

Distressed homeowners seek mortgage salvation

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DALY CITY, CALIF. -- Some 5,000 homeowners descended Oct. 16 on the behemoth Cow Palace in Daly City, Calif., known for its rodeos and expos. But instead of entertainment, they came hoping for salvation from the Neighborhood Assistance Corporation of America, a Massachusetts-based nonprofit organization certified by the U.S. Department of Housing and Urban Development (HUD).

As the home foreclosure epidemic claims more victims, homeowners are turning to loan modification programs in growing numbers. Many are small-scale community operations. But the Neighborhood Assistance Corporation of America is doing it on a gargantuan scale.

The group assembles hundreds of trained housing counselors who provide free, one-on-one assistance for homeowners who are struggling with paying their mortgages, or who are at risk of losing their homes.

More importantly, the organization has wrangled agreements with the key lending institutions holding troubled mortgages, such as Bank of America, Wells Fargo and Chase. Its counselors can go directly to the lenders to request loan modifications that reduce mortgage payments from impossibly high to affordable.

A "Save the Dream" event in Los Angeles last month drew about 45,000 people, said C.J. Harris, a Neighborhood Assistance Corporation of America organizer based in Oakland. Ten thousand people preregistered for the Daly City event, and Harris expected a five-day turnout similar to that of Los Angeles.

"It is a national crisis," he said.

The Neighborhood Assistance Corporation of America boasts a success rate of up to 80 percent in helping distressed homeowners, but Harris acknowledges that not everyone leaves the event with a resolution.

"Some people will walk in and get a solution the same day, or they get extreme clarity on what the next step will be," he said. "The larger thing I find is to establish some hope."

Vincent Nguyen and Hanh Le quietly celebrated their successful loan modification, as they left Cow Palace with their toddler in tow. They'd begun the process with a counselor in Los Angeles, where they live, but had to drive up to San Francisco to confirm the deal with Bank of America, their lender.

"We owned our house for five years and for four years we never had a problem," Le said. "We only bought what we could afford from the beginning." They had a conventional mortgage with a fixed-rate loan, but then the recession hit. A software engineer, Nguyen was laid off from his job. Le's job as a dental hygienist was cut back to part time.

"We were a year behind in payments when we heard about NACA," said Nguyen.

The couple tried to get help from the bank, which took over their mortgage from the failed Countrywide Bank, but they didn't get anywhere. "Without NACA we didn't know who to turn to," said Le.

Their new loan agreement reduces the interest on their mortgage from 6.25 to 3 percent, and cuts their monthly payments by \$500, they said. They are now true believers in the Neighborhood Assistance Corporation of America.

"Now, we want to do the volunteering," said Nguyen. "We'd like to help other people like us."

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