

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

975



FROM: Redevelopment Agency

SUBMITTAL DATE:  
June 2, 2011

SUBJECT: USA HELP

**RECOMMENDED MOTION:** Receive and file the attached status activity report regarding USA HELP

**BACKGROUND:** On October 5, 2010, the Board of Directors of the Redevelopment Agency for the County of Riverside (RDA) approved a Professional Services Agreement with USA HELP. This agreement represented a renewal of a similar agreement by and between the Redevelopment Agency and the USA HELP from the prior year. The current iteration of the agreement calls for USA HELP to conduct two regular classes per month for the benefit of current or potential homeowners within the unincorporated areas of the County of Riverside, and to provide information regarding the program to RDA staff as requested.

Robert Field  
Executive Director

**FINANCIAL  
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

**SOURCE OF FUNDS:** NA

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY:

County Executive Office Signature Jennifer Sargent

Dep't Recomm.: ☒ Policy

☐ Consent

Per Exec. Ofc.: ☐ Policy

☒ Policy

☐ Consent

☐ Policy

Prev. Agn. Ref.: N/A

District: ALL

Agenda Number: 4.8

On October 5, 2010 the Board of Directors of the Redevelopment Agency for the County of Riverside approved a Professional Services Agreement with USA Help. This agreement represents a renewal of a similar agreement by and between the Redevelopment Agency and the USA HELP from one year prior.

The Professional Services Agreement compensates USA HELP \$125,000 per year for provision of two classes per month. This activity status report has been prepared by Emilio Ramirez, Assistant Director, and presented to the Board of Supervisors at the request of Supervisor Benoit.

Redevelopment Agency staff has reviewed the USA HELP program and has determined the program to be in compliance with the basic requirements of the Professional Services Agreement but that certain potential improprieties and lack of firm data concludes a determination that further contract extension are not warranted.

This agreement called for USA HELP to conduct two regular classes per month for the benefit of *current or potential homeowners within the unincorporated areas of the County of Riverside*. The first class is entitled "Can I, Should I, Keep My Home." The curriculum for this class includes topics such as:

- How do I increase the odds of success, dramatically, in a modification or short sale?
- How do the servicers Pooling and Servicing Agreements with the investors affect you?
- What is a shared loss agreement? Pool insurance? Derivative insurance? Why should I care?
- What is the Protecting Tenant at Foreclosure Act?
- How can I be 100% sure that my impound account was set up successfully?
- How do Prop 13, Prop 8 and the Community Facilities District Act of 1982 affect me?
- How does the Make Home Affordable Program work; HARP, HAMP & HAFA? Are they connected?
- What are the affects of a short sale or foreclosure on my credit?
- Without exaggeration, when will I be able to buy again and what are the actual details?
- How do I recognize a scam and who do I report it to?
- What are the current scams my clients need to be aware of?
- How to deal with deficiency issues
- Learn about Federal Protection Rights

The second class is entitled "How Do I Buy a Home in this Market." The curriculum for this class includes topic such as:

- Why should you buy today?
- Will the prices continue to fall?
- Why is it so hard to buy an REO, or a Short Sale?
- Save time and money by learning the correct buying process.
- Choosing the right loan for you.
- Discover What Government Loans You Qualify For: Economic Development Agency Representative
- Everything you must know about how property taxes work!
- Choosing a Professional

I am confident in reporting that USA HELP has successfully and faithfully complied with the requirement to provide and conduct a minimum of two classes per month over the past eighteen months of contract time. I have personally attended a variety of classes over the past eighteen months including two classes in the past sixty days. I have received a schedule of classes confirming such compliance since January 2010.

USA HELP estimates that an average of approximately thirty-five people has attended each class with a potential range from twenty to 500 attendees on any given class. USA HELP also reports that many real estate professionals attend and benefit. USA HELP was not able to produce any sign in sheets or attendance rosters for any class to substantiate these estimates. However, per the conditions of the Professional Services Agreement, USA HELP has submitted participation surveys from attendees verifying that some qualifying unincorporated county residents did attend. Unfortunately, the surveys that have been submitted are very limited as compared to the estimated average of thirty-five people per class.

USA HELP has not been able to provide any information in response to the question regarding how many people have successfully saved their home. USA HELP states that an average of about 30% of the people that USA HELP follows up with have been able to obtain a loan modification but USA HELP was not able to provide me with a specific example. On a related note, USA HELP has indicated that a significant benefit of their assistance has been to educate and assist a home owner to successfully exit from the confines of a bad mortgage loan (via short sale, foreclosure or other exit strategy) and thereby cure a failing household budget. However, USA HELP has again not been able to provide a specific example of this occurrence.

Lastly, Redevelopment Agency staff received an allegation of perceived misconduct by Mr. Chris Sorensen, USA HELP Executive Director. Essentially, the source alleged that Mr. Sorensen had approached a realtor with the intent of selling access to class sign in sheets or rosters as leads to

potential short sale listings. Staff was not able to verify the veracity of this allegation. However, Mr. Sorensen has responded by denying the allegation as presented but has confirmed that USA HELP does include an association of professionals potentially including realtors, lenders, and other real estate professionals where the representation or inclusion in such an association requires the payment of certain fees. The professionals are then included on a list published on a website where USA HELP class attendees can self refer to.

Redevelopment Agency staff recommends against the immediate termination of the Professional Services Agreement. Instead, staff recommends allowing the agreement to mature on its own term (October 2011) without pursuit of any renewal. This recommendation is based on the understanding that USA HELP has complied with the basic requirements of conducting two classes per month.