

## **Homeowners Who Receive Foreclosure Counseling More Likely to Avoid Foreclosure**

Pathfinder Community Connections, the community development organization of Pathfinder Services, Inc. recently announced that homeowners who receive foreclosure counseling are 60 percent more likely to avoid losing their homes to foreclosure than homeowners who do not receive foreclosure counseling, according to findings in a recent report of the National Foreclosure Mitigation Counseling (NFMC) Program.

NFMC Program counselors help homeowners reduce their mortgage payments an average of more than \$5,000 per year. Pathfinder Community Connections is a grantee of the NFMC program, and an affiliate of NeighborWorks America, which was selected by Congress to administer a homeowner counseling program to address the national foreclosure crisis.

As a result of NFMC Program funding, families in Adams, Allen, DeKalb, Huntington, Jay, Kosciusko, LaGrange, Marshall, Noble, Starke, Steuben, Wabash, Wells and Whitley counties along with families across the nation who sought and received foreclosure counseling were provided much needed information, assistance and guidance to address their risk of foreclosure, which helped them find a solution to foreclosure.

The report, which analyzed NFMC Program activity during the first year of the program (January 1-December 31, 2008), also found that NFMC Program clients were **more likely to receive a loan modification** than homeowners who did not receive counseling, and NFMC Program clients who received loan modifications **lowered their mortgage payments significantly more** than homeowners who received loan modifications without NFMC Program counseling.

NFMC Program clients, with the help of their counselors, secured loan modifications that lowered their monthly mortgage payments **\$454 more** than the clients who received modifications without foreclosure counseling, which results in an **average annual savings of \$5,448**.

“The report is extremely accurate as in the past year alone we have provided 341 families with foreclosure assistance,” said Jan Baumgartner, Director of Pathfinder Community Connections. “We continue to offer one on one counseling, budget assistance, loan modification assistance, and an assessment of our customer’s financial situation.”

While the report analyzes the program data through December 31, 2008, to date more than 750,000 families have received foreclosure counseling as a result of NFMC Program funding.

The NFMC Program was created by Congress to address the nationwide foreclosure crisis by dramatically increasing the availability of housing counseling for families at risk of foreclosure. The \$180 million program was authorized through the FY 2008 Consolidated Appropriations Bill, which named NeighborWorks as its administrator. An additional \$180 million was appropriated to this effort on July 30, 2008 through the Housing and Economic Recovery Act of

2008, and the Omnibus Appropriations Act of 2009 appropriated another \$50 million to the program on March 11, 2009.

For more information about the National Foreclosure Mitigation Counseling Program, visit [www.nw.org/nfmc](http://www.nw.org/nfmc).

Homeowners in Northeast Indiana who would like to receive foreclosure counseling at Pathfinder Community Connections can contact Mike Davis, [mdavis@pathfinderservices.org](mailto:mdavis@pathfinderservices.org), or at (866) 892-0513 or (260) 456-2385. Pathfinder Community Connections can be found at [www.cchomes.org](http://www.cchomes.org) for additional information. Homeowners can also visit [www.findaforeclosurecounselor.org](http://www.findaforeclosurecounselor.org) to find additional NFMC Program-funded counseling agencies in our area.

Pathfinder Community Connections is the Community Development Division of Pathfinder Services Inc., a not for profit Human Services organization with offices in Huntington, Wabash, and Plymouth. Community Connections began in 1997 and since March 2007 has worked with over 2,000 families facing mortgage foreclosure or delinquency.