



## **THE HOMEOWNER CONNECT & NEVADA HOUSING ADVOCACY PLATFORM**

### **Connection Means Home Retention**

Nevada’s economy, which is heavily dependent upon travel and tourism, has been uniquely impacted by the COVID-19 public health emergency. Unfortunately, the last economic crisis also hit Nevada hard and the State’s mortgage delinquency rate was double the national average during the Great Recession. As a result, public policy evolved to promote home retention, from the enactment of the Homeowner’s Bill of Rights in 2013 to the creation of the Foreclosure Mediation Program (FMP), which Home Means Nevada, Inc. (HMN), a state-affiliated nonprofit, has administered in part since 2017.

The unemployment rate in Nevada was 28.2% in April 2020, a record high for any state during the COVID-19 public health emergency. HMN cannot ignore the issues related to potential delinquencies and has responded to the crisis by enhancing the FMP Portal to include the additional functionality of The Homeowner Connect (THOC), which provides an online, one-stop shop



for Nevadans to access the federal COVID-19 forbearance programs, as well as other potential forthcoming mortgage and rental assistance programs.

HMN wants to help Nevada homeowners navigate these programs and address the process of default

resolution in an interactive way. The forbearance and default resolution process can be multi-threaded and intermingle a progression of legal and non-legal processes, which can be confusing to homeowners. Recent news articles and a Congressional Hearing have also highlighted the need for a solution like THOC. Finally, as with previous economic situations and natural disasters, opportunistic individuals and entities can offer and present “so-called solutions” to homeowners and borrowers that are not legal and can cause additional problems not only for the homeowner, but the State.

Therefore, in furtherance of its mission, HMN has built THOC as part of the Nevada Housing Advocacy Platform (NHAP) that also includes the FMP Portal and offers an

*“At the end of the day, experts say getting in and out of forbearance will be a challenge for homeowners. ‘It is going to be difficult for folks to navigate. They will almost always be better off if they are working with a housing counselor or some other type of advocate, but the reality is we don’t have those resources for everybody,’ Sitkin says. The Consumer Financial Protection Bureau (CFPB) offers a Find a Counselor tool, which provides a list of counseling agencies that can help advise on loan terms, credit issues and foreclosure. . . . ‘I’ve just seen many too many people spend enormous amounts of time and energy and get themselves into a worse position,’” Sitkin says.*

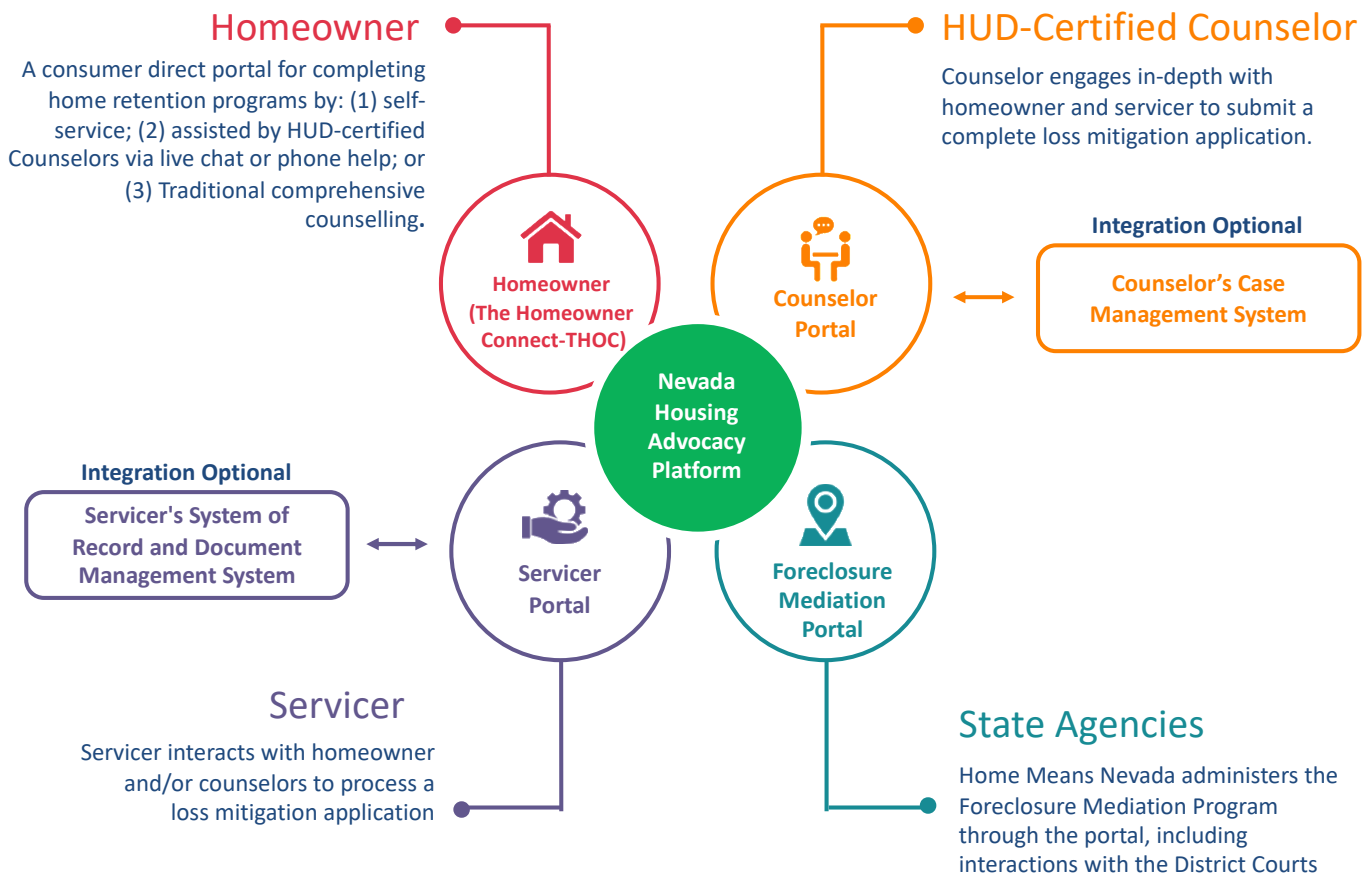
- CNBC.com July 16, 2020: **“Millions of Americans have their mortgages in forbearance programs—here’s why those using private lenders may face bigger challenges.”** Quote is from Lisa Sitkin, senior staff attorney with the National Housing Law Project



end to end tool for homeowners and servicers for all stages of a process that could include forbearance, loan modification, home retention programs, and potentially default and foreclosure mediation. The NHAP is unique in that it provides homeowners with the degree of assistance they desire – free of charge – while navigating a state-sponsored digital highway to home retention:

- Some borrowers can and want to self-service, and the system enables them to do that.
- Some borrowers just need assistance completing the process, so THOC provides chat and phone support from housing counselors throughout the process.
- Some borrowers need in-depth housing counseling. These borrowers may choose a local community-based HUD-certified housing counselor as their authorized third-party (ATP) via a heatmap link who will be their advocate to the mortgage servicer.

The NHAP ties this all together in a fully integrated solution for all stakeholders as follows:



Finally, NHAP can help alleviate the concerns of miscommunication between borrowers and mortgage servicers by providing quantitative feedback on actions taken within the system against defined performance standards. Included with THOC's Terms of Use are timeframe requirements for updating



status codes and responding to messages. HMN can monitor these and other metrics for all constituents within NHAP and proactively work with constituents whose performance may fall short of

*"The Nevada Housing Advocacy Platform is another vital tool to support the State's economy and to assist Nevada homeowners and communities. The solution can eliminate the stress of back and forth phone calls, letters, faxes, etc., and it provides Nevadans with access to professional housing counselors who can help them. Best of all, throughout the process, Home Means Nevada is there to provide the functionality and reporting ensuring that all parties work together towards preserving homeownership for our citizens."*

**Shannon Chambers**

Labor Commissioner for the State of Nevada &  
President of Home Means Nevada, Inc.

the standards, with the over-arching goal being to ensure that all user groups work timely and in good faith towards resolutions that promote home retention.

In the end, NHAP can be a model for how states may ensure transparent and equitable administration of home retention programs in their communities. With the cooperation of all constituents of the various components of the process,

HMN will continue to build upon the model and its leadership on home retention issues.

## NHAP – FREQUENTLY ASKED QUESTIONS

- 1. What are the key components of The Homeowner Connect?** (a) Self-Service loss mitigation options for Borrowers, including the COVID-19 Forbearance program; (b) a mobile application; (c) on-demand phone/chat support from HUD-Certified Counselors; and (e) automated tools for supplying critical data and documents.
- 2. Is the platform secure?** IndiSoft, LLC ("IndiSoft"), provider of the RxOffice CMS (case management system) which is the backbone of NHAP, is SOC type 2 certified and audited regularly by its base of industry-leading banks and servicing clientele. As a result of years of providing functionality tailored to support government-sponsored foreclosure prevention and consumer protection programs, RxOffice CMS provides peace of mind to the administrators and compliance personnel in its user base of state housing agencies, mortgage servicers and counseling agencies.
- 3. We have our own portal solution that fits our loss mitigation needs – can we still use that system?** HMN recognizes that every mortgage servicer occupies a unique niche in the mortgage industry and is pleased that many servicers have proactively built systems to engage their borrowers. We hope that borrowers will utilize those systems and complete workout solutions with their servicers. However, many borrowers, for a variety of reasons, prefer to access systems provided by neutral nonprofits like HMN. Most importantly, as the last housing crisis demonstrated, regardless of how intuitive online systems may be, many borrowers struggle to navigate the complexity of engaging in workout negotiations. As a result, the NHAP enables borrowers to access assistance from HUD-certified counselors to help them to either navigate the system, to enter the required data and documents to effectuate a workout, or both. HMN's mission is to promote homeownership in Nevada; therefore, if a borrower chooses to effectuate a workout directly with their servicer, we welcome that





outcome. However, if a borrower accesses the functionality of NHAP to seek relief, we encourage the cooperation of the mortgage servicer in processing that request through NHAP.

#### 4. Besides working with HMN, are there tangible benefits of NHAP for mortgage servicers?

Mortgage servicers can receive several quantifiable benefits by participating in NHAP, including:

- a. When a consumer chooses to interact with a mortgage servicer via a HUD-certified counselor the servicer may get credit from the Government Sponsored Enterprise(s) (GSE's) for making a Qualified Right Party Contact which is an important metric for the servicers' GSE performance score, and rolls up into a rating that can increase incentive fees and recognition as a top performer.
- b. For successful workouts down the road that come through NHAP, the mortgage servicer may receive a transaction-based loss mitigation fee from the GSE's.
- c. The mortgage servicer benefits from the efficiency of a digital interaction vs. fax/secured email or hard copy.
- d. The mortgage servicer helps to create a national standard interface for all HUD-certified housing counselors as more servicers adopt the portal.
- e. Much of the communication and workflow functionality of NHAP facilitates the mortgage servicers potential compliance with CFPB and other regulations for responsiveness, clarity, and continuity of communication.
- f. Mortgage servicers who have fully utilized THOC as a viable option for consumers and their housing counselors have reported a historical customer satisfaction rating of 98.5%



#### 5. Are there compliance benefits of NHAP for mortgage servicers?

The solution can facilitate CFPB compliance for early intervention, communications continuity, and timely responsiveness. Additionally, the solution can help alleviate state-level communication concerns, such as those addressed by the Homeowner's Bill of Rights. Some default resolution efforts can be hampered by inefficient and often ineffective communications, leading to potential confusion that can leave both borrowers and servicers frustrated. THOC and FMP eliminate these concerns by digitizing messaging, data collection and document exchange, enabling the parties to operate in an environment of full transparency. Finally, by administering performance standards, HMN will be able to attest to the efforts of those servicers who achieve the higher level of customer service envisioned by the platform.

**6. How do we train our core servicing staff to use NHAP?** The solution is web-based and very intuitive, but IndiSoft can also provide online training to your staff upon request. Our goal is to ensure every constituent understands the value proposition of NHAP and utilizes its features to their fullest extent. Finally, for heavy users of the NHAP system and its components, IndiSoft can provision integration solutions with their core systems of record.