

January 30, 2009

Greetings,

A number of you have raised some reasonable questions and requests for documents relating to the foreclosure counseling program. Here is my best effort to address the issues. Please let me know if you still have questions. The email below is also set forth in the attached Word document. Thanks all, for your understanding in starting up this new project, with partners and requirements that are less familiar to us.

1. **Documents:** The following documents are attached:
 - a. Invoice form
 - b. Data reporting spreadsheet (this is still in draft form and I expect changes to address confidentiality issues)
 - c. Housing Counselor referral form
 - d. Fee schedule
 - e. List of housing counseling providers that are partners in this project (note this list continues to be reviewed by PHFA and could be revised).
2. **Confidentiality of Data:** I had been under the impression, dating back to information shared by NeighborWorks and NLADA in August, that the confidentiality issues with this project had been worked out. However, it now appears they were worked out by one state and that the arrangements there had not yet been generalized to an overall rule. Don Saunders at NLADA is working on this. I've participated in several calls in recent days, and have drafted a proposed resolution, which would protect our client confidentiality. I am hopeful we will have some resolution of this issue shortly but I can't announce one quite yet. For now, I would say that I remain optimistic that a solution is in the works, as demonstrated by the fact that this issue was favorably resolved in the past. Originally, the data points had included social security numbers and we have already succeeded at removing that.
3. **Distribution of Funding:** While the absolute final distribution of funding has not been confirmed, I understand right now that about \$1.8 million will be distributed to programs, based upon their drawdown of fees on a per case cases, as cases are completed. Previously PLAN, Inc. had indicated it would need to draw a percentage of these payments to cover actual costs to oversee this program and meet grant requirements. This is not necessary as PHFA will be directly covering our costs through the grant. As previously announced, the \$1.8 of funding was based on assumption of 3600 cases at \$500 per case. Not every case will be billed at \$500 but most will be, as this is the only level of billing in which clients are not only being advised and documents reviewed, but here there is any document preparation and revision. Still assuming that there will be 600 Commonwealth Housing Legal Services cases, this leaves 3,000 cases to be allocated to the regional programs, as follows:
 - a. Philadelphia (CLS and PLA): 26.25% 787 cases, assuming \$500 per case, \$393,500
 - b. Laurel: 6.74% 203 cases, \$101,500
 - c. LASP (with CILS too): 9.02% 271 cases, \$135,500
 - d. MidPenn: 17.75% 532 cases, \$266,000
 - e. NLSA: 13.33% 400 cases, \$200,000
 - f. North Penn: 14.36% 431 cases, \$215,500
 - g. Northwestern: 7.07% 212 cases, \$106,000
 - h. Southwestern: 5.47% 164 cases, \$82,000
 - i. NLSA special CHLS 600 cases, \$300,000

CAVEAT: Remember the important condition to these fund distribution amounts is that they are not fund allocations in the traditional sense. If Laurel produced 150 cases and invoiced all of them at \$500, Laurel would draw down \$75,000, not the \$101,000 we assumed. Or if Laurel handled 203 cases, but invoiced 100 of them at \$350 and 103 of them at \$500, then Laurel would draw down

\$86,500, not the \$101,000 we assumed. Because we want to be sure to draw down all funding, we will keep a close watch on the invoicing and may make adjustments in these assumptions. With the Laurel example, if we found that LASP was invoicing at a rate above assumptions, then we may increase LASP's and decrease Laurel's case production assumptions. There is no requirement that funding be allocated according to any set formula; just the expectation that we will fully draw down funds.

- 4. Income Guidelines:** While we were originally to believe that housing counselors would be screening for 60% of area median income, we now understand there will be no income guidelines. Of course, clients will be at imminent risk of losing their homes. While some clients may have had good jobs recently, the clients referred under this program can be expected to have recently experienced some major event, such as loss of job, that puts them at risk of losing their home.
- 5. Referrals by Housing Counselors:** To qualify under this program, a client must be referred by a participating housing counselor. Not all housing counselors are participating in this round of funding. You'll find the ones that are listed in the attached spreadsheet, which continues to be updated from time to time.
- 6. Clients Who First Come to Legal Services:** A fundamental requirement of this program is that clients have to be referred by housing counselors, after they have provided an appropriate level of services. If a client first comes to a legal services office, this client will not be eligible for this project unless the client is referred to a counselor, who may refer the case back to you. This is where it is essential for relationships between legal services programs and housing counseling agencies be close, so that the referral mechanisms preferred by your local providers are clearly understood. To my understanding, there is no requirement that clients physically present themselves to housing counselors, but there may be preferences locally.
- 7. Providers of Services:** While most programs are providing client services directly, through their own staff, there is nothing prohibiting programs from contracting out with attorneys or offering pro bono services, so long as the program is assuming responsibility for quality oversight and so long as it is fulfilling all reporting, invoicing, and other requirements of the project.
- 8. Referral Expectations Beyond Your Services:** Once the legal counseling services are completed, a referral should be made, if the client still needs further service. The referral could be to another funding source for the legal services program, if the client is eligible. It could be to a pro bono attorney. Or it could be to the bar association, for their modest means panel (many counties have these) or for general lawyer referral services. No clients should be told that there is no referral available.
- 9. Home Counselor Online Case Management System:** All participants must use the Home Counselor Online Case Management System, through which referrals from housing counselors will provide data about clients and through which, later this spring, we will be required to submit data reports when client services are completed. Training on this system is available through the webinar discussed below. PLAN, Inc. is arranging for registrations. We are told the following four programs are registered and that the remainder should be very soon: CILS, Laurel, MidPenn and CLS. When you are individually registered, you will receive an email directing you to follow a link to create a password. Any questions about your registration should be directed to Emil Ghoting, who is copied on this email.
- 10. Timekeeping:** Total time spent on cases will have to be reported, including all staff who touch the case, from intake to paralegals to attorneys, so long as the individual is providing some form of legal advice, analysis, or assessment. There is no requirement that time be broken down by specific activity and remember, while payment on cases is not based on actual time spent, we certainly don't want to understate the time devoted to individual cases.
- 11. Conflicts of Interest:** Conflicts should be readily discovered through intakes by the Kemps Case Management System. If a conflict prevents the program from representing a client, the client

should be referred to a neighboring program, which can be paid for the service. There is no requirement that services be provided only to clients residing in a program service area.

- 12. Data Reporting:** While ultimately, data required in the attached spreadsheet will have to be reported via the Home Counselor Online Case Management System, for now, it will be reported by use of this spreadsheet.
- 13. Where to Send Reports: Monthly Data Reports and Invoices** go to Susan Lucas, no later than the 7th of each month for the preceding month, directed to: sjlucas@verizon.net
- 14. See the Webinar**, which primarily offers instructions on the Home Counselor Online Case Management System and data reporting:
 - a. Sign up to see it on February 10, for the latest information (see instructions below to sign up, if you haven't already).**
 - b. View the recording of the January 22 Webinar.** An announcement will be circulated later today on how to view the recording of the January Webinar.
- 15. March 2 Training.** We encourage your attendance at this training, which is being held at various locations across the state, via simulcast. See the attached announcement. For legal services and pro bono staff, not only is the training free, but we are able to cover travel costs, and even hotel costs on a limited basis. And yes, there will be a free lunch. Your local housing counselors are also being invited to the lunch, in hopes of encouraging interaction. The PBI has been very generous in partnering with us on this offering.
- 16. Other Activities to Come, Supported with this Grant:** I will be sending out more information the beginning of next week about the additional activities supported by this grant. It has been hard to be in a position to officially announce these, as they have been the subject of contract negotiations with PHFA and budget modifications, but it is now clear that the grant will support the following:
 - a.** Training on March 2 and training at the statewide training conference in September, including reimbursement of travel, some hotel costs, trainer stipends and materials.
 - b.** Creation of some Document assembled documents.
 - c.** Periodic webinars to keep advocates up to date on changes in the law and changes in programs available to help clients.
 - d.** Funds to support meet and greet events at the local level, which legal services offices can sponsor, to promote interaction between legal services and housing counselors.
 - e.** A leadership initiative to fund expert staff to track vital foreclosure related information and to keep our community informed of changes and resources.

Thanks for all your great efforts! Sam

Samuel W. Milkes, Esq.
Executive Director
Pennsylvania Legal Aid Network, Inc.
118 Locust Street
Harrisburg, PA 17101
717-236-9486 or 800-322-7572, ext. 208
Fax: 717-233-4088