



# Bay Area Counselors Use Web Technology to Accelerate Mod Evaluations

BY: CARRIE BAY 

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**T**he **Unity Council Homeownership Center** (TUCHOC), a lifeline for homeowners in the San Francisco Bay Area looking for mortgage relief, announced this week that it will begin using Web-based technology to streamline the loan modification process.



TUCHOC, a HUD-approved nonprofit counseling organization and a recognized NeighborWorks charter member, will use a new technology called **CounselorDirect** to both prequalify its growing number of loan modification requests and make it easier for homeowners to understand available foreclosure prevention options such as President Obama's Making Home Affordable Program.

Sheri Powers, director of TUCHOC, explained to DSNews.com that with recent spikes in the number of people contacting and coming into the center for help to save their homes from foreclosure, her counselors spend most of their time chasing down documents for loan modification applications.

TUCHOC was established in 1998 to expand first-time homeownership opportunities for families in the areas it serves of Alameda County. But today, more than 70 percent of the services the center provides involve loss mitigation and mortgage delinquency or default resolution counseling, all in an effort to stem the tide of foreclosures in its communities.

Since September 2006, the organization has provided foreclosure prevention education to more than 1900 people through its foreclosure prevention workshops and one-on-one mortgage delinquency counseling to more than 700 individuals.

While these outreach efforts have given a good many the support they needed to keep their homes, Powers says half of the people who attend the workshops become overwhelmed by the paperwork and the application process for a modification.

"We expect this technology to completely eliminate the lengthy data collection process," Powers said. "We anticipate significant improvements in our productivity. Most importantly, our counselors will be able to focus the majority of their efforts on foreclosure prevention counseling."

CounselorDirect is a Software as a Service (SaaS) technology

homeowners understand how they stack up as far as their chances for approval. The system includes information from more than 100 servicers that developers have worked with to determine their specific criteria for approving a modification.

CounselorDirect uses a proprietary "Probability Meter" that predicts the likelihood of a successful loan modification based on the unique financial makeup of each user and the specifications of their servicer. The developers of the technology explained that few homeowners understand they can be denied for simply being off by as little as ten-dollars in either direction from their lender's unique "sweet spot." The meter will also identify a user's eligibility for Obama's Making Home Affordable Program.

"Next to collecting the required documentation, the most time consuming part of what we do is helping the client to understand how their lifestyle choices, such as living expenses, can make or break a deal," Powers said.

Using CounselorDirect, Powers says her staff can pre-qualify homeowners for a modification and send a completed, standardized borrower intake package directly to a servicer.

"It is my hope that servicers will become familiar with the uniform package and it will help streamline their process on the back end, as well," Powers said, moving borrowers out of what she called "modification purgatory" more quickly.

Powers also explained that many servicers are carrying out modifications based on stated, not verified information from borrowers, which can be a snag later in the process and poses a challenge to finalizing some restructured loans.

With the streamlining provided by CounselorDirect, TUCHOC counselors can verify the client's information before the documentation is submitted to ensure the numbers reflect an accurate budget and substantiated income and debt.

In addition, the software offers a host of advice and information on the process and timelines for modification or other relief – freeing TUCHOC from the flood of calls and allowing them to allocate resources to processing cases.

TUCHOC plans on announcing several public opportunities for homeowners to better familiarize themselves with the new technology. In the coming weeks, consumers will be offered a variety of lender-sponsored events, computer lab training seminars, and 24/7 access to the new site for homeowners that need the freedom to work at their own pace and privacy.

Andy Firoved, CEO of CounselorDirect, explained, "With the passage of SB94 in California, and similar legislation in other states, nonprofit housing counselors have seen a spike in demand for their services. By leveraging this Web-based technology, TUCHOC can efficiently scale to meet the needs of the growing number of families that require assistance."

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