



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

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NFCC PRESS RELEASE

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NFCC Calls for Homeowner Hotline to Expand Counseling Opportunities for Needy Homeowners

Silver Spring, MD –The National Foundation for Credit Counseling (NFCC) is calling for the expansion of the availability and scope of mortgage counseling services being offered through the government-sanctioned and promoted HOPE Hotline.

The NFCC expressed its deep concern in a letter to the HOPE NOW Alliance. The Hotline is a part of the Alliance initiatives but is operated and administered by the Homeownership Preservation Foundation (HPF).

The HOPE NOW Alliance is the Bush Administration initiative inaugurated last Fall to bring public and private sector interests together to reach the greatest number of troubled borrowers in an effort to prevent foreclosure wherever possible by expanding the availability of mortgage counseling. The Homeowner Hotline has been heavily promoted by President Bush, Treasury Secretary Paulson, and HUD Secretary Jackson as a centerpiece of their economic recovery plan.

Unfortunately, as currently constituted, the Hotline has not been able to keep up with demand. At one point, 26 percent of the calls to the Hotline were abandoned. Homeowners whose calls were answered were frequently given minimal counseling or simply told to call their mortgage lenders.

“This failure may also have discouraged an untold number of homeowners from seeking assistance from other HUD-approved and qualified counseling agencies that were ready and able to provide the services that they desperately needed,” the NFCC said in its letter.

The HPF has restricted Hotline participation to just one HUD-approved counseling group, representing fewer than 10 agencies across the nation. This begs to ask whether this government sanctioned and promoted Hotline and other resources of the federal government are going to utilize all available means to assist homeowners, or is it being run as a private monopoly for the benefit of a few agencies while providing minimal services to consumers.

The letter states that “The NFCC has been and remains deeply concerned by harm being done to consumers seeking to save their homes due to this artificial and indefensible limitation on the number of agencies and counselors available to provide the quality mortgage foreclosure prevention counseling and services that are needed... This de facto government endorsement carries with it a reasonable expectation that all qualified agencies should be eligible to participate in the Hotline and

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eligible to receive funding for counseling services raised through the efforts and encouragement of federal and other government officials.”

As a member of the HOPE NOW Alliance, the NFCC wholeheartedly supports its mission and intentions to collectively serve those consumers in need of counseling assistance. However, it is critical that counseling capacity be addressed and expanded as it is the consumer who is suffering because of the limited availability of high quality and comprehensive counseling services.

To arrange an interview with NFCC President and CEO Susan C. Keating, please contact Gail Cunningham at (940) 691-6322 or (240) 672-2700.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC members annually help more than two million consumers through 911 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit www.nfcc.org.