



Capital for Communities –
Opportunities for People™

Community Reinvestment Fund, USA
SERVICING

Success Story: Home to Stay

CRF Collaborates with City of Minneapolis, Fannie Mae, Habitat for Humanity



Custom Mortgage Program Rescues Low-Income Families From Mortgage Fraud Scheme

When property flippers targeted a low-income neighborhood of Minneapolis, Minnesota, the community responded, and turned to Community Reinvestment Fund, USA (CRF) for mortgage and loan servicing to support its “Home to Stay” program.

In all, several dozen families – many of them minority, low-income or single-parent – received credit and life skills counseling, fixed-rate first mortgages to replace high-interest ARMs, and dedicated service and support for their new financing. This ground-breaking program was the first of its kind in the nation, and successfully stabilized the neighborhood and the housing situations of participating families.

CRF’s hands-on customer service and active servicing role – including participation in monthly workshops for borrowers – helped counteract borrowers’ negative past experiences and build trust.

For program managers in the 26 participating organizations, CRF’s ability to develop a customized servicing program and manage all aspects of loan closings, monthly collections, and reporting made Home to Stay operations flow smoothly.

For additional information, please
contact one of our
Market Managers:

Gary Holmquist
952-922-5801

Kevin Riba
612-305-2059

Contract Loan Servicing:

CRF provides contract loan servicing for lenders around the country, and currently services more than 5,600 loans with a total value of approximately \$605 million. CRF is an active Fannie Mae servicer and is the only nonprofit servicer in the country rated “Select” by Standard and Poor’s. CRF also received a “AA” CARS Impact Performance Rating.

As an experienced, mission-driven organization, CRF specializes in customized projects for non-traditional portfolios and organizations.

Home to Stay Program Facts:

<p>Type of Loans:</p>	<p>Local Twin Cities banks originated the new loans, which were then privately placed with two religious pension funds and backed by a special Fannie Mae security.</p> <p>29 Fannie Mae mortgages</p> <ul style="list-style-type: none"> • \$2.1 million total • \$71,500 average size <p>6 Habitat for Humanity loans</p> <ul style="list-style-type: none"> • \$417,000 total • \$69,500 average size <p>26 FHLB Forgivable Rehab Loans</p> <p>Loans included conforming first mortgages, down-payment assistance, monthly payment assistance, and supplemental payment assistance.</p>
<p>Servicing Details:</p>	<p>Because of Home to Stay's low transaction volume, complex closing process, and specialized requirements, CRF developed a customized process for the program. Servicing needed to track multiple loans for each borrower and provide hands-on customer service to home owners.</p> <p>Key components:</p> <ul style="list-style-type: none"> • Loan set-up using Interlinq MortgageWare software • Transaction instructions • Payment processing • Ad hoc and customized reports • Direct customer service contact with borrowers and program coordinators <p>CRF held monthly meeting for program managers, Fannie Mae and Habitat for Humanity representatives, and financial counselors. These meetings let all parties communicate on portfolio status, discuss borrowers with special situations, and develop action plans to manage timely collections and other issues.</p> <p>CRF also participated in regular face-to-face Home to Stay Workshops for borrowers, enabling participants to ask questions and build trust.</p>
<p>Program Duration:</p>	<p>Loan origination: 2000-2001 Ongoing loan servicing: 2000-present</p>
<p>Participating Organizations:</p>	<p>Twenty-six local and national entities collaborated to support homeowners, including:</p> <ul style="list-style-type: none"> • City of Minneapolis • Fannie Mae • Habitat for Humanity

ABOUT CRF

Community Reinvestment Fund, USA, a Minneapolis-based nonprofit organization, is the nation's leader in bringing capital to public and private nonprofit community development lenders through the secondary market for loans. Formed in 1988, CRF has injected more than \$1 billion into low-income and economically disadvantaged communities around the country to help stimulate job creation and economic development, provide affordable housing and support community facilities.

Community Reinvestment Fund, USA
801 Nicollet Mall, Suite 1700 West
Minneapolis, Minnesota 55402
800 475.3050 / 612 338.3050 tel
612 338.3236 fax www.crfusa.com