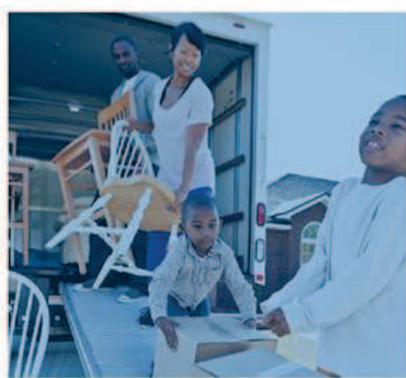


THE OFFICE OF HOUSING COUNSELING NEWSLETTER



THE BRIDGE



MODIFYING A MORTGAGE, SAVING A HOME



St. Johns Housing Partnership – Committed to Saving Homes

**“Thank you from
the bottom of
my heart!”**

That’s how 77-year-old Carol Mickler Watters ended her heartfelt letter to [St. Johns Housing Partnership](#) (SJHP), a nonprofit housing counseling agency in St. Johns County, Florida.

Watters was a successful realtor until the recession hit. Having depleted much of her retirement savings due to medical bills and with mounting credit card debt, she found herself facing foreclosure and turned to the Housing Partnership for help. “When she came to us early in 2018, Carol was in imminent default on her second mortgage,” explained Marissa Vetter, SJHP

Project Manager and the housing counselor on the case. “She had not made that month’s mortgage payment and it was the end of the month. She was current but knew that her finances would not allow her to remain that way if she didn’t get some kind of relief. With her income and expenses, she appeared to be a good candidate for a modification.”

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Because Watters owned a number of rental properties, the complexities of recordkeeping and collecting, submitting, and resubmitting the amount of documentation required for underwriting drew out the modification process. The SJHP team had worked with Watters and the lender for more than three months when they received notification that the modification was approved. “She was over-the-moon excited,” said Vetter. “The change in payment was quite shocking. Her previous payment was \$1,496 a month, with an adjustable interest rate, and she was approved for a fixed-rate trial modification with a monthly payment of \$569. She has stability in her finances, she feels confident she can afford that, and she and her disabled husband can stay in their home.”

STAYING THE COURSE WITH THE CLIENT

One of the things SJHP prides itself on is the ability to not only determine that a loan modification is a possible solution for a homeowner in distress but also to take them through the process from beginning to end. “I do all of our foreclosure prevention counseling,” said Vetter. “It’s one thing to advise a client that the solution for them is a modification. It’s another to be able to actually support them through the submission with a staff that has specificity in the process and can take them through to a final outcome.”

Vetter added, “Many of the homeowners I talk to daily have tried unsuccessfully on their own. By the time they get to us, they are already discouraged. So, when I talk about modification, they’re like, ‘No, I’ve tried that, and I was denied,’ or ‘I never got my package completed, they kept asking for more documents.’ We’ve often had a homeowner

come to us who’s been denied multiple times. A lot of them get frustrated with the process, the documents aren’t submitted, and only perfect, complete packages get a decision on a modification request. It took our expertise to get the lender a facially complete package so the decision can be made.”

Vetter credits their ability to see clients such as Watters through the modification process to the financial support of the Florida Housing Foreclosure Counseling Program (FCP). “The program,” explained Vetter, “supports that follow-through, not just the initial appointment. The FCP allows us to work for the homeowner, and I really think that’s why we had such a positive outcome. This case, in particular, was difficult for an experienced processor; there’s no way the homeowner could have accomplished that on her own. In general, it’s our experience that it takes someone that speaks the language of the lender and knows the rules. We’re thankful for a program that funds us for that hard work.”

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THE CRISIS HAS ENDED, BUT THE NEED HAS NOT

Since the housing crisis has subsided, there is less funding allocated to foreclosure prevention. But, said DeAnna O’Flaherty, another SJHP housing counselor, the need has not ended. “Many of the housing counseling agencies we’ve talked to have stopped marketing to the foreclosure market,” O’Flaherty explained. “If a housing counseling agency is considering whether they should keep doing the foreclosure counseling in addition to homeownership counseling, I think it’s important to remember that the foreclosure crisis is not over for individual clients. The death of a spouse still happens. People are still getting laid off. People are still becoming disabled. I love helping somebody find out they can buy a house. But there is so much satisfaction in helping someone keep their home. Life still happens. We have to be here, and we have to be available to them and support

them. So, it’s really important for prevention funds to continue.”

“We talk about affordable housing a lot in housing counseling,” Vetter continued. “People forget that one of the most amazing ways to protect affordable housing stock is to keep homeowners in their homes. When they lose their homes, they go into the subsidized and affordable housing units that are available in their community—when the most affordable thing they probably could have done was remain in their home with a modified payment. The truth is, foreclosure counseling works, loss mitigation works, and affordable housing works. And it’s a great way for housing counseling agencies to diversify what they offer so that they have the competencies in the event of an economic downturn again in the future. Housing counseling agencies are like cruise ships—they’re hard to turn around. You have to stay on a course where you’re serving both ends of the spectrum; both of those bookends—getting people into



homes and keeping them there.”

The heartfelt letter from Carol Mickler Watters is only one of many that stream into SJHP day after day. Vetter commented, “I think you can imagine what it’s like to be homeowners who are in default, fearing foreclosure on a home they’ve raised a family in for twenty years. It’s very emotional. So, we get the impact that we have. Those thank-you letters let us know that we’re changing lives.”