td>92</td>
<td>4%</td>
<td>90</td>
<td>3%</td>
<td>1155</td>
<td>100%</td>
</tr>
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<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
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<td>11</td>
<td>1%</td>
<td>13</td>
<td>1%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>Very poor</td>
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<td>20%</td>
<td>45</td>
<td>4%</td>
<td>107</td>
<td>5%</td>
<td>129</td>
<td>5%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>40-49% (fair)</td>
<td>108</td>
<td>9%</td>
<td>32</td>
<td>3%</td>
<td>71</td>
<td>3%</td>
<td>71</td>
<td>3%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>40-49% (fair)</td>
<td>28</td>
<td>2%</td>
<td>8</td>
<td>1%</td>
<td>12</td>
<td>1%</td>
<td>12</td>
<td>1%</td>
<td>1155</td>
<td>100%</td>
</tr>
<tr>
<td>40-49% (fair)</td>
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<td>4%</td>
<td>9</td>
<td>1%</td>
<td>13</td>
<td>1%</td>
<td>13</td>
<td>1%</td>
<td>1155</td>
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<td>557</td>
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<td>434</td>
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<td>384</td>
<td>16%</td>
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TABLE 6: DEMOGRAPHICS, RACE OF CLIENTS SERVED BY COMMUNITY, 2013

<table>
<thead>
<tr>
<th>RACE</th>
<th>Cleveland</th>
<th>East Suburbs</th>
<th>West Suburbs</th>
<th>None Recorded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>African American</td>
<td>1080</td>
<td>68%</td>
<td>960</td>
<td>73%</td>
<td>28</td>
</tr>
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<td>African American &amp; White</td>
<td>100</td>
<td>0%</td>
<td>90</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>American Indian/Alaskan &amp; Black</td>
<td>2</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>American Indian/Alaskan &amp; White</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Asian</td>
<td>5</td>
<td>0%</td>
<td>5</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Asian &amp; White</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Native Hawaiian/Other Pacific Islander</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>None Reported</td>
<td>49</td>
<td>3%</td>
<td>31</td>
<td>2%</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>99</td>
<td>6%</td>
<td>15</td>
<td>1%</td>
<td>23</td>
</tr>
<tr>
<td>White</td>
<td>377</td>
<td>24%</td>
<td>303</td>
<td>23%</td>
<td>94</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1600</td>
<td>100%</td>
<td>1322</td>
<td>100%</td>
<td>620</td>
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TABLE 7: DEMOGRAPHICS, INCOME OF CLIENTS SERVED BY COMMUNITY, 2013

<table>
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<tr>
<th>AMI Percentage</th>
<th>Cleveland</th>
<th>East Suburbs</th>
<th>West Suburbs</th>
<th>None Recorded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50% of AMI</td>
<td>864</td>
<td>54%</td>
<td>36%</td>
<td>2%</td>
<td>1595</td>
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<td>50-79% of AMI</td>
<td>394</td>
<td>25%</td>
<td>28%</td>
<td>3%</td>
<td>936</td>
</tr>
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<td>80-100% of AMI</td>
<td>234</td>
<td>15%</td>
<td>22%</td>
<td>5%</td>
<td>657</td>
</tr>
<tr>
<td>Greater than 100% of AMI</td>
<td>32</td>
<td>6%</td>
<td>13%</td>
<td>2%</td>
<td>355</td>
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<tr>
<td>None Reported</td>
<td>5</td>
<td>0%</td>
<td>0%</td>
<td>64</td>
<td>84%</td>
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<tr>
<td>TOTAL</td>
<td>1600</td>
<td>100%</td>
<td>1322</td>
<td>100%</td>
<td>620</td>
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</table>

TABLE 8: GEOGRAPHIC DISTRIBUTION OF CLIENTS, 2009 - 2013

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<th>Year</th>
<th>Number</th>
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<th>Number</th>
<th>Percent</th>
<th>Number</th>
<th>Percent</th>
<th>Number</th>
<th>Percent</th>
<th>Number</th>
<th>Percent</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
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<tr>
<td>2009</td>
<td>912</td>
<td>51%</td>
<td>1004</td>
<td>46%</td>
<td>2083</td>
<td>43%</td>
<td>2231</td>
<td>45%</td>
<td>1600</td>
<td>44%</td>
<td>7190</td>
<td>46%</td>
</tr>
<tr>
<td>2010</td>
<td>681</td>
<td>38%</td>
<td>1597</td>
<td>39%</td>
<td>1862</td>
<td>39%</td>
<td>1995</td>
<td>41%</td>
<td>1467</td>
<td>41%</td>
<td>6135</td>
<td>39%</td>
</tr>
<tr>
<td>2011</td>
<td>165</td>
<td>9%</td>
<td>611</td>
<td>15%</td>
<td>703</td>
<td>14%</td>
<td>519</td>
<td>11%</td>
<td>475</td>
<td>13%</td>
<td>1998</td>
<td>13%</td>
</tr>
<tr>
<td>2012</td>
<td>43</td>
<td>2%</td>
<td>12</td>
<td>0%</td>
<td>176</td>
<td>4%</td>
<td>138</td>
<td>3%</td>
<td>76</td>
<td>2%</td>
<td>369</td>
<td>2%</td>
</tr>
<tr>
<td>2013</td>
<td>1801</td>
<td>100%</td>
<td>4124</td>
<td>100%</td>
<td>4824</td>
<td>100%</td>
<td>4833</td>
<td>100%</td>
<td>3618</td>
<td>100%</td>
<td>15632</td>
<td>100%</td>
</tr>
</tbody>
</table>

Looking across all agencies, Table 8 shows that the percentage of clients from Cleveland declined from its peak in 2009 at 51% to 44% in 2013. (It is important to note that the member communities that comprise the First Suburbs has changed since 2006 so we are not able to talk about trends other than city of Cleveland and County as a whole.10)

COUNSELING CLIENT TRENDS

Face-to-face interviews were conducted with staff of each of the five counseling agencies as well as with 211 First Call for Help, program administrators, and housing officials from the first suburbs consortium during each program year to identify emerging trends, needs and program gaps.

In 2013, the biggest change on the horizon was the ending of Ohio’s Restoring Stability program (see description in Appendix B), which offered financial assistance to help people stay in their homes. An emerging concern is the increase in the number of inquiries about tax foreclosure assistance. Both of these are expected to make it much harder for the agencies to help people stay in their homes.

The underlying causes and concerns were consistent with prior years, although as described above, the demand for counseling declined between 2012 and 2013:

• **Economic stagnation.** For the sixth consecutive year, the economy is the *most persistent challenge facing homeowners and it shows no signs of abating*. Loss of household income due to underemployment but also from unemployment and a medical and/or other emergency remains the number-one reason people seek assistance with mortgage payments. Agencies report that even as homeowners recover from job loss, they continue to face under-employment.

• **Underwater mortgages.** Agencies continue to report that “almost everyone” they see has negative equity in their homes. Years of declining home values contributed the most to this problem. County-wide housing values did not recover through 2013 though values have picked up in many neighborhoods. One agency representative characterized the current situation as “Under, under, under. Everyone is under everything...underwater, underemployed, just under.”

• **Foreclosures occurring county-wide.** Counseling agencies continue to see homeowners from every corner of Cuyahoga Count, but in 2013, the majority, 80%, of homeowners seeking assistance were from Cleveland and the eastern suburbs. In 2013, 36% of homeowners served were from the eastern suburbs of Cuyahoga County, while only half of that, 17% were from the western suburbs.

• **Still difficult to help.** The effects of prolonged economic stress has continued to result in clients who are difficult to assist. Homeowners who have no job or reduced incomes remain difficult to assist. This problem may only increase as the Restoring Stability program ends.

• **It takes a long time to get a resolution for homeowners.** Agencies report that the length of time required to reach a resolution for the homeowner continues to be quite long. This has been the case for a few years and is significantly longer than when the program first began. The length of time required to achieve a resolution has potential impacts the outcome of a case.
• **Short-Payoffs are still rare.** Payoffs have not increased over the last year and are still rare. Agencies report that they are looking into securing a short-payoff for homeowners and that lenders seem to be more willing to consider this as an option, but there has not been an appreciable increase.

• **Poor property conditions and tax issues are increasing.** Agencies are seeing more homeowners who are seeking assistance with additional housing issues. Counselors are seeing clients who have no equity in their homes to make housing related repairs resulting in deterioration of the property (such as leaking roofs). Additionally, agencies indicated that there are more people that are seeking assistance who do not have a mortgage, are on fixed incomes and are unable to keep up with their property tax payments. Existing mortgage foreclosure programs cannot help people facing tax foreclosure.

The foreclosure crisis began in Northeast Ohio in 2005. Nearly a decade later the problem remains. Though economic conditions **have improved, broader economic recovery remains slow and recovery in the housing market** has been sporadic, uneven and very limited in Cuyahoga County.

Ohio ended 2013 with an unemployment rate of 7.2%. That is up from the same time in 2012 which closed the year at 6.7% ([www.bls.gov](http://www.bls.gov)). For Ohio, the unemployment picture was slightly worse than for the nation. The U.S. unemployment rate for December 2013 fell to 6.7%, which was the lowest it had been since October of 2008. This continues a long-term pattern for the State of Ohio where it lags national average. This lag is expected to continue in 2014.

Experts suggest that the housing recovery is underway, but caution that it is unevenly distributed. Nationally, existing home sales in 2013 were the highest since 2006 and increased 9.1 percent to 5.09 million between 2012 and 2013. In its **Year-End 2013 U.S. Foreclosure Market Report**, RealtyTrac reported that overall foreclosure activity had decreased 26% from 2012 nationwide. Yet Ohio remained one of top 10 states for foreclosure activity and was in the top four states with the highest foreclosure rates (1.53 percent).

Economists are mixed on the prospect of favorable financial conditions that will promote the economy’s growth and what the strength of that growth will be. It is not expected that economic growth will surge for the whole of 2014, though some economists have expressed a more optimistic outlook for the year than in the 4.5 years since the recession officially ended.

Beginning in February of 2013, The Ohio Housing Finance Agency (OHFA) expanded the state foreclosure prevention program, Save the Dream Ohio with enhancements to the program and
eligibility requirements intended to aid OHFA in assisting more homeowners struggling to make their mortgage payments.

Save the Dream Ohio, formerly known as Restoring Stability, helps homeowners who have experienced a financial hardship and are at risk of mortgage loan default or foreclosure. Among the program changes, the state increased the maximum benefit amount per household from $25,000 to $35,000 for homeowners utilizing more than one program. Under the new terms, the maximum annual household income for eligible homeowners has increased to $112,375. Also, a household’s liquid assets excluding retirement funds will no longer be a factor in determining program eligibility.

The environment has again shifted. In March 2014, OHFA announced that the Save the Dream program would be ending and that the application deadline was to be April 30, 2014.

Everyone interviewed for this report indicated that one of the biggest challenges for 2014 is how to handle the sunset of this program. It is a significant loss, financially and programmatically, and will undoubtedly impact the ability to assist homeowners facing foreclosure in Cuyahoga County.
RESPONDING TO FORECLOSURES IN CUYAHOGA COUNTY

PROGRAM AND CLIENT OUTCOMES

The face-to-face, individualized approach to foreclosure prevention used by all five CCFPP agencies, combined with ESOP’s action-based organizing, is a proven means of guiding homeowners through the prevention process. All the agencies focus on finding a solution for the individual homeowner that will foster sustainable, long-term homeownership. A range of possible solutions is considered; from refinancing the mortgage loan to negotiating workouts with a servicer, to advising the homeowner to sell, if appropriate.

From the outset, the evaluation has tracked outcomes for homeowners, highlighting “successful outcomes”. However, the definition of a “successful” outcome has changed over the life of the program. From 2006 through early 2008, success was defined as keeping the homeowner in the home. Partner agencies were asked by the County Treasurer’s office to keep track of and report on four data points: the number of calls they received from “211 First Call for Help”, the number of appointments kept by callers, the number of foreclosures averted, and the number of loan workouts negotiated.

It is important to note that in the first two years of the program data was collected from each agency for two separate departments within the County, the Department of Development and the Cuyahoga County Foreclosure Prevention Program, located in the Treasurer’s office. The Department of Development, which managed the program funding, collected data for reimbursement and contract performance purposes. To request reimbursement, agencies submitted a County form and a HUD-9902 form each month to the County Department of Development. They reported on client numbers, demographics and the services that were provided. In addition, the Treasurer’s office made an annual data request about outcomes, as described above. (Table 9).

In March 2008, all of the agencies agreed to use a reporting format similar to that used by the National Foreclosure Mitigation Counseling Program which was launched in 2007. This new format of reporting to the County permitted the evaluators to look at a full range of outcome data (Table 10).
At the same time, the program’s objectives evolved, and the definition of success was revised slightly. Housing counselors and other agency staff, as well as the staff of the CCFPP, felt that where possible, keeping people in their homes was important, however staying in a home with an unaffordable mortgage was not the best outcome for every client. The ability of the homeowner to avoid foreclosure through other outcomes, such as selling the home, was added to the list of “successful counseling outcomes.” This includes “deed in lieu”, short sale, or some other type of sale. In cases where homeowners cannot keep their homes, the agencies can help them relocate.

The more detailed data that is now collected enables better decision making about what is happening with foreclosures in Cuyahoga County. It gives the County the ability to link the frontline efforts of the counseling agencies with foreclosure prevention strategies and targeted responses.

**TABLE 9: CLIENT OUTCOMES ALL AGENCIES, March 2006 - February 2008**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls from UWCFH</td>
<td>Number 3341 Percent -</td>
<td>Number 6118 Percent -</td>
<td>Number 9459 Percent -</td>
</tr>
<tr>
<td>Appts Kept</td>
<td>Number 1230 Percent 100%</td>
<td>Number 3081 Percent 100%</td>
<td>Number 4311 Percent 100%</td>
</tr>
<tr>
<td>FC Averted</td>
<td>Number 495 Percent 40%</td>
<td>Number 1756 Percent 57%</td>
<td>Number 2251 Percent 52%</td>
</tr>
<tr>
<td>- Loan Workouts</td>
<td>Number 203 Percent 16%</td>
<td>Number 1294 Percent 42%</td>
<td>Number 1497 Percent 35%</td>
</tr>
<tr>
<td>Unable to assist</td>
<td>Number 361 Percent 29%</td>
<td>Number 883 Percent 28%</td>
<td>Number 1244 Percent 28%</td>
</tr>
</tbody>
</table>
As Table 10 illustrates, from 2009\(^{13}\) to 2012, the total number of homeowners served by the agencies increased from 1,001 to 4,883, but declined by 25% to 3,618 in 2013. Since 2010, clients have been more difficult to serve as reflected in the consistently high percentages of outcomes “withdraw suspended” or “still receiving counseling”.

The number of homeowners counted as “withdraw/suspended” reflects those who either cannot be served, go to another agency or withdraw for other reasons. It is emblematic of the stubbornly difficult financial situation of homeowners facing foreclosure, as discussed in other

\(^{13}\) We use 2009 as the base year because the 2008 data covers only 10 months, as described earlier in the report.
sections of the report, as well as the continuing drop in home values experienced in many communities across the county. This number increased from 197 (12%) in 2008 to a high of 1331 (44%) in 2011. It declined to 814 (32%) in 2012 and then declined in 2013 to 700 (34%). However, the 700 is a higher proportion of clients seen (34%). By 2013, many of these cases were resolved. Homeowners who are in the counseling pipeline but do not respond to a series of follow-up calls from agencies (usually three) are categorized as suspended. If they return to the agencies for assistance, their case is re-activated. If upon their return, their original presenting problems have changed, a new case number is opened.

2013 also experienced a slight decline in the number of homeowners who were currently receiving counseling at time of reporting. The persistently high “currently receiving counseling” numbers reflect the increasingly long period of time it is taking to close a case. Some of the increase in this number is a result of the state’s Restoring Stability program was still active through 2013. While agencies pursue all loan modification options, including RS when appropriate, homeowners waiting to learn the determination of their eligibility and then their approval for RS funds (it is a two-step process, see Appendix B) are counted as “still receiving counseling.”

The goal of the program is to keep people in their homes or find them an affordable and suitable option. Therefore a range of outcomes is considered “successful” as detailed in Table 12. National research finds that for homeowners who want to remain in their homes and avoid foreclosure, mortgage modification provides the best opportunity for maintaining the loan. Analysis by The Urban Institute of the national NFMC program highlighted the importance of loan modifications for troubled borrowers. They report that “NFMC-counseled homeowners that received loan modifications were less likely to either have their loan go into foreclosure or to have a foreclosure completed after the start of counseling.”\textsuperscript{14} Looking at the total 1,052 homeowners with successful outcomes, in 2013, 33% brought their mortgage current and 11% had their mortgage modified. These two outcomes enable homeowners to stay in their homes and hold the most promise in terms of long-term sustainability of homeownership.

In Table 10, successful outcomes are examined relative to the total number of homeowners who had some outcome, not including those still receiving counseling. In 2008, CCFPP agencies were able to successfully help 571 (53%) of counseling clients with outcomes. The number of homeowners with successful outcomes increased steadily to 1,183 in 2011 and leveled off a bit in 2012 at 1,076 and declined slightly to 1,052 in 2013, though the percentage of homeowners who have achieved a successful outcome increased from 43% in 2012 to 51% in 2013. Overall,

\textsuperscript{14}The Urban Institute, National Foreclosure Mitigation Counseling Program Evaluation, Final Report Rounds 1 and 2, December 2011.

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Center for Community Planning & Development
from 2008 through 2013, agencies were able to successfully help 5,670 (50%) of all the homeowners who had some outcome, including withdrew or suspended.

In 2013, there was a 5% decrease in the percent of homeowners who were able to achieve a modification to their mortgage over 2012, while at the same time a 20% increase in homeowners who received assistance brought their mortgage current (13% in 2012 vs. 33% in 2013), most with mortgage payment assistance from Restoring Stability. This shift to brought mortgage current is a direct result of that program. Restoring Stability provided homeowners with up to $35,000 in assistance to bring their mortgages current. Yet, it excluded the possibility of modifying the mortgage for which assistance had been applied for the duration of the term of assistance, up to 18 months. The result is reflected in the outcome data as an increase in mortgage payment assistance and a reduction in modifications. It is not clear how the mortgage payment assistance will help homeowners over the long-term, once the 18 months of payment assistance concludes.

The number and percentage of counseling clients who lost their home to foreclosure is consistently small, a total of 303 homeowners or 3 percent of the total.
Table 11 illustrates outcomes by place of residence of counseling clients. Place of residence is shown as City of Cleveland, inner-ring suburbs and the remainder of the communities in Cuyahoga County. Though slight differences are observed, the data shows that outcomes are similar regardless of place of residence of the homeowner.
Table 12 shows client outcomes by housing counseling agencies in the program. Outcomes vary widely across agencies. For example, the percentage “still receiving counseling” ranged from a high of 76% for NHS clients to a low of 37% for CHS clients. Mortgage modification is considered to be the most sustainable successful outcome (see description above). The percentages range from a high of 15% for ESOP clients, to a low of 4% for NHS clients. This is a change from 2012 when HRRC reported the highest percentage of clients achieving a modification (21%). CHS reported 39% of its clients receiving assistance that allowed them to bring their mortgage current, followed closely by CHS (36%). HRRC reported the lowest
percentage with only 22% of clients receiving assistance that helped bring their mortgages current in 2013.

Though most other agencies reported few, if any short sales, CHN indicated that 81 homeowners (14%) successfully averted foreclosure through a short sale or pre-foreclosure sale in 2013. CHN also reported the highest number of short sales (68, 11%) in 2012 as well. Across all agencies the number of short sales, while still quite small, has increased since 2011.

However, one of the greatest differences observed across agencies are those clients that are reported as having withdrawn from counseling or whose cases were suspended. While overall, across all agencies in 2013, 34% of homeowners had withdrawn from counseling or had their cases suspended. Examined by agency, the percentages ranged from a high of 62% at NHS to a low of 3% at CHN. (Note: CHN had also reported the lowest (9%) rate of clients who withdrew or were suspended from counseling in 2012.)

Clients may be reported as withdrew/suspended for a number of reasons, and at this time it is unclear why this wide variation is being observed.

It may be also of interest to note that of the 700 clients across all agencies whose cases were withdrawn or suspended from counseling in 2013, 268 (38%) were from ESOP, although this made up 48% of their counseled cases. ESOP had the highest rate of withdrew/suspended in 2012 and experienced an increase from 40% of their cases in 2012 to 48% in 2013. The total number of clients who withdrew or were suspended decreased 14% from 2012 (814)
## TABLE 13: CLIENT OUTCOMES BY AGENCY, 2008 - 2013

<table>
<thead>
<tr>
<th>Agency</th>
<th>CHN</th>
<th>CHS</th>
<th>ESOP</th>
<th>HRBC</th>
<th>NHS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td><strong>SUCCESSFUL OUTCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brought Mortgage Current</td>
<td>534</td>
<td>24%</td>
<td>497</td>
<td>16%</td>
<td>215</td>
<td>5%</td>
</tr>
<tr>
<td>Mortgage Refinanced</td>
<td>13</td>
<td>1%</td>
<td>12</td>
<td>0%</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Mortgage Modified</td>
<td>488</td>
<td>21%</td>
<td>566</td>
<td>18%</td>
<td>934</td>
<td>22%</td>
</tr>
<tr>
<td>Referred homeowner to servicer with action plan no further counseling</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>282</td>
<td>7%</td>
</tr>
<tr>
<td>Initiated Forbearance</td>
<td>199</td>
<td>9%</td>
<td>421</td>
<td>14%</td>
<td>152</td>
<td>4%</td>
</tr>
<tr>
<td>Received 2nd Mortgage</td>
<td>3</td>
<td>0%</td>
<td>4</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Obtained partial claim loan from FHA lender</td>
<td>3</td>
<td>0%</td>
<td>4</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1241</td>
<td>55%</td>
<td>1504</td>
<td>48%</td>
<td>1590</td>
<td>37%</td>
</tr>
<tr>
<td><strong>OTHER SUCCESSFUL OUTCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executed deed in-lieu</td>
<td>12</td>
<td>1%</td>
<td>17</td>
<td>1%</td>
<td>11</td>
<td>0%</td>
</tr>
<tr>
<td>Sold Property but not at Short Sale</td>
<td>84</td>
<td>4%</td>
<td>9</td>
<td>0%</td>
<td>36</td>
<td>1%</td>
</tr>
<tr>
<td>Pre-Foreclosure Sale or Short Sale</td>
<td>295</td>
<td>13%</td>
<td>39</td>
<td>1%</td>
<td>11</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>391</td>
<td>17%</td>
<td>65</td>
<td>2%</td>
<td>58</td>
<td>1%</td>
</tr>
<tr>
<td><strong>TOTAL SUCCESSFUL OUTCOME</strong></td>
<td>1632</td>
<td>72%</td>
<td>1569</td>
<td>50%</td>
<td>1648</td>
<td>39%</td>
</tr>
<tr>
<td><strong>FORECLOSURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgaged Foreclosure</td>
<td>49</td>
<td>2%</td>
<td>123</td>
<td>4%</td>
<td>92</td>
<td>2%</td>
</tr>
<tr>
<td><strong>ONGOING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseled and referred to social service or emergency</td>
<td>374</td>
<td>16%</td>
<td>124</td>
<td>4%</td>
<td>18</td>
<td>0%</td>
</tr>
<tr>
<td>Foreclosure put on hold or in moratorium; final outcome unknown</td>
<td>4</td>
<td>0%</td>
<td>35</td>
<td>1%</td>
<td>31</td>
<td>1%</td>
</tr>
<tr>
<td>Counseled and referred to legal service</td>
<td>272</td>
<td>12%</td>
<td>263</td>
<td>8%</td>
<td>26</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>650</td>
<td>29%</td>
<td>422</td>
<td>14%</td>
<td>75</td>
<td>2%</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>1%</td>
<td>3</td>
<td>0%</td>
<td>740</td>
<td>17%</td>
</tr>
<tr>
<td>Bankruptcy</td>
<td>65</td>
<td>3%</td>
<td>56</td>
<td>2%</td>
<td>36</td>
<td>1%</td>
</tr>
<tr>
<td>Counseled on Debt Management or sent to Debt Management Agency</td>
<td>14</td>
<td>1%</td>
<td>55</td>
<td>2%</td>
<td>13</td>
<td>0%</td>
</tr>
<tr>
<td>Withdrew/Suspended</td>
<td>491</td>
<td>22%</td>
<td>881</td>
<td>28%</td>
<td>1645</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>593</td>
<td>26%</td>
<td>999</td>
<td>32%</td>
<td>2434</td>
<td>57%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2524</td>
<td>50%</td>
<td>3113</td>
<td>78%</td>
<td>4249</td>
<td>65%</td>
</tr>
<tr>
<td>Currently Receiving Counseling</td>
<td>2856</td>
<td>50%</td>
<td>1025</td>
<td>22%</td>
<td>2322</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total Clients Seen</strong></td>
<td>5780</td>
<td>100%</td>
<td>4138</td>
<td>100%</td>
<td>5606</td>
<td>100%</td>
</tr>
</tbody>
</table>
MEDIATION PROGRAM

As part of Ohio’s Save the Dream program, in 2008, the Supreme Court exhorted every County in Ohio to adopt a process for foreclosure mediation. The Cuyahoga County Court of Common Pleas formed a Mediation sub-committee to develop a program which became operational in May 2008. It is an important component of the foreclosure prevention services available in to Cuyahoga County residents and operates as described below.

1. Once a complaint for foreclosure has been filed, the Court sends out the summons package which contains a “Request for Mediation” form. [Note: This differs somewhat from the Supreme Court’s “Model Program,” which limited mediation to foreclosures against owner-occupied, residential properties.] Any party can request mediation by sending the request form directly to the Foreclosure Mediation department. Counseling agencies also refer clients with active foreclosures to mediation. [Note: Magistrates may also order mediation at any point in the foreclosure process prior to confirmation of a sheriff sale if they deem mediation to be appropriate.]

2. When the defendant receives the summons, they also receive a “Notice” advising them to stay in their home. The notice also provides information on the Legal Aid Society of Cleveland and the United Way’s First Call for Help Line, 211. 2-1-1 is able to provide property owners who call in with a listing of free, HUD-approved housing counseling agencies in Cuyahoga County.

3. If the court determines the case is appropriate for mediation, the court places an order on the docket imposing a stay on the case and requiring the case to be mediated. A case may be “unsuitable” for mediation if the homeowner has insufficient income. Tax foreclosure cases initiated by the County are not appropriate for mediation.

4. If mediation is ordered, participation by both parties is mandatory. Failure to appear for mediation will subject the absent party to appropriate sanctions. If the Plaintiff (lender or servicer) and/or the Plaintiff’s attorney fail to appear, its claims are dismissed without prejudice. If the Defendant (homeowner) fails to appear, the case goes back on the Court’s foreclosure docket. Beginning in August 2009, the Court required that the
representative for the Plaintiff have ultimate authority to agree to the terms of the agreement. If necessary, an investor can be required to be present in person.

Members of the bar volunteer to assist homeowners in the mediation process pro-bono and are trained in the process as well as the defenses that might be available to a homeowner faced with foreclosure, a concern raised by Legal Aid attorneys.

In the first year of the program mediators reported that a high number of homeowners considered themselves victims of predatory lending. Mediators no longer hear this from homeowners.

Anecdotal information from mediators indicates that in the first year of the program homeowners were overwhelmingly from the City of Cleveland. While they still see many homeowners from the City of Cleveland, mediators now report a more representative mix of homeowners from around the County.

Mediators continue to report that close to one-third of homeowners in mediation have worked with or are working with a counseling agency.

Counseling agencies continue to report that the mediation is a valuable tool to assist clients in addressing foreclosures.

The mediation program currently operates with 4 full-time and 2 part-time mediators. The Cuyahoga County Court of Common Pleas Mediation Program reports that in 2013, 2,847 cases were referred for Mediation. This represents a decrease of 649 referred cases from 2012 (Table 14). Once cases referred for mediation are reviewed, they are either scheduled for a pre-mediation conference or determined by the program to be unsuitable for mediation. In 2013, the Mediation Program referred for mediation 50% of cases. Of those, in 4% of the cases the defendant (homeowner) filed for bankruptcy, thus removing the case from the mediation process.

Pre-Mediation conferences are conducted two days a week and the program reports conducting approximately 20 pre-mediations per day. In pre-mediation, each party is informed about the mediation process and provided the appropriate paper work to complete and submit to the Court in preparation for mediation. In 2013, 1,007 more cases are reported to have received a pre-mediation conference than were referred for mediation in the reporting year. This is due to a carry-over of cases that had to be referred for mediation in 2012, but did not have their pre-mediation conference and mediation until 2013. Of those cases, 1,633 have had a mediation session. This represents 67% of the total number of mediation referred to the program in 2013.

In cases where either the defendant or plaintiff fails to show up for the scheduled mediation session, their case is dropped from the mediation process. In 2% of the cases referred for
mediation the Plaintiff (lender) failed to appear and the case was dismissed. This has been consistent over the course of the mediation program. In 55 % of the cases, the defendant (homeowner) failed to appear and their case was sent back to the court’s docket. This number has been increasing since the program began. 2013 saw the highest percentage of homeowners failing to appear for their scheduled mediation sessions, an increase of 18 percent over the previous year and a full 36 percentage points higher than the average for all program years. While this is a concern, the court did not report knowing/understanding a reason for the significant increase in the number of homeowners who fail to appear.

In 2013, 1,633 mediation sessions were held and 1202 cases (49%) were settled. A case is deemed settled when both parties reach an agreement on some set of terms. Settlement does not necessarily mean that the homeowner stays in his or her home. Settlement can and does include the homeowner walking away from the property. Cases that are not settled are returned back to the Court’s docket. When accounting for all cases where a pre-mediation hearing was held, a settlement occurred 49% of the time. This is an increase over the 44% settlement rate from 2012 and in total 228 more cases were settle in 2013 than in 2012.

**TABLE 14: CUYAHOGA COUNTY FORECLOSURE MEDIATION PROGRAM, JANUARY 2010 THROUGH DECEMBER**

<table>
<thead>
<tr>
<th>Refered for Mediation</th>
<th>June 2008 - Dec 2009</th>
<th>Jan - Dec 2010</th>
<th>Jan - Dec 2011</th>
<th>Jan - Dec 2012</th>
<th>Jan - Dec 2013</th>
<th>Program Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Percent</td>
<td>Total</td>
<td>Percent</td>
<td>Total</td>
<td>Percent</td>
</tr>
<tr>
<td>Referred for Mediation</td>
<td>4102</td>
<td>100%</td>
<td>3296</td>
<td>100%</td>
<td>2114</td>
<td>68%</td>
</tr>
<tr>
<td>Bankruptcy</td>
<td>87</td>
<td>2%</td>
<td>105</td>
<td>3%</td>
<td>83</td>
<td>4%</td>
</tr>
<tr>
<td>Failure from Plaintiff</td>
<td>87</td>
<td>2%</td>
<td>105</td>
<td>3%</td>
<td>83</td>
<td>4%</td>
</tr>
<tr>
<td>Failure from Defendant</td>
<td>776</td>
<td>19%</td>
<td>963</td>
<td>37%</td>
<td>749</td>
<td>24%</td>
</tr>
<tr>
<td>Pre-Mediation Held</td>
<td>2864</td>
<td>70%</td>
<td>3143</td>
<td>95%</td>
<td>2594 *</td>
<td>123%</td>
</tr>
<tr>
<td>Mediations Held</td>
<td>1474</td>
<td>36%</td>
<td>1737</td>
<td>55%</td>
<td>1277</td>
<td>4%</td>
</tr>
<tr>
<td>Settled</td>
<td>1231</td>
<td>83%</td>
<td>1359</td>
<td>61%</td>
<td>727</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Cuyahoga County Court of Common Pleas Foreclosure Mediation Program

* Numbers represent total number of pre-mediation conferences held, including those that were referred for mediation in the previous year, but did not have a hearing scheduled until the reporting year.

**TABLE 15: CUYAHOGA COUNTY FORECLOSURE MEDIATION PROGRAM TOTALS, JUNE 2008 THROUGH DECEMBER 2013**

<table>
<thead>
<tr>
<th>Mediations Held</th>
<th>June 2008 - Dec 2009</th>
<th>Jan - Dec 2010</th>
<th>Jan - Dec 2011</th>
<th>Jan - Dec 2012</th>
<th>Jan - Dec 2013</th>
<th>Program Total</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Percent</td>
<td>Total</td>
<td>Percent</td>
<td>Total</td>
<td>Percent</td>
</tr>
<tr>
<td>Referred for Mediation</td>
<td>4102</td>
<td>100%</td>
<td>3296</td>
<td>100%</td>
<td>2114</td>
<td>70%</td>
</tr>
<tr>
<td>Pre-Mediation Held</td>
<td>2864</td>
<td>70%</td>
<td>3143</td>
<td>95%</td>
<td>2594 *</td>
<td>123%</td>
</tr>
<tr>
<td>Mediations Held</td>
<td>1474</td>
<td>36%</td>
<td>1737</td>
<td>55%</td>
<td>1277</td>
<td>4%</td>
</tr>
<tr>
<td>Settlement</td>
<td>1231</td>
<td>83%</td>
<td>1359</td>
<td>61%</td>
<td>727</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Cuyahoga County Court of Common Pleas Foreclosure Mediation Program

* Numbers represent total number of pre-mediation conferences held, including those that were referred for mediation in the previous year, but did not have a hearing scheduled until the reporting year.
Foreclosure Mediation Support Program

In late spring 2010 the Cuyahoga County Foreclosure Prevention Program and the Cuyahoga County Court of Common Pleas Mediation Program negotiated a formal arrangement to provide the opportunity for homeowners entering mediation to consult with Cuyahoga County Foreclosure Prevention Counselors on site at the Justice Center. As part of this arrangement, the CCFPP counseling agencies provide housing counselors to the court, stationed in cubicles located just outside of the mediation offices and available to any homeowner interested in their services. Counselors are available on Mondays and Fridays, the days the pre-mediation hearings are scheduled. All mediators refer homeowners to housing counselors.

Mediators appreciate having the counselors on-site to provide assistance in pulling together accurate financial documents and information that is required in mediation. This saves a lot of time and energy for both the homeowner and mediator as the required financial documentation can be confusing and difficult for the homeowner to provide. Counselors are also able to explain to homeowners the full range of options and assistance that may be available to them. Counselors can also help homeowners in need of other assistance such as with utilities or other social services.

From April 2010 through December 31, 2013, 1,270 clients were seen by the Foreclosure Mediation Support Program (counselors-on-site). The number of clients peaked at 509 in 2011, which represented nearly 20% of the premeditations held by the Cuyahoga County Foreclosure Mediation Program in that year. However, in 2013, only 104 clients were seen by counselors, representing only 4% of premediations.
Summary of Findings and Recommendations

The CCCFPP provides County residents with face-to-face housing counseling to help them avoid foreclosure. The goal is housing stability for families. Preventing foreclosures is often the first step in preserving local housing markets and preserving the property tax base, preventing vacancy and abandonment. The county program operates within the context of state and federal programs, policies and settlement agreements, a constantly changing landscape of assistance and regulations.

National research tells us that the gold standard is early intervention, before a foreclosure filing, and that mortgage modification is the most sustainable form of foreclosure prevention. In 2012 and 2013, we saw the number of modifications decline and the number of brought mortgage current increase, largely because Ohio’s primary program, Restoring Stability offered programs to help borrowers including funds to reinstate their mortgages (Rescue Payment Assistance), 18 months of mortgage payment assistance (Mortgage Payment Assistance), and its modification program but did not require lenders to modify mortgages. Far fewer lenders signed on to the mortgage modification program than they did for the Mortgage Payment Assistance or the Rescue Assistance programs.

Furthermore, Restoring Stability guidelines dictated that a qualified homeowner could receive funds to reinstate their mortgage and also receive the 18 months of mortgage payment assistance.
assistance, yet homeowners who qualified for the modification program could not also receive mortgage payment assistance. Homeowners who received a modification would be eligible to receive rescue funds to assistance in reinstating their mortgages.

2013 is the first year since we began evaluating the foreclosure prevention program in 2006 that we are cautiously optimistic. 2013 saw a significant (25%) downturn in the number of residential foreclosure filings across the County, coupled with a decrease (24%) in the number of foreclosure counseling clients.

Findings:

1. The foreclosure problem is county-wide, with troubling concentrations (60%) remaining in the predominantly African American east side of Cleveland and in the eastern suburbs. The good news in 2013 was that the largest percentage decline in foreclosure filings was in the eastern suburbs (33%).
2. To date, a total of 13,505 homeowners have received counseling through the CCFPP. This is a small percentage of people in foreclosure. Data suggests that those seeking counseling are predominantly the lowest income homeowners (incomes at or below 50% of median income). The majority are from Cleveland and east side suburbs (80%).
3. With 26,000+ vacant properties county-wide, local housing markets are weak and recovering slowly and unevenly across the county. The mortgage payment problems persist due to weak economy and loss of population, further weakening the housing market.
4. Ohio’s Restoring Stability program stopped accepting new applications in May 2014. This was the only program available to help homeowners make monthly mortgage payments has ended. Without this important tool, the only option that will be available to counselors in the near future will be to negotiate a mortgage modification with the lender or servicer. This will increase the need for housing counseling.
5. An ownership shift is underway nationally and to a more limited extent locally, from owner occupants to investor owners, increasing the number of homes occupied by renters. This is trend that bears watching, especially in terms of neighborhood stability and housing quality.
6. The CCFPP is an example of collective impact. The county essentially created a system of housing counseling agencies, information and referral, legal assistance and mediation with participation from the county Treasurer and office of consumer affairs. The county serves as funder and convener. All of the partners attend monthly meetings to share best practices, emerging trends, funding, and develop strategies. The evaluators created a common measurement system and attend meetings to provide feedback and continuous learning for the partners. This system is a model that could be replicated in other counties.
Policy recommendations

1. To address the ongoing issue of lack of income resulting from unemployment, underemployment, the counseling could be improved by a more holistic approach that includes financial literacy, financial management, and links to workforce training.

2. Increasingly, home maintenance and repair issues are impacting housing quality across the County. People who are underwater can no longer borrow against their home equity. New programs are needed that can provide assistance with home repairs.

3. Tax delinquency and foreclosure is emerging as a primary contributor to people losing their homes. More research is needed to better understand the scope and causes of this problem and to develop possible solutions. It will be important to develop programs that can get people into a sustainable outcome. For example, the County has long-term payment plans, but either people are not aware of this or they don’t realize that it is possible to lose a home to tax foreclosure. Improving education and outreach is one option.

4. The County’s office of consumer affairs, which is part of the County’s fiscal office, along with the treasurer, is ramping up its capacity and could play a larger role in education, outreach and advocacy around mortgage and tax foreclosure, financial literacy and lending products, for example.

5. Outreach is still needed in underserved areas. Although the program is available to all residents of the County, the majority of clients served live in the city and the east side suburbs. While this reflects the foreclosure filing patterns to some extent, there are many on the west side that could benefit from counseling services. In 2013, 80% of homeowners seeking assistance were from Cleveland and the eastern suburbs. In 2013, 36% of homeowners served were from the eastern suburbs of Cuyahoga County, while only half of that, 17% were from the western suburbs. Additional outreach could be targeted to these areas.
APPENDIX

A: 2013 Cuyahoga County Foreclosure Prevention Program Service Delivery Partners

Cleveland Housing Network (CHN) - The Cleveland Housing Network (CHN) is Northeast Ohio’s largest community development organization and energy conservation provider. Our mission is to build strong families and vibrant neighborhoods through quality affordable housing and strengthened financial stability. CHN works to foster sustainable neighborhoods through eco-friendly housing and education to improve the health, wealth and employability of Cleveland residents.

CHN is widely known for our Lease Purchase Program which is now being replicated across the nation. This program allows low-income families the ability to lease a home at an affordable rate, with the option to gain significant equity upon purchase after 15 years of responsible residency.

Since we began in 1981, CHN’s evolution has resulted in the addition of programs and services designed to meet the needs of the low- and moderate income-families of our city, focusing on four core services:

- **Housing Development and Property Management:**
  CHN develops and manages single- and multi-family homes in Cleveland that compliment neighborhood strategies. Affordability, sustainable homeownership opportunities, energy efficiency, indoor air quality and long term sustainability are core principles of our strategies. Each year, CHN develops between 100-300 single- and multi-family homes.

- **Energy Conservation and Weatherization:**
  CHN is Northeast Ohio’s largest energy conservation provider. Each year CHN completes over 7,000 home audits and inspections for low-income families, helping them to conserve energy and lower utility bills.

- **Safety Net and Support Services:**
  CHN offers services to help families overcome emergencies and support them in their needs through utility assistance, foreclosure prevention and intervention, and EITC tax preparation assistance. Each year CHN completes more than 15,000 safety net and support services.

- **Training and Education**
  CHN operates one of the region’s highest-capacity Community Training Centers (CTC), helping residents to manage and grow personal finances, enhance employment skills and preparing families to purchase, manage and build equity in their homes. Each year CHN provides training and education to more than 2,000 individuals.
Community Housing Solutions (CHS) – Formerly known as Lutheran Housing Corporation, the mission of CHS is to assist low and moderate income families obtain and maintain safe, decent, and affordable housing. CHS provides both pre-purchase and foreclosure prevention counseling. CHS has 6 housing counselors and one housing counseling secretary. In addition to housing counseling, CHS provides tool loan and home maintenance training, minor home repair, energy conservation and new housing construction services.

Empowering and Strengthening Ohio’s People (ESOP) - Empowering and Strengthening Ohio’s People (ESOP) fosters the economic empowerment of disenfranchised communities through outreach, education and advocacy,

The East Side Organizing Project (ESOP) was founded in 1993 to create organized leadership around issues impacting neighborhood life in the Cleveland area. In the late 1990s the organization began to shift its focus toward predatory lending and foreclosures.

Initially much of our work focused on foreclosure prevention in Cuyahoga County. However beginning in 2008 ESOP expanded its efforts throughout the state of Ohio and changed its name to “Empowering and Strengthening Ohio’s People” to emphasize the new state-wide focus.

Foreclosure Prevention

ESOP currently operates five offices across Ohio committed to helping urban, suburban and rural homeowners. We are a non-profit HUD-approved housing counseling agency. We provide assistance to homeowners who are facing foreclosure, or struggling to make their monthly mortgage payments due to predatory lending or hardship situation.

Financial Advocacy

ESOP uses the practical experience gained from helping homeowners and organizing in neighborhoods and puts it to use in advocacy efforts. We urge local, state and national officials to implement common sense financial standards and regulations that give everyone fair access to credit, housing and financially stable communities.
ESOP is a HUD-approved provider of housing and financial counseling services. Our counselors are trained to provide the following:

- Foreclosure Prevention Counseling
- Homebuyer Education Classes
- Pre-Purchase Counseling
- Financial Literacy
- VITA - Free Income Tax preparation and filing

Home Repair Resource Center – Home Repair Resource Center’s mission is accomplished through a creative mix of self-help programs that include financial assistance, education and skills training to enable homeowners – particularly homeowners of low or moderate income – to accomplish repairs on a contracted or do-self basis. Home Repair Resource Center offers financial assistance for home repairs, counseling & financial education, foreclosure intervention, repair and education programs, and educational resources. HHRC is a HUD-approved counseling agency that serves all Ohio residents. It employs two full-time foreclosure housing counselors.

Neighborhood Housing Services of Cleveland - Neighborhood Housing Services of Greater Cleveland (NHSGC) is a not-for-profit, community development corporation incorporated in July 1975 as one of the charter organizations of NeighborWorks® America. The mission of NHSGC is to provide ongoing programs and services for achieving, preserving and sustaining the American dream of homeownership.

NHSGC’s programs include HomeOwnership Promotion - educational classes and loans for people interested in becoming homeowners and HomeOwnership Preservation - loan products, post-purchase counseling, foreclosure assistance to those occupants who are interested in maintaining and preserving not only the physical structure of the home, but also the ability to keep ownership. Counseling services are required in order to access any NHSGC program. In the pre-purchase curriculum, NHSGC staff work with individuals to secure better credit and become “mortgage ready”. Post-purchase counseling includes home maintenance, interior design and budgeting classes. NHSGC currently has 6 full time housing counselors that serve residents of Cuyahoga, Lorain, Huron, Erie, and Medina Counties.
B: 2013 Federal and State Foreclosure Prevention Programs

In addition to the CCFPP, participating agencies have a number of federal and state programs to help homeowners facing foreclosure. These other programs do not fall within the scope of work for the evaluation but since they provide resources for homeowners that can be used by the CCFPP agencies, we include brief program descriptions below.

The Making Home Affordable Program was launched in 2009 by the U.S. Department of Treasury to catalyze the mortgage industry to provide affordable and sustainable assistance to homeowners to prevent foreclosure. It is part of a broader plan to stabilize the housing market. The program has two components, a loan modification program (Home Affordable Modification Program, or HAMP) and a refinance program (Home Affordable Refinance Program, or HARP). Since its launch, the Making Home Affordable Program has been expanded to offer assistance to homeowners with second liens or who are struggling because they are unemployed or “underwater” (owe more on their home than it is currently worth). Making Home Affordable also includes the Home Affordable Foreclosure Alternatives Program (HAFA) to streamline the process for homeowners seeking a short sale or deed-in-lieu of foreclosure and Provides temporary forbearance of mortgage principal to enable unemployed borrowers to look for a new job without fear of foreclosure. (U.S. Department of Treasury web site).

Program performance reported through December 2013 showed that more than 1.3 million homeowners have received a permanent mortgage modifications through the program. They report that these homeowners have reduced their first lien mortgage payments by a median of approximately $546 each month, saving a total estimated $24.8 billion to date in monthly mortgage payments (http://www.treasury.gov/initiatives/financial-stability/reports/Documents/December%202013%20MHA%20Report%20Final.pdf).

The National Foreclosure Mitigation Counseling (NFMC) Program was launched in December 2007 with funds appropriated by Congress to address the nationwide foreclosure crisis by dramatically increasing the availability of housing counseling for families at risk of foreclosure.

In NeighborWorks America’s ninth report to Congress on NFMC program activity, it finds that 1,576,047 homeowners received foreclosure counseling during the reporting period and provided mortgage-related legal assistance to 41,849 homeowners. They reported that minority and low-income homeowners and neighborhoods, which have been disproportionately impacted by the foreclosure crisis, are well-served by the NFMC Program with 30 percent of NFMC Program clients identified as racial minority homeowners and 66 percent were classified as low income. The percentage of homeowners stating their primary reason for facing foreclosure is unemployment or under-employment is now 64 percent, up from 41 percent when the program began in 2008. The report covers counseling activity
Funding Summary

On March 18, 2014, NeighborWorks America announced the eighth round of funding for foreclosure counseling with $63.1 million awarded to 29 state housing finance agencies, 18 HUD-approved housing counseling intermediaries, and 67 community-based NeighborWorks organizations. (National Foreclosure Mitigation Counseling Program Congressional Update Program administered by NeighborWorks® America October 22, 2013.)

Restoring Stability

In February 2010, the U.S. Department of the Treasury announced a new program to provide targeted aid to families facing foreclosure in states hit hard by the economic and housing market downturn. The program, called the Hardest Hit Fund, was intended to assist states struggling with high unemployment rates or steep home price declines.

Ohio is one of 19 states to receive these funds, but Ohio was funded in the second round in August 2010. Ohio’s share is $570 million. Each state designed its own program. Programs were permitted to include the following:

- Mortgage payment assistance for unemployed or underemployed homeowners
- Principal reduction to help homeowners get into more affordable mortgages
- Funding to eliminate homeowners’ second lien loans
- Help for homeowners who are transitioning out of their homes and into more affordable places of residence.

Ohio’s program, called Restoring Stability: A Save the Dream Ohio Initiative, was one of the first programs in the nation to launch. According to the Ohio Housing Finance Agency (OHFA), which administers the program, it aims to assist 46,000 homeowners who have experienced a financial hardship and are currently at-risk of mortgage loan default or foreclosure. The program may be able to help homeowners who have previously not qualified for other existing loan modification and foreclosure prevention programs because of loss of income or extended unemployment.
Restoring Stability has six components:

- **Rescue Payment Assistance**: a lump sum payment up to $25,000 to a mortgage servicer to bring the first mortgage current.
- **Mortgage Payment Assistance**: up to $22,000 or 18 months of full mortgage payments on behalf of unemployed or underemployed homeowners.
- **Modification with Contribution Assistance**: a lump sum payment up to $35,000 to reduce the principal balance on a homeowner’s mortgage to make it more affordable.
- **Lien Elimination Assistance**: a lump sum payment up to $25,000 to extinguish a first mortgage lien.
- **Homeowner Retention Assistance**: payments totaling up to $25,000 to reduce or eliminate delinquent second mortgages, property taxes and/or association fees.
- **Transition Assistance**: payment up to $7,500 to the homeowner for relocation in connection with an approved short sale or deed in lieu of foreclosure.

Restoring Stability began accepting applications on September 27, 2010. All of the Cuyahoga County Foreclosure Prevention agencies participated in the program. They received referrals from and helped homeowners complete applications to Restoring Stability.

Starting on January 1, 2014 the Ohio Housing Finance Agency no longer accepted applicants who were returning for additional assistance through the Save the Dream Ohio Initiative in order to focus all of their efforts on other homeowners who had not yet been able to obtain assistance through the program.

Then, in February of 2014, OHFA announced its intention to wind down the program, stating that with “80 percent of its allocated funds distributed on behalf of 16,560 Ohio homeowners facing foreclosure, the Ohio Housing Finance Agency (OHFA) today announced plans to bring its Save the Dream Ohio effort to a close during the next year and a half” (Ohio Housing Finance Agency, News Release, February 27, 2014, [http://ohiohome.org/newsreleases/rlsprogramcompletion.aspx](http://ohiohome.org/newsreleases/rlsprogramcompletion.aspx)). The program concluded much sooner than first described. It accepted its final applications on April 30, 2014.
C: List of Interviews

All interviews were conducted by Kathy Hexter, Director, Center for Community Planning & Development and Molly Schnoke, Research Associate, Center for Community Planning & Development of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University.

Jeanne Morton, Kate Carden, Cleveland Housing Network, February 5, 2014

Lou Tisler, Mahria Harris, Neighborhood Housing Services, February 20, 2014

Andi Nikoforovs and Michele Sims, Community Housing Solutions, February 26, 2014

Kathryn Lad, Tiffanie Fuller, Home Repair Resource Center, February 10, 2014

Roslyn Quarto, Eryca Bay, Paul Bellamy, ESOP, March 24, 2014

Cynthia Sich, Cuyahoga County Office of Consumer Affairs, March 7, 2014

Sally Martin, City of South Euclid, March 12, 2014

Kamla Lewis, City of Shaker Heights, March 12, 2014

Frank Ford, Thriving Communities Initiative, March 4, 2014

Andrea Kinast, Cuyahoga County Court of Common Pleas Mediation Program, March 26, 2014
## Demographics of Clients Served, 2006 - 2013

### AGE

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<tbody>
<tr>
<td>Under 62</td>
<td>994</td>
<td>95%</td>
<td>2118</td>
<td>89%</td>
<td>2171</td>
<td>87%</td>
<td>1936</td>
<td>82%</td>
<td>2422</td>
<td>61%</td>
<td>2760</td>
<td>57%</td>
<td>2999</td>
<td>61%</td>
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<tr>
<td>Over 62</td>
<td>12</td>
<td>6%</td>
<td>92</td>
<td>6%</td>
<td>180</td>
<td>6%</td>
<td>155</td>
<td>6%</td>
<td>301</td>
<td>8%</td>
<td>368</td>
<td>8%</td>
<td>429</td>
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### CREDIT RATING

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<tr>
<td>Less than 50% of AMI</td>
<td>845</td>
<td>80%</td>
<td>2399</td>
<td>88%</td>
<td>947</td>
<td>95%</td>
<td>1573</td>
<td>68%</td>
<td>2422</td>
<td>59%</td>
<td>2760</td>
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<td>Less than 50% of AMI</td>
<td>172</td>
<td>16%</td>
<td>222</td>
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<tbody>
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<td>Not Hispanic</td>
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<td>2399</td>
<td>88%</td>
<td>947</td>
<td>95%</td>
<td>1573</td>
<td>68%</td>
<td>2422</td>
<td>59%</td>
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<td>57%</td>
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<tr>
<td>Hispanic</td>
<td>13</td>
<td>1%</td>
<td>90</td>
<td>4%</td>
<td>54</td>
<td>3%</td>
<td>74</td>
<td>3%</td>
<td>101</td>
<td>5%</td>
<td>129</td>
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<td>210</td>
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### INCOME

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<td>80%</td>
<td>2399</td>
<td>88%</td>
<td>947</td>
<td>95%</td>
<td>1573</td>
<td>68%</td>
<td>2422</td>
<td>59%</td>
<td>2760</td>
<td>57%</td>
<td>2999</td>
<td>61%</td>
</tr>
<tr>
<td>Less than 50% of AMI</td>
<td>172</td>
<td>16%</td>
<td>222</td>
<td>8%</td>
<td>118</td>
<td>6%</td>
<td>129</td>
<td>6%</td>
<td>301</td>
<td>8%</td>
<td>368</td>
<td>8%</td>
<td>429</td>
<td>9%</td>
</tr>
</tbody>
</table>

### RESPONDING TO FORECLOSURES IN CUYAHOGA COUNTY

<table>
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</thead>
<tbody>
<tr>
<td>Less than 50% of AMI</td>
<td>845</td>
<td>80%</td>
<td>2399</td>
<td>88%</td>
<td>947</td>
<td>95%</td>
<td>1573</td>
<td>68%</td>
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<td>301</td>
<td>8%</td>
<td>368</td>
<td>8%</td>
<td>429</td>
<td>9%</td>
</tr>
</tbody>
</table>

* Data reported for 2008 in the above table is from March 1 - December 31, 2008. Data collection with NFMC reportable fields began in March 2008.