

Don't Borrow Trouble®

Campaign Overview

DON'T
BORROW TROUBLE

Borrowers Face Complex Financial Choices

Consumers face many difficult financial decisions when it comes to purchasing or maintaining a home. With the proliferation of so many financial products—from purchase and refinance loans to second liens and home equity loans—it's no wonder consumers find it challenging to make the right choices. Sometimes, mortgage offers that seem too good to be true contain hidden fees and unfair terms that can ultimately cause borrowers to lose their homes.

Now more than ever, consumers need reliable information that's empowering—arming them with information they can use to inform their important financial decisions. This is exactly the kind of help that the Don't Borrow Trouble® campaign delivers. As a national anti-predatory lending and foreclosure avoidance campaign, Don't Borrow Trouble teaches consumers to identify the telltale signs of deceptive or predatory lending, and then protect themselves and their homes against it.

Don't Borrow Trouble Offers Solutions

Don't Borrow Trouble is the first comprehensive consumer awareness anti-predatory lending campaign of its kind. The campaign uses a variety of creative promotional tactics to educate consumers about protecting their finances and provides a toll-free number that consumers can call for assistance. The campaign's objective is to create a nation of educated homeowners who seek advice, understand their financial options, and know how to avoid the mortgage pitfalls that could ultimately lead to foreclosure.

Don't Borrow Trouble was pioneered in Boston by Mayor Thomas M. Menino and the Massachusetts Community and Banking Council in 1999, and Mayor Menino has been actively involved in the program since its inception. Freddie Mac initiated a national expansion of the campaign in 2000. By the end of 2007, the campaign had reached more than 350,000 consumers through 50 local campaigns in 31 states and the District of Columbia. Today, Don't Borrow Trouble has a reputation for success that continues to grow in communities nationwide.

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Local Campaigns Collaborate for Success

Through the innovative and dedicated efforts of local Don't Borrow Trouble campaigns, consumers have reliable sources of information, guidance, and support—right in their own communities. In each of the Don't Borrow Trouble localities, the campaign pulls together a strong coalition of experts who are ready and able to help consumers with their specific concerns:

- Housing counselors work with consumers looking to purchase or refinance their homes.
- Foreclosure prevention specialists assist those having difficulty making their mortgage payments.
- Credit counselors help those overburdened with debt.
- Attorneys provide legal assistance and advice.

Spotlight on Local Campaign Strategies

► **Anti-Predatory Lending**

Don't Borrow Trouble Minnesota

Launched in 2003, the Don't Borrow Trouble Minnesota campaign organized a coalition of more than 60 private and public organizations that have joined together to prevent predatory lending in the Twin Cities. Consumers are encouraged to call the Don't Borrow Trouble Minnesota helpline for free advice about purchasing a home, refinancing, consolidating debt, taking out a home equity loan, or foreclosure prevention.

The campaign is conscientious about maximizing resources by leveraging media buys with matching public service announcements and free ad space, and using the strength and assets of its partners to reach more families throughout the Twin Cities seven-county metropolitan area.

Thousands of individuals and families targeted by predatory lenders have been helped through this highly successful campaign, particularly families in financial crisis and facing foreclosure. Don't Borrow Trouble Minnesota received the "2004 Excellence in Affordable Housing Initiative for Emerging Markets Award" from the Minnesota Housing Finance Agency.

► **Foreclosure Legislation**

Don't Borrow Trouble Milwaukee

In 2007, the Don't Borrow Trouble Milwaukee campaign members were noticing a spike in foreclosure rescue scams in which borrowers in danger of losing their homes were further victimized by being robbed of their equity. Campaign members were informed about these predatory lending practices earlier in the year at a Don't Borrow Trouble Summit, and reported the recent spike to State Senator Jim Sullivan (D-Wauwatosa). In response, Sullivan and

other Wisconsin lawmakers drafted legislation called the Homeowner Protection Act to shield consumers from these scams.

In addition, the campaign's Strategies to Overcome Predatory Practices (STOPP) initiative provides direct assistance to borrowers seeking loans, as well as to homeowners who may be facing foreclosure. Those facing foreclosure receive information on the process, timing for foreclosure, and options for taking action to avoid the loss of their home. STOPP has expanded its services to cover areas outside Milwaukee County, including Waukesha, Ozaukee, Washington, Dane, Brown, Calumet, Outagamie, and Winnebago Counties.

► **Native Rural Communities**

Don't Borrow Trouble Alaska

Don't Borrow Trouble Alaska is a major statewide public education campaign, supported by a coalition of private and public organizations, aimed at preventing predatory lending practices in Alaska. Since much of the state is rural with only a few urban centers, the campaign works closely with the Alaska Native Housing Authorities to produce literature and educational materials that are culturally appropriate and relevant to Alaskan native rural communities.

The Anchorage and Fairbanks campaigns combined efforts to blanket the state with a toll-free telephone number, a Web site, and brochures to educate consumers who are most vulnerable to predatory lending practices. Individuals are also referred to appropriate legal or financial experts. The Alaska Division of Banking and Securities provides the toll-free hotline and staff resources.

► **Outreach**

Don't Borrow Trouble Dayton

Don't Borrow Trouble Dayton's Predatory Lending Solutions (PLS) project launched in 2001 as a joint effort between the Fair Housing Center and the Homeownership Center of Greater Dayton to offer prevention and intervention services to families who are potential or present victims of predatory lending practices. Despite increased national attention to the foreclosure issue, this project continues to be the only local viable method to keep those who have been victimized by predatory lending in their homes.

The campaign's proven comprehensive approach includes both community outreach and intervention. Some of the key community outreach components include a hotline for consumer inquiries regarding potential abuses by predatory lenders, brochures and educational materials, television and radio media outreach, and local consumer workshops provided throughout the year. In addition, clients can receive financial fitness training, which consists of ten hours of classroom instruction designed to teach basic money management skills, with an emphasis on building long-term financial success.

The value of the housing preserved during 2008 as a result of Don't Borrow Trouble Dayton's activities is \$3,218,500. Additionally, the campaign has provided education and outreach services to 5,101 consumers and 343 housing industry professionals through a variety of forums and continuing education presentations.

Freddie Mac Fuels Local Efforts

Over the past seven years, Freddie Mac has invested financial resources and marketing support to help build a nationwide network of community-led efforts that provide consumers with solutions to help them maintain homeownership whenever possible. The campaign is widely recognized and respected in the affordable housing field and among consumer advocates. Members of Congress, mayors, and other elected officials also participate and offer support.

Freddie Mac provides each campaign with project launch, implementation and promotional support. This includes an Online Implementation and Promotion Guide on how to conduct and build momentum for a Don't Borrow Trouble campaign, as well as new, customizable ads and promotional tools. Freddie Mac also supports each campaign with opportunities for training, collaboration, and networking.

An additional resource available to Don't Borrow Trouble campaigns is Freddie Mac's CreditSmart®, a multilingual consumer education guide to better credit, money management, and responsible homeownership. The newest module, "Preserving Homeownership: Protecting Your Home Investment" contains a wealth of information on fraud and scams, home equity and maintenance, and alternatives to foreclosure.

Finally, the Don't Borrow Trouble Web site DontBorrowTrouble.com continues to provide important information about anti-predatory lending, foreclosure prevention, and details about local campaign efforts. Organizations interested in participating in Don't Borrow Trouble can register to obtain access to the Online Implementation and Promotion Guide through this Web site.

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Campaign Adjusts to Meet Market Needs

There are many reasons why homeowners find themselves in trouble. According to a 2006 study conducted by Freddie Mac, unemployment or curtailment of income (36.3%), illness or death in the family (25%), and excessive obligation (13.6%) are at the top of the reasons homeowners get into trouble.¹

Don't Borrow Trouble has always provided guidance to homeowners having difficulty paying their mortgages, but recently there has been an escalation of foreclosure rates nationwide. Considering the scams, fraud, and predatory lending that are also part of that equation, there are increased demands being placed on Don't Borrow Trouble campaigns.

In response to the foreclosure crisis, Freddie Mac is taking a number of steps to help at-risk borrowers avoid foreclosure. Freddie Mac works with lenders, servicers, and community groups—through a variety of outreach and education efforts—to teach families about responsible homeownership and alternatives to foreclosure. Specific to Don't Borrow Trouble, Freddie Mac extended "challenge" grants to several Don't Borrow Trouble campaigns providing foreclosure prevention education and counseling in high-foreclosure areas. With such significant interest in helping homeowners at risk of foreclosure, different campaigns used the funds to start foreclosure prevention classes for individuals and families, as well as staff training.

¹ Freddie Mac Workout Prospector 2006

Reaching Borrowers Through Grassroots Marketing

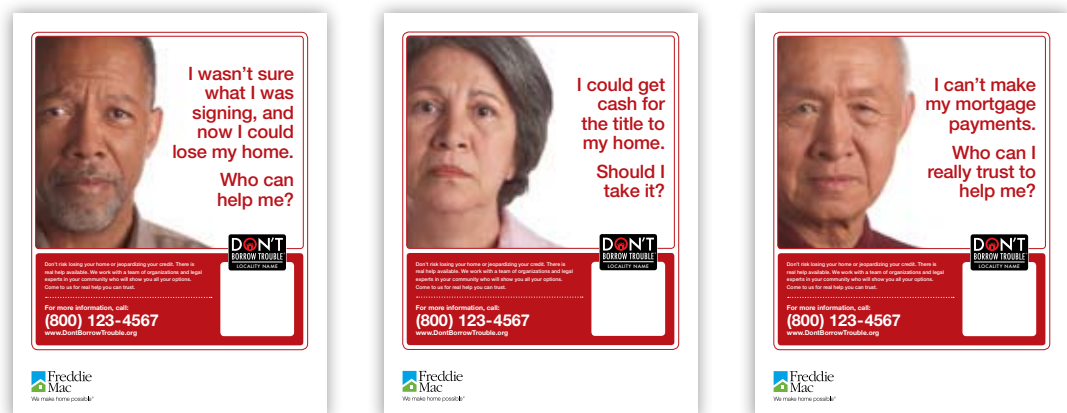
A core element of any campaign's success is its promotion. Don't Borrow Trouble campaign organizations use a variety of marketing methods, all aimed at educating the public about predatory lending and foreclosure avoidance, and giving consumers a toll-free number to call for help. In addition to the traditional outreach strategies, many use more creative methods of reaching consumers:

- Neighborhood walks to distribute flyers in concentrated subprime areas
- Bus wraps
- Ads on prescription bags
- "Mobile Resource Centers," or forums held in the community
- Outreach through faith-based communities, senior centers, and military bases
- Financial literacy workshops for high school students
- Infomercials on government cable television channels

New Ads Deliver Messages of Help and Hope

In support of local efforts, Freddie Mac recently developed a full array of research-based marketing tools, including a series of customizable ads, flyers, door hangers, billboards, and more. The new promotional materials also include a comprehensive selection of foreclosure avoidance headlines and body copy. Reaching consumers where they live, work, play, and commute is the foundation of the campaign's success, so Freddie Mac ensured the appeal of these new designs by testing the effectiveness of the messages and the imagery on more than 3,000 consumers.

Local Don't Borrow Trouble campaigns can select from an assortment of high-quality ads and other promotional materials. Each piece is easily customizable, allowing space for the campaign's logo, contact information, and in some cases there's additional space for event details. Now the campaigns can present Don't Borrow Trouble as a unified effort, while also tailoring the messages and imagery to the needs of each community.



Moving Forward

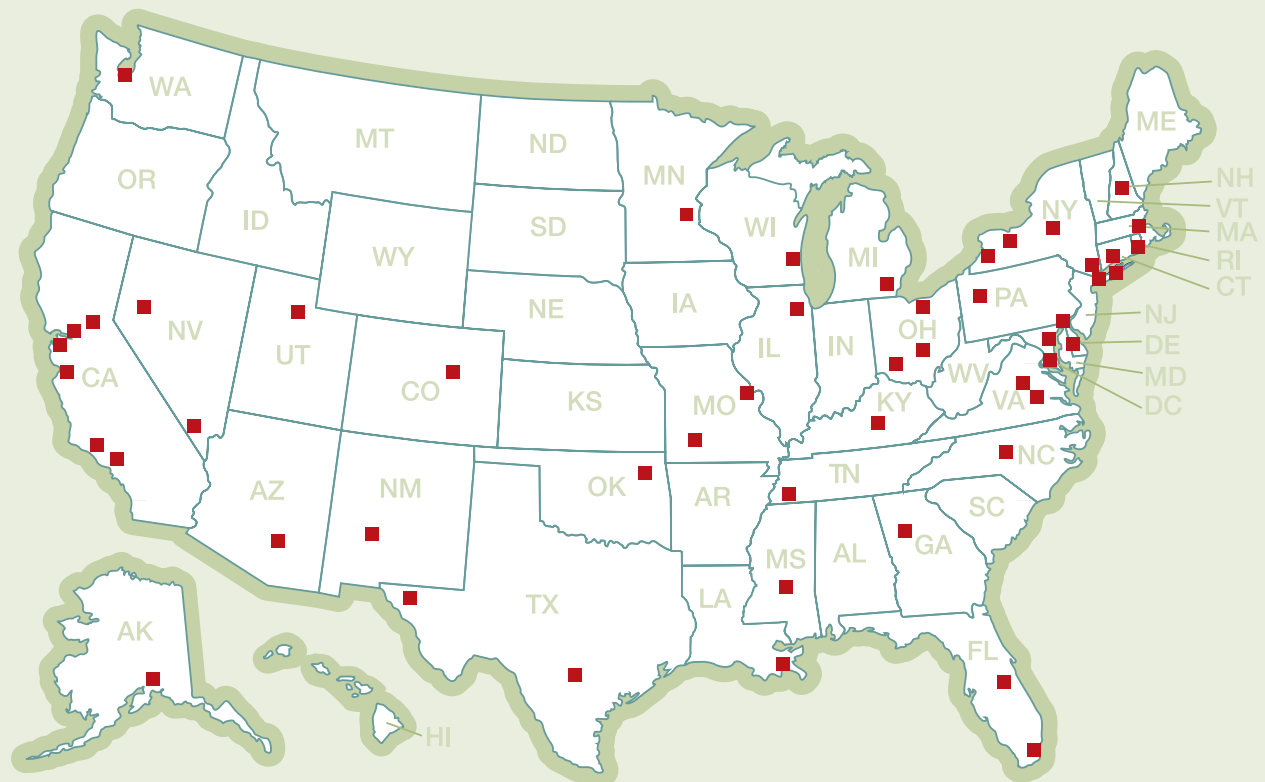
Freddie Mac continues to provide leadership and support to communities through Don't Borrow Trouble and other activities to help people purchase homes they can afford and keep and protect borrowers from predatory lending and foreclosures.

The local campaigns serve on the front-lines in their communities, listening to consumers, and responding with one-on-one counseling, educational workshops, legal representation, and much more. Don't Borrow Trouble campaigns are also working diligently in statewide and regional task forces to create solutions so that borrowers are educated, prepared, and not alone when making tough financial choices.

Appendix:

DON'T BORROW TROUBLE CAMPAIGNS AT-A-GLANCE

Please refer to DontBorrowTrouble.com for an updated list of campaigns, in addition to a brief summary of each campaign.



ALASKA**STATEWIDE**

Launch Date: November 16, 2005
Hotline Number: (888) 925-2521
Lead Agencies: Anchorage Neighborhood Housing Services, Fairbanks Neighborhood Housing Services

ARIZONA**PIMA COUNTY/TUCSON**

Launch Date: October 25, 2006
Hotline Number: (520) 792-3087
Lead Agency: Pima County Community Development and Neighborhood Conservation Department

CALIFORNIA**LOS ANGELES**

Launch Date: July 16, 2001
Hotline Number: (800) 477-5977
Lead Agency: City of Los Angeles Housing Department

OAKLAND

Launch Date: June 18, 2001
Hotline Number: (510) 238-6686
Lead Agency: City of Oakland Department of Housing and Community Development

SACRAMENTO

Launch Date: February 18, 2005
Hotline Number: (916) 646-2004
Lead Agency: Home Loan Counseling Center

SAN FRANCISCO

Launch Date: April 20, 2007
Hotline Number: (888) 780-5850
Lead Agency: Mission Economic Development Agency (MEDA)

SILICON VALLEY

Launch Date: November 4, 2005
Hotline Number: (408) 283-1284
Lead Agency: City of San Jose Housing Department

VENTURA COUNTY

Launch Date: November 30, 2007
Hotline Number: 211
Lead Agency: Real Estate Fraud Advisory Team (R.E.F.A.T.)

COLORADO**DENVER**

Launch Date: May 17, 2004
Hotline Number: 211
Lead Agency: Colorado Housing Assistance Corporation (CHAC)

CONNECTICUT**STATEWIDE**

Launch Date: October 14, 2005
Hotline Number: 211
Lead Agency: Connecticut Fair Housing Center

DELAWARE**STATEWIDE**

Launch Date: November 5, 2001
Hotline Number: (800) 464-4357
Lead Agency: City of Wilmington

FLORIDA**MIAMI**

Launch Date: December 2, 2002
Hotline Number: (786) 331-5348
Lead Agencies: Miami-Dade County, Housing Opportunities Project for Excellence (HOPE)

ORLANDO

Launch Date: March 27, 2003
Hotline Number: (407) 654-3378
Lead Agency: Mortgage and Credit Center

ILLINOIS**CHICAGO**

Launch Date: May 14, 2001
Hotline Number: 311
Lead Agency: City of Chicago

KENTUCKY**STATEWIDE**

Launch Date: October 27, 2005
Hotline Number: (866) 830-7868
Lead Agency: Kentucky Housing Corporation

LOUISIANA**NEW ORLEANS**

Launch Date: November 28, 2001
Hotline Number: (504) 596-2100
Lead Agencies: Finance Authority of New Orleans, Greater New Orleans Fair Housing Action Center

MASSACHUSETTS

BOSTON

Launch Date: The original Don't Borrow Trouble campaign began here in 1999.

Hotline Number: (617) 635-HOME

Lead Agency: The Boston Home Center

MINNESOTA

STATEWIDE

Launch Date: March 6, 2003

Hotline Number: (612) 312-2020

Lead Agency: Family Housing Fund

MISSISSIPPI

STATEWIDE

Launch Date: April 28, 2006

Hotline Number: (866) 923-4333

Lead Agency: Housing Education and Economic Development (HEED)

MISSOURI

ST. LOUIS

Launch Date: March 8, 2004

Hotline Number: (866) 299-2899

Lead Agency: Beyond Housing/Neighborhood Housing Services

SPRINGFIELD/GREENE COUNTY

Launch Date: August 9, 2006

Hotline Number: (417) 862-4222

Lead Agency: Urban Neighborhoods Alliance

NEVADA

SOUTHERN NEVADA/LAS VEGAS

Launch Date: January 17, 2001

Hotline Number: (702) 731-6095

Lead Agency: Nevada Fair Housing Center

NORTHERN NEVADA/RENO

Launch Date: September 13, 2005

Hotline Number: (775) 337-6363

Lead Agency: Reno Office, Department of Housing and Urban Development

NEW HAMPSHIRE

STATEWIDE

Launch Date: October 19, 2006

Hotline Number: (866) 623-1302

Lead Agency: New Hampshire Housing

NEW MEXICO

STATEWIDE

Launch Date: December 7, 2004

Hotline Numbers: (866) 227-5114; (505) 247-0384

Lead Agency: Project Change Fair Lending Center

NEW YORK

BUFFALO

Launch Date: April 12, 2002

Hotline Numbers: (866) 375-0408; (716) 854-7625

Lead Agencies: Buffalo Urban League

LONG ISLAND

Launch Date: March 1, 2004

Hotline Number: (631) 435-4710

Lead Agency: Long Island Housing Partnership

NEW YORK CITY

Launch Date: Oct 18, 2005

Hotline Number: 311

Lead Agency: New York City Department of Housing Preservation and Development

ROCHESTER

Launch Date: March 4, 2002

Hotline Number: (585) 546-3700

Lead Agency: The Housing Council

SYRACUSE

Launch Date: August 9, 2001

Hotline Number: (315) 474-HOME

Lead Agency: Home Headquarters

WESTCHESTER

Launch Date: October 3, 2007

Hotline Number: (877) WRO-4-YOU

Lead Agency: Westchester Residential Opportunities

NORTH CAROLINA

STATEWIDE

Launch Date: January 29, 2001

Hotline Number: (800) 218-6499

Lead Agency: North Carolina Fair Housing Center

OHIO

CLERMONT COUNTY

Launch Date: August 26, 2008

Hotline Number: 211

Lead Agency: Clermont 20/20 Inc.

CUYAHOGA COUNTY

Launch Date: March 30, 2006
Hotline Number: 211
Lead Agency: Cuyahoga County Department of Development and Treasurer's Office

DAYTON

Launch Date: September 2001
Hotline Number: (937) 222-9671
Lead Agency: Miami Valley Fair Housing Center

**OKLAHOMA
TULSA**

Launch Date: January 26, 2004
Hotline Number: (918) 596-1500
Lead Agency: Tulsa Area Fair Housing Partnership and Homeownership Tulsa (HOT)

PENNSYLVANIA**ALLEGHENY COUNTY/PITTSBURGH**

Launch Date: June 29, 2007
Hotline Number: (866) 907-2285
Lead Agency: Pittsburgh Community Reinvestment Group

PHILADELPHIA

Launch Date: June 28, 2002
Hotline Number: (215) 523-9520
Lead Agency: Philadelphia Office of Housing and Community Development

SUBURBAN PHILADELPHIA

Launch Date: February 11, 2005
Hotline Number: (888) 275-8843
Lead Agency: Community Impact Legal Services

RHODE ISLAND**STATEWIDE**

Launch Date: September 23, 2002
Hotline Number: (888) 722-1461
Lead Agency: Housing Network of Rhode Island/ Homeownership Center of Rhode Island

TEXAS**EL PASO**

Launch Date: September 20, 2007
Hotline Number: 211
Lead Agency: El Paso Housing Finance Corporation

SAN ANTONIO

Launch Date: November 18, 2002
Hotline Number: (210) 227-HELP
Lead Agency: United Way of San Antonio & Bexar County

TENNESSEE**MEMPHIS**

Launch Date: April 26, 2004
Hotline Number: (901) 432-4621
Lead Agency: Memphis Area Legal Services (MALS)

UTAH**SALT LAKE CITY**

Launch Date: January 18, 2008
Hotline Number: (866) 217-1718
Lead Agency: Perfect Home Living, Inc.

VIRGINIA**CHARLOTTESVILLE**

Launch Date: March 13, 2007
Hotline Number: (434) 817-2436
Lead Agency: Piedmont Housing Alliance

RICHMOND

Launch Date: March 26, 2004
Hotline Number: (804) 354-0641
Lead Agency: Housing Opportunities Made Equal (HOME)

WASHINGTON**SEATTLE**

Launch Date: April 17, 2003
Hotline Numbers: (206) 587-5641; (800) 317-2918
Lead Agency: City of Seattle

WISCONSIN**MILWAUKEE**

Launch Date: June 7, 2002
Hotline Number: (414) 278-9190
Lead Agency: Metro Milwaukee Fair Housing Council

