

## **Nebraska Financial Education Coalition Meeting Minutes December 7, 2011**

NFEC President Dan Hohensee called the meeting to order. He thanked outgoing board members for their service - Dawn Gonzales, Cindy Slykhuis and Mary Lynn Reiser. He also recognized those who are serving terms on the board of directors for 2011-2012.

### **Presentation on the Independent Foreclosure Review Process: Dick Schenck – Wells Fargo**

- Independent Foreclosure Review process was announced starting November 1.
  - 14 servicers and affiliates to make free independent foreclosure reviews available
  - Done by independent consultants – orders from regulators (Federal Reserve and Office of the Comptroller of the Currency)
  - Borrowers can request review if they believe they were financially injured as a result of servicer errors, misrepresentations, etc.
  - Servicers working with regulators and independent consultants to ensure consistency, fairness and impartial reviews
  - Servicers still working on modifications for foreclosure relief
- Who is eligible to file for a review?
  - Had foreclosure actions in 2009 or 2010
  - Property was primary residence
  - Suffered financial injury
- What are foreclosure actions?
  - Property sold due to foreclosure judgment
  - Mortgage referred to foreclosure process but removed when brought up to date or modified
  - Short sales, deed-in-lieu of foreclosure
  - Filed and delinquent, but foreclosure has not taken place yet
  - Foreclosure process does NOT need to be finalized
- What constitutes financial injury?
  - Mortgage balance at time of foreclosure was more than owed
  - Borrower doing everything in modification, but still foreclosed
  - Foreclosed while borrower was protected by bankruptcy
  - Fees charged or payments were inaccurately calculated, processed or applied
  - Borrower requested assistance/modification, submitted docs on time, and was waiting for decision when foreclosure sale occurred
  - Foreclosure action occurred on a mortgage obtained before active duty military service began and while on active duty, or within 9 months after active duty ended
- Borrower Outreach
  - Direct mail letters sent gradually to potentially eligible borrowers starting Nov. 1 (consistent content and format across all servicers)
  - 4.5 million people nationally
  - National advertising at end of mailing period to reach eligible borrowers who may not have received mail
  - National news media outreach
  - Online search terms to direct borrowers to website – [www.IndependentForeclosureReview.com](http://www.IndependentForeclosureReview.com)
  - Link on each participating mortgage servicer's web site

- Coordination with regulators, not-for-profit housing counselors and other stakeholders
- Return on letters – Wells Fargo initially received a return of 1% on the first batch of borrower letters
- Have to file for review by April 30, 2012
- Borrower Intake
  - Common request for review form for all borrowers regardless of servicer (provided in direct mail packages with postage-paid return envelope)
  - Assistance in completing forms or questions on review process through 1-888-952-9105
- Review Process and Outcomes
  - Send acknowledgement to borrower within a week
  - Review requests that meet eligibility requirements
  - Notify borrower of findings (this could take several months)
  - If financial injury is found, borrowers could receive compensation or another remedy
- Review timeline
  - Customer must submit request for review complaint form by April 30, 2012
  - Acknowledgement sent to customer within a week of receiving request
  - Review is completed and compensation or another remedy determined, where appropriate
  - Servicer provides response based on results of review
  - Because process will be thorough and complete, reviews could take several months
- Potential Issues
  - Foreclosure rescue scams
    - No borrower should have to pay for assistance
  - Out of scope borrowers should continue to work through normal channels with home loan servicer
- Nebraska Foreclosure Trends from Partners:
  - Unemployment issues pushing foreclosure issues
  - Not as much of a backlog of foreclosures as previously
  - Not getting HAMP modifications – may not qualify because of job loss
  - Not as many mortgage scams in Nebraska
  - Fewer foreclosures, coming down

#### **Award Presentation**

- Bonnie Sibert with the Nebraska Department of Education presented the Nebraska State Business Educator’s award to the Coalition and Jennifer Clark for their outstanding contributions to business education.

#### **Money Smart Week Update – Jennifer Davidson**

- Money Smart Nebraska was November 7-13, 2011. Those who have updates on activities or have pictures that can be added to the Money Smart Week annual report should email Jennifer Davidson at [jdavidson@nebraskacouncil.org](mailto:jdavidson@nebraskacouncil.org). Activities during the week included:
  - Lincoln athlete in the schools program – 2 current Husker athletes (250 students)
  - Tailgate with the Coalition – 1500
  - Essay competition – 400 essays
  - Viewing of movie “Inside Job” with student Money Management Center (75 participants)
  - Bank in the Schools at Hartley Elementary in Lincoln (500)

- Online Finance Challenge – 1200 students competed
- Flash mob at the tailgate and at Gateway Mall (brought money machine along) – 400 people
- 3 ex-Husker athletes in the schools in Omaha (600)
- LPS – partnered with Union Bank and did speakers in the schools
- Wells Fargo – Get Smart About Credit, 8 high schools in the state (Valentine, McCook, Lincoln, Omaha, Papillion – 818 students)
- FBLA Chapters, American Enterprise Day – happened during the week; towards spring will have more information about community service hours related to Money Smart Week
- SCC – TRIO, financial aid, SIFE – on all 3 campuses – Beatrice, Lincoln and Milford; did panels of guest speakers; had financial aid jeopardy; an online survey for students; provided some scholarships for students who attended; had 340 students participated
- Union Bank – employees from the Bank and with Lincoln Credit Association; got into LPS – 8 different classes of high school students about money and finance
- US Bank – JA classes during that week; signed to do a bank in the school at Conestoga as well
- Wells Fargo bankers came into UNO College of Business over 3 days; made a casual chance to talk, food, personal banker to talk about student loans – answer student loan questions
- Captive audience events seemed to work well
- Media outreach efforts – interviews

### **Nebraska Credit Union League Updates**

- LB524 passed this year and allowed prize savings accounts. Nebraska's will be called Save to Win
  - Started in Michigan to encourage savings behavior
  - One annual prize of \$25,000 and monthly prizes
  - Credit unions offering this account could do other drawings
  - Can get up to 10 entries per month; one entry per \$25 deposit
  - Still gathering list of credit unions involved
  - More info will be on [betteryourmoney.org](http://betteryourmoney.org) (by end of December)
  - Funding for prize from participating credit unions as well as NCUL
- Lincoln Credit Union QuickCash Program
  - Launched Oct. 20, 2011
  - Have 6 credit unions participating
  - \$500 small loan, 18% APR
  - 60 days payback term
  - Seem populars, but don't have any default information (too early in the program)

### **February Meeting Update**

- Will be at the State Capitol on February 29 to focus on a legislative update

### **By-laws Review – Dean Obenauer**

- Looked at the by-laws with fresh eyes to ask if reality of our practices match up with the by-laws as written. Changes will include slight updates to wording on:
  - Membership application and approval processes
  - Board vote processes
  - Additional clean-up of language in the by-laws

**Survey of Coalition Partners**

- Still would like to get information from partners (can reactive on the website) – take the survey; send back out to participants

**Board Candidates**

- Those interested in serving on the board of directors should email Dan Hohensee to express their interest.

The meeting was adjourned.