

# Brand New Day Diary

## *Leading the Charge for Change*

*Spring 2009*

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## ***Brand New Day awarded and designated as a NeighborWorks® Home Ownership Center***

Brand New Day, Inc., is proud to announce that it was designated and awarded as a NeighborWorks® Homeownership Center on February 17. The award was presented to Carl Marshall, Esq., a Brand New Day board member, at NeighborWorks® America's Training Institute in Atlanta.

"I am very proud of Brand New Day and the fact that it was one out of five new homeownership centers awarded that day," said Marshall. "Brand New Day is one of more than 100 centers across the country. I have a greater appreciation of the hard work of the staff as a result of the award."

Homeownership centers offer one stop shopping to purchase, renovate, insure, maintain and manage a home under one roof. Although, the concept has proven to boost homeownership among the nation's underserved homebuyers--women, minorities and people of modest means--the service is available to all income levels. NeighborWorks® Home-Ownership Centers employ a comprehensive approach to develop homebuyers and to assist homeowners, ensuring the creation of default resistant borrowers and involving resident stakeholders in the communities they serve. Home ownership and resident leadership are believed to play an important role in revitalizing deteriorating communities and full-cycle lending is a very powerful tool for stabilizing and strengthening those neighborhoods.

The Homeownership Center also brings together partners from the public sector, for-profit sector including banks, realtors, and other associated organizations and professionals, to provide the most efficient service to potential homebuyers and current homeowners.

The Center is staffed by full-time HUD certified counselors, support staff and volunteers to conduct the following: financial fitness education, homebuyer education, credit counseling, foreclosure prevention and intervention, and a clearing house of information including affordable mortgage products, grant opportunities, among other services. The staff will measure the success of its clients from initial intake, through closing and beyond.

NeighborWorks® America, a public organization chartered by Congress, provides each Homeownership Center with technical assistance, grants, training and secondary market access to Neighborhood Services of America (NHSA). Community organizations find this high quality service a good strategy for their customers and partners. As a result, the organizations raise their visibility, reach more diverse customers, and enlist more investing partners.

This innovative approach will keep home buying more attainable, whether urban or rural, regardless of financial, cultural or language needs, giving each new buyer long term success as a homeowner in their community.

Brand New Day's mission is to revitalize and enhance the quality of life for low and moderate income families through the development, management and preservation of affordable housing, expanding wealth creation opportunities through home ownership and neighborhood-based economic development and advocate for social stability.

## Brand New Day helps elderly widower to avoid foreclosure



The 77-year-old Mr. Parker was facing foreclosure. The widower had lived in his home since 1957 when he was 26 years old. His wife of 40 years, who was the main wage earner and handled all of financial affairs, died in 2005 and he had no other family. He was unable to receive his wife's pension due to loans that were taken out of the fund over the years. His health was declining and he required oxygen at least 12 hours per day. He had over \$500.00 in prescriptions in addition to his other monthly bills. In an effort to try to resolve his financial struggles, Mr. Parker had refinanced the loan on his house into an Adjustable Rate Mortgage. He was referred to Brand New Day by the HOPE hotline.

Penny Meredith, the housing counselor, began to work with Mr. Parker in November 2007 to help keep him in his home. He was desperate but determined that he was not going to sell his home. At that time he was three months past due on his mortgage and

facing a sheriff sale. His loan balance was \$220,000 and his mortgage payment was \$1600.00, which did not include his taxes and insurance. Penny collected his documentation for a loan modification. In February, 2008, Mr. Parker's loan modification was denied and a sheriff's sale was pending. She then contacted the FDIC regarding Mr. Parker because his lender had been taken over by the agency. The sheriff's sale was postponed and Penny hoped she could negotiate with the lender to reduce his loan balance and payments.

Penny then thought that a reverse mortgage that would payoff the mortgage and eliminate the monthly payment would be an option. When it was appraised, Mr. Parker's lifelong home came in at \$155,000 a full \$65,000 less than his loan balance. The proceeds from the reverse mortgage would only leave approximately \$135,000 to offer the current lender, which was \$85,000, less than what was owed. Penny advised the FDIC what funds would be available from the reverse mortgage. However, the lender could not reduce the principal and the sheriff's sale was rescheduled.

Several months had passed and Mr. Parker was calling Penny everyday seeking answers. She was able to obtain a stay on the sheriff sale by re-

working his budget and resubmitting his modification request, hoping it would land in the hands of someone who could help. At this time a new program, the NJ State Foreclosure Mediation program, became available, which assists homeowners in avoiding foreclosure by proposing workouts and payment arrangements.

On March 10, 2009, Mr. Parker and Penny had an appointment for Court Mediation. Penny came to session with three types of offers of workouts for the bank's attorney. These offers consisted of reducing the principal balance, lowering the interest rate or extending the loan term. Penny began the negotiating process with the lender's attorney. The bank offered to reduce Mr. Parker's principal balance by \$75,000 with a balloon at the end of an extended term of 40 years. The lender also reduced his interest rate to 3 percent for the first five years and 5 percent over the remaining 35 years. He would still be responsible for his taxes and insurance, and his monthly payment would never be higher than \$575.00. Ms. Meredith and Mr. Parker were nearly brought to tears and were overwhelmed by the bank's response.

This was a 15-month process and Mr. Parker persevered through it all. He can now rest assured in his home of over fifty years.

## Krishna Garlic receives award from NeighborWorks



Krishna Garlic, BND's executive director, was presented with the Practitioner's Award at the National NeighborWorks Association's 5th Annual Excellence Award on March 25, 2009, in Washington, D.C. The Excellence Awards highlights individuals who foster and lead great projects

throughout the housing and community development industry.

Ms. Garlic was recognized for her more than 10 years of compassion and commitment to community revitalization and resident leadership development. She has helped Brand New Day transform into a cutting edge community revitalization organization with a holistic approach to empowering communities. She has taken on the foreclosure crisis in New Jersey as her personal cause. Even before there were funding opportunities available, Krishna provided this service in-kind because she saw it as a real need in the community.

## Foreclosure Mediation

Brand New Day provides foreclosure mediation counseling, an opportunity for qualified homeowners who are facing foreclosure to receive help from counselors, attorneys, and a neutral mediator to resolve a loan delinquency. The program is free, and designed to assist homeowners in avoiding foreclosure by proposing work-out and payment arrangements with the lender. Mediation is available whether or not you dispute your lender's right to foreclosure. For more information: call 1-888-898-5277 or visit [www.NJForeclosureMediation.org](http://www.NJForeclosureMediation.org).

This newsletter was produced by  
The Write Words, Fran Sullivan, owner.

## Queen Latifah participates in foreclosure prevention campaign



Wyclef Jean and Queen Latifah walk the streets of Newark to lend their support to the HOPE NOW foreclosure campaign.

Newark native, Golden Globe and Grammy Award winner Queen Latifah, joined BND's executive director Krishna Garlic and her foreclosure counseling staff in the kick-off of HOPE NOW Alliance Bringing Hope Home, a foreclosure campaign.

The goal of the campaign is to raise awareness of the foreclosure crisis and the free resources available to homeowners in danger of losing their homes. The campaign included a bus tour of Newark, which has the 35th highest rate of foreclosure out of 100 cities across America in 2008.

Queen Latifah, who was

accompanied by fellow celebrities platinum recording artist Wyclef Jean and HOT 97 radio personality Angie Martinez, became involved when her manager viewed a recent Fannie Mae news broadcast that discussed foreclosure prevention. Latifah decided to lead her voice to the cause.

Following the bus tour Mayor Cory Booker and Governor Jon Corzine spoke before a roundtable discussion in which Krishna served as a panelist for the National HOPE NOW Alliance. The discussion included national and New Jersey-based community leaders.

## Foreclosure crisis subject of Union County Community Development Celebration "09"

The national foreclosure crisis was the topic of a forum discussion at the Union County Community Development Celebration "09", hosted by the Union County Department of Housing and Community Development and the Union County Board of Chosen Freeholders on Wednesday, April 15. Diane J. Johnson, Newark field office of the United States Department of Housing and Urban Development, was a guest speaker.

The event was attended by commu-


nity leaders and community development professionals in addition to the public. A Foreclosure Resource Directory, produced by the County of Union Foreclosure Task Force, is available to all residents. In addition to important phone numbers, the Directory contains information about foreclosure counseling and prevention, anti-predatory lending, foreclosure mediation, tenant rights, homeless prevention, and home heating assistance, along with general information for county residents.

## City of Elizabeth celebrates Community Development Block Grant anniversary


City of Elizabeth marked the 35th Anniversary of the Community Development Block Grant (CDBG) program at a celebration April 14, 2009 at the Elizabeth Public Library. During this week-long celebration, Brand New Day was honored for their tireless efforts and for services provided in Elizabeth. A display of Brand New Day's services was also placed in City Hall.


The CDBG program, signed on August 22, 1974, has been strengthening our communities by providing affordable and accessible housing, childcare, health care, senior citizens programs, and infrastructure improvements. CDBG remains the premier federal development tool for neighborhood stabilization, revitalization and economic development. It addresses a myriad of other critical needs of lower-income residents.


### Did you know ...

 Low- and moderate-income borrowers who enter a repayment plan are 68 percent less likely to lose their homes.

Excerpted from "Heroic Homeownership," by Dona Dezube, Mortgage Banking, June 2006

 Children of homeowners are likely to perform higher on academic achievement tests and are more likely to finish high school. They also have fewer behavioral problems in school.

 Political activity (voting, civic participation) is higher among homeowners than renters. High level of neighborhood homeownership enhances property values.

 Homeowners are more satisfied with their lives and are happier. Homeownership is positively associated with physical, mental and emotional health.

Excerpted from "The Social Consequences of Homeownership" by Robert Dietz.

The above information is provided through the courtesy of NeighborWorks America.

## BND meets with faith-based leaders to combat foreclosure crisis



Left to right: Edward LaPorte, executive director, Office of Faith Based Initiative, Nina Wells, New Jersey's secretary of state, Deborah Boatright, Northeast district director, NeighborWorks America, Reverend Calvin McKinney, pastor, Calvary Baptist Church of Northern New Jersey at Garfield, and Krishna Garlic, executive director, Brand New Day.

On March 12, 2009, a breakfast meeting was held by a select group of faith based community leaders at Calvary Baptist Church in Garfield, New Jersey. Sponsored by NeighborWorks® America, the Office of Faith Based Initiatives, and Brand New Day Inc., the purpose of the meeting was to apply strategies to deal with the foreclosure crisis in their communities. The attendees included statewide leaders from churches, mosques, and synagogues.

Milton Sharp, a senior homeowner specialist with NeighborWorks® America, facilitated the discussion by using a question and answer format. Participants were asked specific questions about how they are dealing with the foreclosure crisis in their communities. Some of the most common reasons for foreclosure were outlined including:

- ✓ Reduction in income was the reason for over 70 percent of calls made to counseling centers across the country and in New Jersey.
- ✓ Unemployment
- ✓ Excessive obligations
- ✓ Changes in payment amount i.e. adjustable rate mortgages

- ✓ Death in the family and divorce
- ✓ Too late in seeking help.

"People are suffering in silence," said one pastor of a large Bergen County church. He went to visit one of his long time members, only to find the sheriff on the front porch. The shame factor is connected with this crisis and statistically 50 percent of families do not reach out for assistance. Church leaders are viewed as more empathetic in dealing with the mourning process and anxiety that goes along with losing a home.

Fear of scams is another reason people are not reaching out for help. One of the keys to success is information coming from a trusted source such as faith-based leaders.

A number of solutions were discussed, such as Housing Assistance and Recovery Program (HARP) started by Dr. DeForest B. Soaries, Jr. senior pastor of First Baptist Church of Lincoln Gardens in Somerset, New Jersey. It was the result of members approaching church leaders for financial assistance. First Baptist Community Development Corp (FBCDC) partnered with Magyar Bank to initiate HARP, which assists tenants and homeowners in Middlesex and

Somerset counties facing foreclosure.

HARP will allow the FBCDC to purchase the home from the homeowner then lease it back. Homeowners accepted into HARP are required to go through extensive credit counseling. Upon completion of the program their financial status will be reviewed to determine their ability to resume mortgage payments and to negotiate the repurchase of the home.

Brand New day is one of 16 organizations in New Jersey certified by HUD to counsel and administer foreclosure intervention and court mediation. Krishna Garlic, executive director of Brand New Day, said, "People need to be aware of the Court Mediation Program that can be utilized even up to the date of sale."

The Court Mediation Program gives qualified homeowners the opportunity to avoid foreclosure by proposing payment arrangements with their lender. It was also noted that the foreclosure process can take up to 450 days in the State of New Jersey.

Nina Wells, secretary of state for New Jersey, said, "In light of our discussion we must not forget to still encourage homeownership. The pendulum swings back and we do not want to give the wrong signal to people about owning a home."

Deborah Boatright, Northeast director for NeighborWorks® America, suggested that we start work on a buddy system concept with social services, school principals, and housing counselors to form a pyramid-based clearing house as a solution to the foreclosure crisis. Faith-based leaders need better access to information to provide to their communities. Ms. Boatwright also extended an invitation to the participants to attend the upcoming National Training Institute.

All of the attendees agreed that the foreclosure crisis extends beyond their respective organizations and all must be responsible for one another.