

**For Immediate Release**  
June 7, 2013

**Contact**  
John Elza  
304-636-6495 ext 15  
[jelza@hocwv.org](mailto:jelza@hocwv.org)

## **HomeOwnership Center Inc. Notes Pre-purchase Housing Counseling and Education Makes First-Time Homebuyers One-Third Less Likely to Have Serious Mortgage Trouble**

Elkins, WV – HomeOwnership Center Inc. has announced the results of new research on the effectiveness of NeighborWorks pre-purchase housing counseling and education that shows that homebuyers who received such support were one-third less likely to fall behind on their mortgages 90 days or more, two years after taking out the loan, compared to homebuyers who didn't receive similar counseling and education. The research was done for NeighborWorks America, a national nonprofit affiliated with HomeOwnership Center Inc., by Neil Mayer and Associates and Experian, and is based on approximately 75,000 mortgage loans originated in 2007, 2008 and 2009.

“Mortgage delinquency and foreclosure continue to be a problem here in Elkins and north-central West Virginia, as well as throughout the country. This new research tells us what works to help families with their housing issues ahead of time; reducing family stress, financial difficulties and costs that may be incurred by neighbors and cities,” said John Elza, HomeOwnership Center Executive Director.

The research findings have important implications for HomeOwnership Center and the entire housing counseling and education industry. “While we have long known from customer feedback that pre-purchase housing counseling and education provided by the certified professionals at HomeOwnership Center is effective at helping to create homeowners who are less likely to default, this research actually supports it,” said Elza.

The research could also become an important tool for lenders in the Elkins and surrounding north-central WV area. Because homebuyers who receive NeighborWorks pre-purchase housing counseling and education are less likely to be three months or more late on their mortgage, the likelihood of foreclosure or other default related costs are reduced, helping a lender's or servicer's bottom line.

“Supporting pre-purchase housing counseling by certified staff affiliated with NeighborWorks organizations like ours is a win-win for the homebuyer and the mortgage industry,” said Elza.

The NeighborWorks America research shows how a small investment up front that finances the availability of pre-purchase housing counseling and education can help homeowners avoid financial losses by potentially reducing serious delinquency that has a good chance of extending into foreclosure, help prevent disruption of family life, and help keep communities stable that might be hurt by home foreclosures.

Estimates vary, but total losses due to foreclosure borne by local governments, servicers and households can exceed \$50,000 per foreclosure, according to a report from the Joint Economic Committee of the U.S. Congress.

According to the Mortgage Bankers Association National Delinquency Survey for the fourth quarter of 2012, the percentage of residential mortgage loans 90 days or more past due across the country was 6.78 percent, and 3.74 percent of homeowners nationwide were in foreclosure. By providing NeighborWorks pre-purchase housing counseling and education to more consumers; it's likely that tens of thousands of the more than 1.5 million homeowners who received a default notice in 2012 may have been able to avoid entering foreclosure.

Interestingly, the NeighborWorks America research shows that even repeat homebuyers benefit from receiving NeighborWorks pre-purchase housing counseling and education. According to the report, repeat homebuyers who received the services also are about one-third less likely to fall 90 days or more behind in their mortgages than repeat homebuyers who didn't receive NeighborWorks pre-purchase housing counseling and education. "More analysis of the data is required to determine the factors for the repeat homebuyer results," said NeighborWorks America CEO Eileen Fitzgerald. "But one thing is clear from the data: housing counseling and education is effective, even if you've been a homeowner before."

HomeOwnership Center is a chartered member of NeighborWorks America - a nationwide network of 236 trained and certified community development organizations at work in more than 4,000 communities across America. Working in partnership with others, NeighborWorks organizations are leaders in strengthening communities and creating affordable housing opportunities for low- and moderate-income families.

As a chartered member of NeighborWorks, HomeOwnership Center is certified to meet a high standard of fiscal integrity and service performance to assist area residents in securing decent affordable housing and improving their neighborhoods. In the last 5 years, HomeOwnership Center has helped more than 200 families into affordable and sustainable homeownership opportunities.

Through NeighborWorks America, HomeOwnership Center has access to financial resources for operating and lending capital, technical assistance, training opportunities, and the experience of hundreds of colleagues from around the country who can help us make our communities a better place to live. As a NeighborWorks organization, HomeOwnership Center is dedicated to building partnerships with individual families, neighborhood leaders, and others who care about and invest in our communities.

HomeOwnership Center is currently celebrating the 15 year Anniversary of its incorporation and is also recognizing June as National Home Ownership Month.

The HomeOwnership Center office is located at 1404 N. Randolph Avenue in Elkins (U.S. 219 North toward the Parsons Road), and is open from 8 a.m. to 4:30 p.m. Monday through Friday. For more information on HomeOwnership Center, call (304) 636-6495, extension 17 or 27; fax (304) 636-4125; or e-mail Tawnya Holbrook at [tholbrook@hocwv.org](mailto:tholbrook@hocwv.org). The HomeOwnership Center web site address is [www.hocwv.org](http://www.hocwv.org). WV Mortgage Broker License #MB-20182; NMLS ID 362854.

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