Progress Report to
CT General Assembly’s Banks Committee
February 2, 2009

PA 08-176: AAC Responsible Lending
and Economic Security

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President & CEO

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AVP, Private Sector Services

The WorkPlace, Inc.
Education and Training pays

Unemployment rate in 2007 (Percent) | Median weekly earnings in 2007 (Dollars)
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1.4% | Doctoral Degree $1,497 = $77,844/yr
1.3 | Professional Degree 1,427 = 74,204/yr
1.8 | Master's Degree 1,165 = 60,580/yr
2.2 | Bachelor's Degree 987 = 51,324/yr
3.0 | Associate Degree 740 = 38,480/yr
3.8 | Some college, no degree 683 = 35,360/yr
4.4 | High school graduate 604 = 31,408/yr
7.1 | Less than high school diploma 428 = 22,256/yr

NOTES: Unemployment and earnings for workers 25 and older, by education attainment, earnings for full-time wage & salary workers.
MCJTP helps borrowers gain the skills they need to be able to earn more money to become financially stable.

**Services:**
- The program offers:
  - Customized Employment Services
  - Job Training Scholarships
  - Job Placement Assistance
  - Financial Literacy
  - Credit Counseling
  - Referrals to other needed services
- 8 Program Specialists; assigned to customers geographically

**Eligibility:**
- 60 days or more past due on mortgage
- Mortgage is for primary residence in CT
- Household income less than $120,000
- Referred by the Connecticut Housing Finance Authority (CHFA), or can demonstrate an imminent need for services
4

134 of 169 towns have individuals referred

MORTGAGE CRISIS
JOB TRAINING
PROGRAM

Referrals by Town
As of January 2009

134 of 169 towns have individuals referred
The Situation

- Sub-prime mortgage resets created initial crisis
- Now, slowing economy + unemployment are adding to the need
- Poorest people in urban districts are impacted most

<table>
<thead>
<tr>
<th>Sub-prime</th>
<th># loans</th>
<th>Unemployment Rate</th>
<th>Referrals as of 1/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridgeport</td>
<td>5,213</td>
<td>10.1%</td>
<td>166</td>
</tr>
<tr>
<td>New Haven</td>
<td>3,998</td>
<td>9.6%</td>
<td>38</td>
</tr>
<tr>
<td>Waterbury</td>
<td>3,333</td>
<td>10.6%</td>
<td>62</td>
</tr>
<tr>
<td>Stamford</td>
<td>2,599</td>
<td>5.6%</td>
<td>26</td>
</tr>
<tr>
<td>Hartford</td>
<td>2,573</td>
<td>12.7%</td>
<td>51</td>
</tr>
<tr>
<td>West Haven</td>
<td>1,946</td>
<td>7.2%</td>
<td>35</td>
</tr>
<tr>
<td>Norwalk</td>
<td>1,923</td>
<td>5.8%</td>
<td>30</td>
</tr>
<tr>
<td>Danbury</td>
<td>1,854</td>
<td>5.3%</td>
<td>24</td>
</tr>
<tr>
<td>Meriden</td>
<td>1,757</td>
<td>8.3%</td>
<td>43</td>
</tr>
<tr>
<td>New Britain</td>
<td>1,717</td>
<td>9.9%</td>
<td>31</td>
</tr>
</tbody>
</table>

Top 10 Sub-prime Unemployment Rate
Sources: Governor’s Sub-prime Mortgage Task Force, 2007; CT DOL December 2008; RealtyTrac.com

506 loans
33% of total

Notes:
- SRC - Fairfield County mashed in with Bridgeport
- SRC - Middlesex County mashed in with Hartford
- SRC - New Haven County mashed in with New Haven
- SRC - New London mashed in with Meriden
- SRC - New London mashed in with New Britain
- SRC - Middletown mashed in with Meriden
- SRC - Tolland County mashed in with New Britain
- SRC - West Haven County mashed in with West Haven
- SRC - Danbury County mashed in with Danbury
As of 1/30/09:
(4 full months in operation)

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referrals to the program</td>
<td>1,538</td>
</tr>
<tr>
<td>Assessed for Program Eligibility</td>
<td>413</td>
</tr>
<tr>
<td>Training Scholarships</td>
<td>142</td>
</tr>
<tr>
<td>Provide Career Coaching</td>
<td>245</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>(includes evaluating training opportunities, will lead to scholarships)</td>
<td></td>
</tr>
<tr>
<td>Employment Support Services</td>
<td>208</td>
</tr>
<tr>
<td>(Resume Prep, Interview Prep, Assistance with Employment Applications)</td>
<td></td>
</tr>
<tr>
<td>Referral to Financial Literacy</td>
<td>155</td>
</tr>
<tr>
<td>Credit Counseling</td>
<td>87</td>
</tr>
</tbody>
</table>
• **A Concern:** Loan modifications alone don’t eliminate delinquencies

Nationally, more than ½ of loans modified in 1Q08 fell delinquent within 6 months*

(Comptroller of the Currency John C. Dugan, 12/8/08 at National Housing Forum)

• **CT’s Opportunity:** MCJTP uses our workforce system to help borrowers increase their earning capacity

→ ability to pay mortgage

*>30 days past due. 36% after 3 mos, 53% after 6 mos, 58% after 8 mos. Report covers 35 million loans or about 60% of all first-lien mortgages in U.S.
Education & Training Through MCJTP

- Over 140 training scholarships have been written
- Average duration of training is 9 weeks
- Types of training include:
  
  - Certified Nurses Aide
  - Dental Assistant
  - Veterinary Technician
  - Medical Billing & Coding
  - A+ Network & Microsoft Certified Professional
  - Certified Payroll Professional
  - Pharmacy Technician Certification
  - Project Management
  - Lean – Six Sigma Black Belt
  - Administrative Assistant Certificate Program
  - CDL Class A Tractor-Trailer
Participants of the MCJTP are receiving training at the following Connecticut schools, among others:

- Capital Community College
- Central Connecticut State University
- Eastern Connecticut State University
- Gateway Community College
- Norwalk Community College
- Three Rivers Community College
- University of Connecticut
Staff: Program Specialists Have Diverse & Relevant Backgrounds

- Olga: Attorney focused on commercial & residential real estate; Legislative Asst for members of Congress
- Michael: Underwriter; 15 years private & public sector experience
- Samone: Director Housing Development, Habitat for Humanity; property management for Freddie Mac; 10 years with low-income families and affordable housing
- Rosa: Banker assisting first-time homebuyers; 10 years in community outreach, mortgage counseling & employment training
- Nicole: Attorney handling broad range of cases; Board & Commission roles; Justice of the Peace
- Tim: Finance & Accounting; 30 years diverse tax, financial planning, mortgage origination, credit education & counseling
- Rose: Mortgage & Banking in diverse roles; owner of insurance & real estate agency; volunteer community leader
- Stephen: Human Resources & Operations; 20 years in large corps and small non-profits handling business and employee issues
Who’s Weighing In?

1. Institution holding mortgage
2. Agency guaranteeing (e.g. CHFA)
3. Housing counseling specialist
4. Judicial Branch, Foreclosure Mediators
5. Attorneys (for Lender & Borrower)
6. Mortgage Crisis Program Specialist: lends weight + voice
Referrals - Assessments
Actual Data Through December - Forecast January - June

Referral Sources Include:
* CHFA
* Foreclosure Mediation Program
* Department of Banking Call Center
* Housing Counseling Agencies
* CTWorks One Stop Centers
* MCJTP Toll-Free Number 866-683-1682
* Legislators
Year 2:

- Respond to continued demand
- Expand staff to close “gap” between referral and enrollment
- Increase outreach & build awareness
- Coordinate more closely with other programs
- Enhance state’s response to rising unemployment
Participant Testimonial

"Money for me, like many, is one of the things that are a factor in my daily life. With this training under way, I will definitely return to the work force with confidence. You are helping me to focus more on my studies and further apply myself to be better and achieve my dream ... I look forward to the time that I can help others as you have helped me."

-- Email from a program participant currently in training
MORTGAGE CRISIS
JOB TRAINING
PROGRAM

Keep your home by getting the skills you need

1-866-683-1682
www.workplace.org/mortgage.asp