

'Save the Dream' saves homes

By Bill Lohmann

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Credit: AP - Many homeowners have experienced true hardships, while others were enticed into too-good-to-be-true mortgage offers that wound up fueling the housing crisis.

When they walked into the Richmond Convention Center on Saturday morning, Keith and Desiree Bradby, homeowners for two decades, were on the verge of losing their Varina home to foreclosure.

They walked out a few hours later with a revamped mortgage, including a lower interest rate and payments reduced by \$300 per month, and a head start on holiday spirit. Their home had been saved.

"Merry Christmas!" said a joyful Desiree Bradby. "This is the best Christmas gift we could receive."

The Bradbys were among several hundred struggling homeowners who came to Day 2 of

"Save the Dream," a foreclosure-prevention event sponsored by Neighborhood Assistance Corporation of America. The event, which continues through Tuesday, brings together homeowners who cannot afford their mortgage payments, mortgage counselors and lender representatives in a giant hall at the convention center.

More than half of those homeowners who participate are likely to leave with a more favorable mortgage, said Darren Duarte, an NACA spokesman. The rest may come away with a better approach to managing their mortgage or a sense of what documentation they might need to arrange a loan modification in the future.

The service is offered free to participants. NACA is a Boston-based nonprofit housing counseling agency certified by the U.S. Department of Housing and Urban Development. NACA, launched with federal grants, is financed through fees paid by lenders on successful loan modifications after the homeowners make three on-time payments. NACA has held dozens of such events around the nation, but this is its first visit to Richmond.

Part of the event's appeal is bringing together lenders and homeowners for face-to-face meetings, after NACA counselors have gone over the homeowners' records and helped put together more affordable mortgage proposals.

The Bradbys, who ran into difficulties when the cleaning business they owned and operated failed during the economic downturn, had attempted to work with their lender to document their situation and revise their mortgage but had made little progress. The Bradbys found new jobs, but the lender had started foreclosure proceedings, and the Bradbys were faced with finding a new home for themselves and their two children.

"On pins and needles daily" is how Desiree Bradby described life with foreclosure hanging over the family. "It was only our faith that kept us believing for a miracle — and this is like a miracle."

At the convention center, homeowners went through orientation and mortgage counseling on one side of the cavernous hall, and then advanced to the other side where banks and loan servicers awaited to work out final details. In the Bank of America corner of the hall, every time a more affordable loan was approved, bank employees would burst into cheers and applause.

"People think we want these homes," said Angeanette Dowles, vice president in the bank's Home Retention Division. "They don't realize if they lose their property, we lose. It is a benefit to us to modify that loan by any means necessary."

Besides, she said, "it's the right thing to do."

Many of the homeowners have experienced true hardships with the loss of jobs or family illness, while others were enticed into too-good-to-be-true mortgage offers that wound up fueling the housing crisis. Some have experienced both.

Leo and Idalia Delgado of Prince William County came to Richmond to get out from under a variable-rate mortgage that had them paying only interest. After Leo Delgado lost his job in the information technology field and was unable to find another job at the same pay level, they were unable to keep up with their monthly mortgage, even after dipping into savings.

The Delgados attended a NACA event last month in Baltimore, but they lacked the documentation necessary to proceed with a mortgage revision. They secured the documents they needed, arrived in Richmond and worked out a solution: a new mortgage with monthly payments \$400 less than before. And now they're paying principal as well as interest, meaning they're actually buying their home instead of just renting it.

They were thrilled, except they still have to deal with a second mortgage they had taken out to make payments on the first.

"We don't know how that's going to come out," Leo Delgado said, "but this is a good first step."