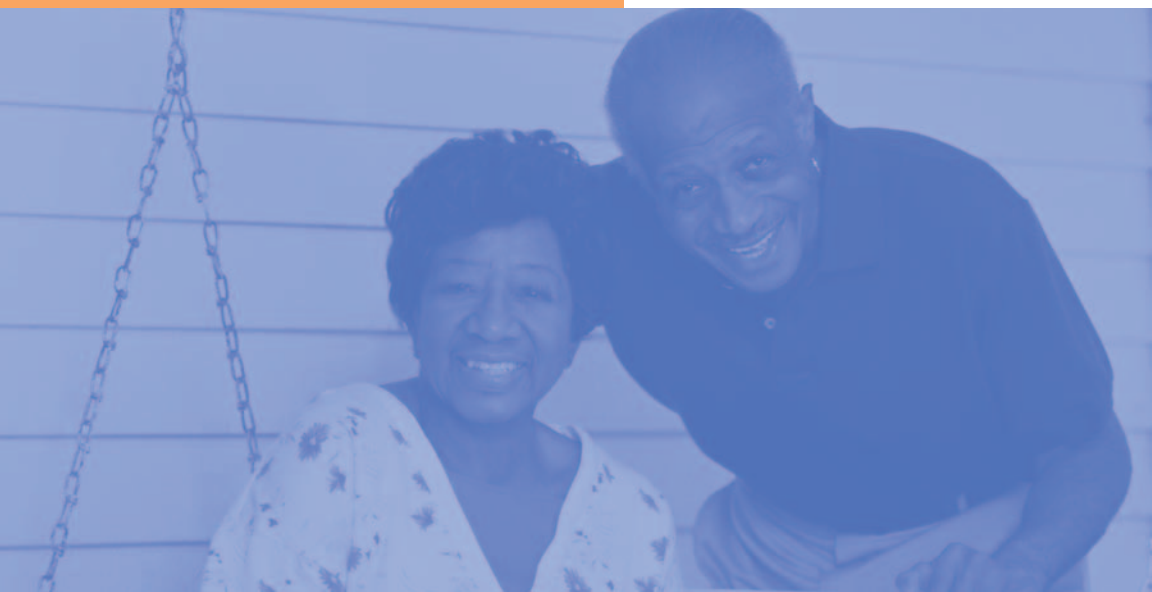




NATIONAL
COMMUNITY
REINVESTMENT
COALITION

NCRC

The National
Anti-Predatory
Lending
**CONSUMER
RESCUE
FUND**





The National Community Reinvestment Coalition (NCRC) is the nation's trade association for economic justice whose members consist of over 600 local community-based organizations. Since its inception in 1990, NCRC has spearheaded the economic justice movement. NCRC's mission is to build wealth in traditionally underserved communities and bring low- and moderate-income populations across the country into the financial mainstream. NCRC members have constituents in every state in America, in both rural and urban areas, who represent and protect vulnerable populations. Members include community development corporations, civil rights groups, community reinvestment advocates, local and state government agencies and faith-based organizations.

fresh



One of NCRC's programs that members and their communities

can tap into is the **National Consumer Rescue Fund (CRF).**

NCRC and over thirty participating member organizations in Arizona, Ohio and New York launched this initiative in October 2001 to help victims of predatory loans or individuals at risk of foreclosure. Today, the CRF also serves consumers in the nation's largest mortgage markets. Working cooperatively with members, NCRC has partnered with Household Finance Corporation to originate affordable loans for consumers who are at risk for foreclosure.

NCRC does this by working with community based organizations, corporations, and responsible lenders to remediate troubled loans and offer consumers a fresh start.

start

The National Anti-Predatory Lending CONSUMER RESCUE FUND

The CRF assists and educates consumers who feel that they have been victimized by their mortgage lenders. NCRC staff members evaluate the terms and circumstances of consumers' loans to determine whether they are predatory in nature or not. A few of the factors that we may consider include:

- The terms of a mortgage loan (affordability) and the borrower's ability to repay;
- The fees that the consumer was charged;
- Problems with mortgage servicers;
- Fraud, forgery and misrepresentation;
- Violations of consumer protection laws, such as the Truth In Lending Act and the Real Estate Settlement Procedures Act;
- Loan "flipping" or repeated refinancing with no benefit to the consumer; and
- What happened when the loan closed: was the customer pressured to sign? Did they review their documents and understand them?

Borrowers with damaged or limited credit will usually pay higher interest rates because lenders take on more risk lending to them. These loans are called "sub-prime." Not all sub-prime loans are unfair to consumers. However, when a lender abuses the system by taking advantage of

"...your labor is not in vain -- it gives and restores life to so many people. God bless you, the NCRC team!"

***-Linda Ivey
Washington, DC***

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vulnerable or financially unsophisticated customers, they are predatory. A group that is often a target of predatory loans is senior citizens. Some warning signs are little or no disposable income and a lack of equity (built up wealth) in the home. Other groups that are targeted are immigrants and people of color. Loans based on race, national origin, disability, age or other protected class are forms of illegal discrimination. NCRC works with victims of predatory lenders so the payment becomes more affordable and foreclosure can be avoided. In many cases, NCRC and its members can help consumers simply by acting as an "ombudsman" and mediating a resolution with the customer's mortgage holder or servicer.

How Our Members Can Contribute

The CRF identifies consumers who are in "high risk," predatory mortgages. We also assist those who have made good faith efforts to pay their loans but are unable to do so due to a permanent change in circumstances. While consumers may refer themselves directly to the Consumer Rescue Fund, NCRC supports member organizations in educating and counseling applicants first. Likewise, NCRC staff may request that a local member organization provide services to an area consumer.



fair

"I cannot find the right words to illustrate my appreciation. I will thank you and pray that should some day you need a miracle, you find yourself in the hands of those, like you, who can make things happen."

***Gina Zucker
Medford, New Jersey***

lending

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NCRC highly encourages comprehensive counseling to predatory lending victims in conjunction with ongoing financial education to prevent problematic situations from arising in the future. Member organizations "originate" initial forms and documents as needed for evaluation and assist in the follow-up of missing or excluded information. In addition to financial information that is required for a mortgage refinance, consumers will be asked to provide copies of the closing papers from their current loan and applicable documentation to prove that their loan is predatory. For more information about documentation, members can refer to our website at www.fairlending.com

Qualifying consumers will be provided assistance free of charge. Keeping a homeowner in his or her home is of utmost importance to NCRC and its partners and members. The CRF is designed to have both a short- and a long-term benefit to the homeowner. Some of the ways we can help people include:

- Mediation with the lender or servicer to have abusive terms eliminated, and to delay or stop foreclosure proceedings.
- Through an affordable refinance, or through mediation with the customer's current lender,

***"...in the end,
NCRC made the
difference. ... To
Household, you
are a prayer
answered."***

***-Michael Alexander
Medford, New York***

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NCRC has been able to modify abusive mortgage terms. This enables borrowers to attain greater financial security.

- If applicable, NCRC will negotiate with lenders to help customers whose appraisals have been over-inflated or whose mortgage debt is greater than their home's worth. In cases like that, NCRC will attempt to have part of the loan forgiven.

NCRC provides assistance to member organizations advocating for consumers' rights and responsibilities. This helps enrich communities as a whole. NCRC supports long-term solutions that provide resources, knowledge, skills and opportunities to wealth in underserved communities.

Program Highlights

When NCRC and primary underwriter Household Finance Corporation are able to refinance a customer through the CRF, the new mortgage the customer gets is unique. Some characteristics of the program are:

- All Consumer Rescue Fund loans are fixed-rate, so that payments are predictable to consumers when they budget their expenses.

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- The program is free of charge to the consumer. Closing costs of appraisal, title and recording fees that are normally put in the loan are absorbed by program sponsors.
- There are no side offerings of credit life insurance, other unnecessary products or side loans.
- No prepayment penalties.
- The credit standards are highly flexible. CRF refinances allow for bankruptcies, foreclosure in progress and credit that would generally be unacceptable to other lenders.
- Mortgage amounts can be up to 100% of the home's value (can be lower for manufactured housing and according to state laws).
- Low- and moderate-income homeowners are acceptable.
- The property must be owner-occupied. No second homes or investment properties are allowed.
- The CRF works with almost any kind of residential real estate.
- Consumers can also benefit from HFC's Pay Right Rewards Program, that can lower the interest over a period of years.

If you have questions or comments about the CRF, please contact us at (202) 628-8866, or visit us on line at www.fairlending.com. Consumers may also contact us toll-free at 800-475-NCRC (6272).

"Thank you so much for all your guidance and help to make this a successful ending in the refinance process."

***-Brenda
Queens, New York***

The National Anti-Predatory Lending **CONSUMER RESCUE FUND**

The CRF is rapidly expanding across the nation. With the help of member organizations who educate their communities about predatory lending, economic justice can become a reality. To date, over a thousand consumers have been helped through the CRF. Alternative dispute resolution, mediation, consumer counseling and financial education have resolved many problematic situations. Through this initiative, NCRC and its members are helping to stop abuses, stave off foreclosures and give victims a fresh start while keeping them in their homes. CRF sends a message of hope to those who have lost equity, security and pride--while identifying new tricks by predators and preparing the ground for legal action against them.

The NCRC National Consumer Rescue Fund program is made possible by a multi-million dollar funding and underwriting commitment from Household Finance Corporation. Support for the fund is also provided by Select Portfolio Servicing, Inc., the Ford Foundation, Freddie Mac, The Fannie Mae Foundation, Fannie Mae, The JP Morgan Chase Foundation, and The Heron Foundation.



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