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**Remarks by
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Thank you, Hala. Commissioner VanAmerongen, Superintendent Neiman, Deborah Boatright, and members of the coalition. Good afternoon.

It is a real honor to join with you today to launch the Coalition for Excellence in Homeownership Education.

Today is a culmination of a lot of hard work. We at “nyhomes” value the partnership we have forged with many of you this past year, and appreciate being a part of the Coalition’s work. We strongly support the work you do, and agree that a homeowner who understands what it means to own a home is also likely to be a neighbor who is committed to his or her community. This helps strengthen and stabilize our neighborhoods and families. So, thank you for your work and for including me today.

Importance of the Counseling Community

When I joined state government a year ago, I talked about four goals for our agencies. They were:

- make decisions that would further our statutory mandate;
- develop a statewide presence;
- use our resources judiciously; and
- build strategic relationships and partnerships.

No example better illustrates what we accomplished last year than our agencies’ relationships with the counseling community.

I'd like to talk about this relationship, and then address why we at "nyhomes" believe the work of the Coalition – and the call for uniform home counseling standards – is so important.

Last Year

Let's talk about last year.

We found ourselves in the middle of an evolving housing crisis. As the state's sole government lender in the single-family mortgage market, we asked what our role should be. We had never been in the refinancing market, for example, and wondered if it was our role to do so.

The first people we turned to were groups like yours. You are the ones on the ground, dealing with borrowers at risk of losing their homes because of mortgages they could no longer afford. You explained how each borrower was different, that there was no solution that could help all borrowers, and that the housing market varied throughout the state.

But one issue was clear. That counseling was vitally important—not just for homeowners who had fallen behind on their mortgage payments, but for first-time homebuyers as well. And that without linking counseling to SONYMA's safe and wonderful mortgage products, we were only furthering a part of our mission – helping people buy a home; not the other – helping people stay and keep their homes.

You also warned us that capacity in the counseling community was an issue, and that counseling was not consistent amongst counseling agencies.

Partnership with the Counseling Community

So, how did your advice impact our work?

We decided to be part of the solution to help address the subprime issue. We launched the Keep the Dream refinancing program. Under this program, a borrower who is no more than 60 days delinquent could refinance into a fixed-rate affordable mortgage. We require every recipient of a Keep the Dream mortgage to receive counseling with a counseling agency. I'm glad to say that many of our agency partners are here today. We put money on the table—\$250,000—to pay for homeownership counseling for each Keep

the Dream borrower. We even persuaded Fannie Mae, our financial partner in Keep the Dream, to come up with \$125,000 to supplement our counseling efforts.

Another example occurred just last week. We submitted an application to the Washington office of NeighborWorks America on behalf of counseling agencies throughout the state. By doing so, we offer to help distribute federal funds to counseling agencies across the state to help them expand capacity – so they can help more people in need.

Lastly, we signed a contract with NeighborWorks America's Northeast District for a one-year, \$450,000 pilot program to promote homeownership in underserved communities across New York State. With this new partnership, six local NeighborWorks organizations are going to work with us to improve awareness of SONYMA mortgages in targeted low-income and minority neighborhoods—neighborhoods where our low cost mortgages would do the most good.

Need for Standards

Through our work with counseling organizations over the last year, however, we learned that the counseling community is remarkably diverse. While a majority of the state's counseling agencies are first-rate, there are so many groups that it is impossible for government to ensure that they all are providing the services that help borrowers.

That's why today's report is so timely. It provides an excellent snapshot of counseling in the state, and explains how the Coalition and its members could make a difference. It also helps us understand what is necessary for counseling to be effective.

Without standards, we won't be able to measure if a certain type or level of counseling is effective, and we won't be able to further refine what might work. This could mean that many government dollars invested in furthering homeownership could be lost. Why? Because borrowers won't be homeowners for long if they don't understand that pipes break, property taxes go up, roofs need repair and they don't budget accordingly. And, they won't be homeowners for long if they take out mortgages they do not understand, or buy homes they cannot afford, or pay high interest rates because they did not work with counseling agencies to raise their credit scores.

Quality, uniform counseling standards helps turn borrowers into responsible and sustainable homeowners. I urge all of you to join the Coalition, review their recommendations, and consider adopting these standards so there is consistency in counseling education across the state.

Financial Literacy

I'd like to conclude on a broader note. The same way the subprime crisis has given all of us the opportunity to generate public awareness about the importance of counseling, it should also be the platform to talk about the broader issue of financial literacy. For so long, homeownership was the proverbial "American Dream." Becoming a homeowner was how someone could change one's life — build wealth and improve one's economic standing.

Today—given how complex society is—perhaps, knowing how to make sound, responsible financial decisions, at every stage in one's life, is what is paramount.

Educated citizens make informed financial decisions, and maybe that's our best protection against the next "bubble."

Conclusion

Thank you for inviting me to speak to you today. It's great to be here to celebrate with you. Again, congratulations for all the hard work that went into creating this Coalition.

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