



OVERCOMING HOUSING INSECURITY ONE FAMILY AT A TIME

A CASE STUDY OF SPRINGFOUR AND MMI

APRIL 2021



A MUTUAL HISTORY OF HELPING FAMILIES MAINTAIN HOUSING SECURITY

Long before financial health became a hot topic, SpringFour recognized that connections to local resources could help improve financial lives and increase repayment rates. MMI has a kindred mission in seeking to help families get through a financial crisis through counseling and debt management services. In fact, in the mid-2000s, both MMI and SpringFour were at the forefront of helping consumers during the foreclosure crisis that was overtaking the country.

“It was a natural fit for the two organizations to come together to innovate in helping families overcome mortgage delinquency. At the time, SpringFour was very early on in its journey to provide assistance and represented a new tool in the marketplace. MMI was one of SpringFour’s very first housing counseling partners; they believed in SpringFour’s mission that people need direction and access to community resources that could help them get back on track.”

– Rochelle Gorey, CEO, SpringFour

SpringFour was founded in 2005 in order to help families who were having trouble paying their mortgages, and was well-suited to jump in during the financial crisis of 2008. SpringFour continues to provide assistance in 32 categories of need, including but not limited to rental resources, foreclosure prevention, heat and utility payments, and food assistance.

At the same time, MMI is a full service, HUD-certified counseling agency. HUD has sponsored housing counseling agencies for over 50 years in order to keep people in their homes and improve families’ financial stability. [HUD-certified agencies provide counseling to over 1 million families a year, and have helped more than 200,000 households avoid foreclosure.](#) Agencies like MMI continue to be at the forefront of helping consumers overcome housing challenges and remain in their homes.

The history and synergy of SpringFour and MMI’s focus on helping families avoid foreclosure and housing insecurity makes the partnership a uniquely positioned, effective force to combat the housing fallout from the COVID-19 crisis. Helping families navigate the unprecedented and long-term financial challenges of COVID-19 is a paramount concern today. The COVID-19 crisis is unique in that it is so widespread, impacting every sector of the economy.

OVERVIEW OF SPRINGFOUR AND MMI'S PARTNERSHIP

Money Management International (MMI) is a nonprofit 501(c)3 organization with 60 years of experience in financial counseling and debt management. In 2020, MMI reached over 200,000 individuals and families across the country through counseling and education programs, serviced over 65,000 active debt management plans, helped clients repay nearly \$280,000,000 worth of debt, and provided financial wellness tools and resources to nearly 625,000 employees, members, and customers.

SpringFour is a Certified B Corporation and social impact fintech focused on bringing financial health resources to consumers through innovative call center and direct-to-consumer cloud-based applications. In 2020, SpringFour provided more than 3.2 million referrals to over 20,000 local nonprofit and government resources to help consumers improve cash flow, payment performance, and financial wellness. This was a 200% increase over its 2019 referral total of 1.1 million.

MMI and SpringFour have a long and valued relationship, with MMI deploying with SpringFour in 2009. MMI utilizes S4pro, which gives its counselors access to financial assistance through SpringFour's database of over 20,000 local, vetted nonprofit and government resources. In 2020, MMI began offering S4direct, SpringFour's direct to consumer application, where MMI debt management clients can continue to self-serve for financial assistance referrals as they move through their debt management plan and look for ways to reduce their expenses.

MMI Client Access

MyMMI Account

Creditors	▼
DMP Deposits	▼
eStatements	▼
My Documents	▼
Account Settings	

FIND LOCAL RESOURCES

We all need a little extra help from time to time. Use this feature to find organizations in your area providing housing support, prescription relief, food resources, and much more.

[CLIENT RESOURCES →](#)

“Due to changing economic conditions, we have seen increased demand to continuously provide support to clients who engage with us long-term. More than 25% of MMI’s 65,000 active debt management plan clients log into MyMMI client access on a regular basis. Because the plan lasts an average of four years, clients can experience significant changes in their financial situation. MMI wanted to put S4direct at these clients’ fingertips to help support their financial journey in reaching their debt-free date. In addition, MMI’s new app will provide another channel for clients to access S4direct via MyMMI.”

– Jamie Payne, Senior Director of Counseling, MMI

For the first several months of the crisis, forbearance programs were in place in many markets. In April 2020, homeowners stopped paying their mortgages in record numbers, culminating in almost one in ten mortgages being placed in forbearance. While 2.6 million mortgages continued to be in forbearance as of February 14, accounting for 5.2% of all mortgages, this is down from previous months. At some point, in September of 2021, these programs will end, and we might see major spikes in foreclosure rates.

While the potential for large-scale evictions in the rental market looms larger in our collective consciousness, there remains a very real threat of a coming foreclosure crisis. SpringFour has seen some signs of this in its usage data, and continues to monitor trends to uncover potential eviction and foreclosure issues. These issues are paramount to MMI as well, as counselors seek to help clients find ways to save money in order to be able to pay their rent or mortgage and thus stay in their homes.

This is a crucial service provided by organizations such as MMI. We know that housing and foreclosure prevention counseling programs like those offered by MMI work. A 2018 study by the Urban Institute of the National Foreclosure Mitigation Counseling (NFMC) program found that **counseled homeowners were 67% more likely to remain current on their mortgage** nine months after receiving a loan modification--and that counseled borrowers were more likely to get a modification in the first place. And we know through our work that **borrowers who receive SpringFour referrals are twice as likely to engage in foreclosure prevention programs** than those who do not receive our referrals.

“Free housing counseling from nonprofit HUD intermediaries like MMI allows homeowners and renters to borrow upon the expertise of their counselor during what is often an unfamiliar and traumatic experience. Overall, 79% of our clients report a reduction in stress after counseling.”

– Jamie Payne, Senior Director of Counseling, MMI

With this in mind – the goal to help families stay in their homes and achieve a sense of financial health – we can look at how MMI clients are using SpringFour referrals to achieve financial security. MMI clients received over 160,000 SpringFour referrals in 2020 alone. This is an increase of 100% over usage in 2019.

“We at SpringFour applaud the commitment from MMI to increase access to referrals and continue to offer needed local resources to their clients struggling in the current environment.”

– Katie Donohue, VP, Strategy and Customer Engagement, SpringFour

AREAS OF NEED FOR MMI CLIENTS, 2017-2020

While housing is a prime concern for both MMI and SpringFour, in order to achieve housing security, families must be able to juggle a variety of costs and payments in their daily lives. It is critical to look into issues such as how families are able to afford food, for example, in order to get a deeper handle on the potential roadblocks to being able to stay current on rent or mortgage payments.



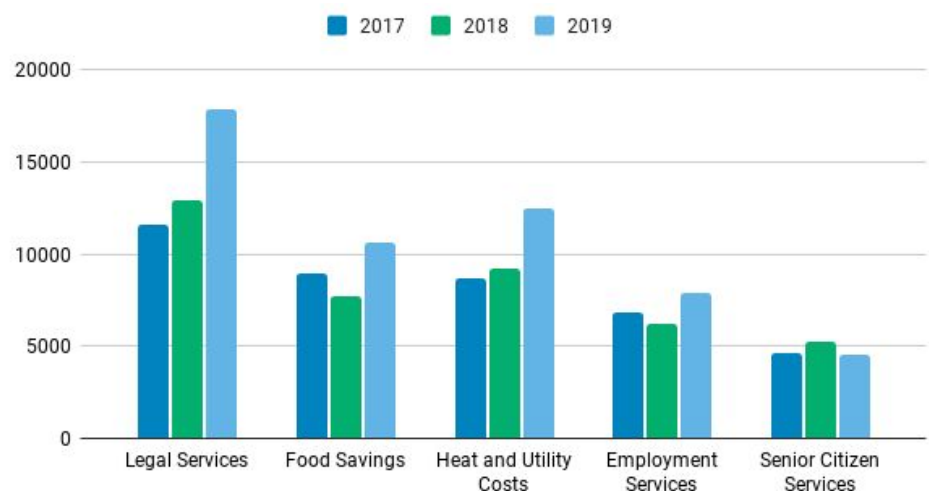
“When our clients are able to reach out to local resources for help with expenses, they are then able to reduce their spending and start building towards getting their financial issues resolved and saving for their future. That also gives our clients a sense of control over their situation, which can lead to a more productive outcome for them.”

– Sherry Tetreault, MMI Counselor

To this end, we include here a snapshot of referral categories to MMI clients from 2017-2019, to gauge overall usage and see where families had greatest need for financial assistance.

This time period is an interesting juxtaposition against 2020, when SpringFour added three new COVID-19-related categories to its offering, and MMI added the S4direct platform for its clients in Q4.

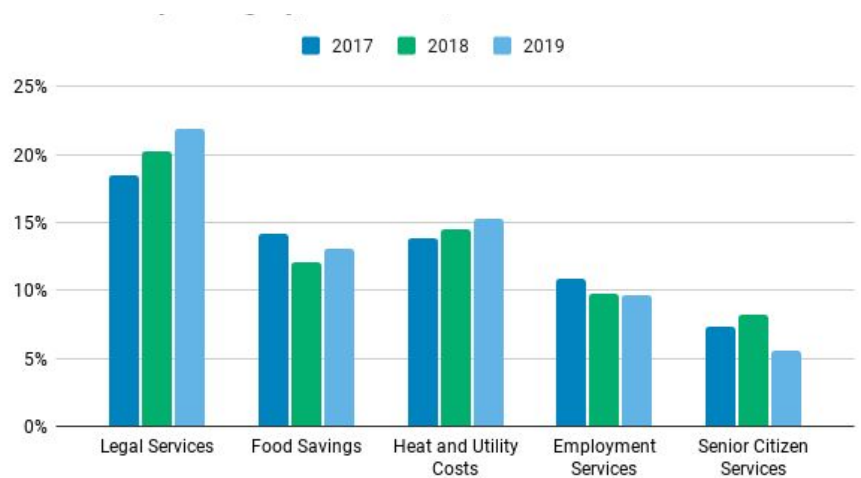
SpringFour Referrals to MMI Clients by Category, 2017 - 2019



We see that the top categories of referrals in these earlier years include legal services, food savings, heat and utility costs, employment services and senior citizen services.

Numbers of referrals climbed steadily through this time period, with employment services edging out senior citizen services by 2019.

Referrals by Category, % of Total, 2017-2019

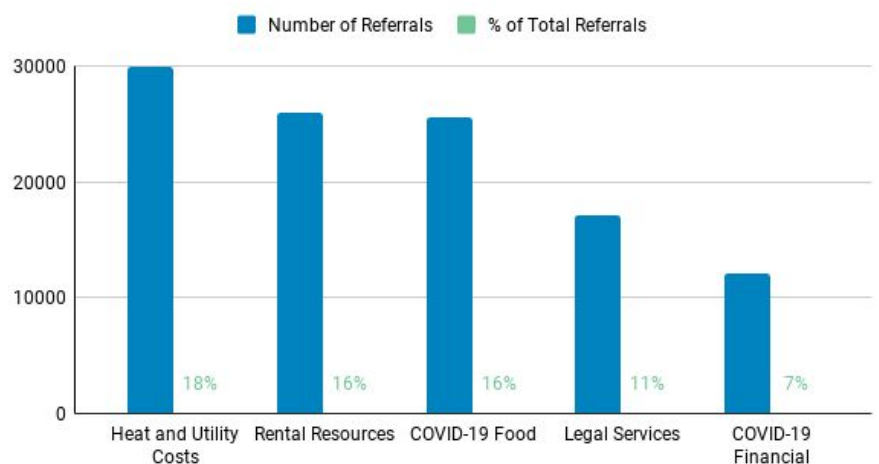


However, in 2020, categories of need begin to shift.

While four of the top five categories remained relatively consistent, a new category, COVID-19 Financial, took the place of Senior Citizen Services in the top five.

SpringFour added three categories at the start of the pandemic based on its knowledge of what types of assistance people would need most to be the most effective provider of targeted COVID-19 relief resources possible.

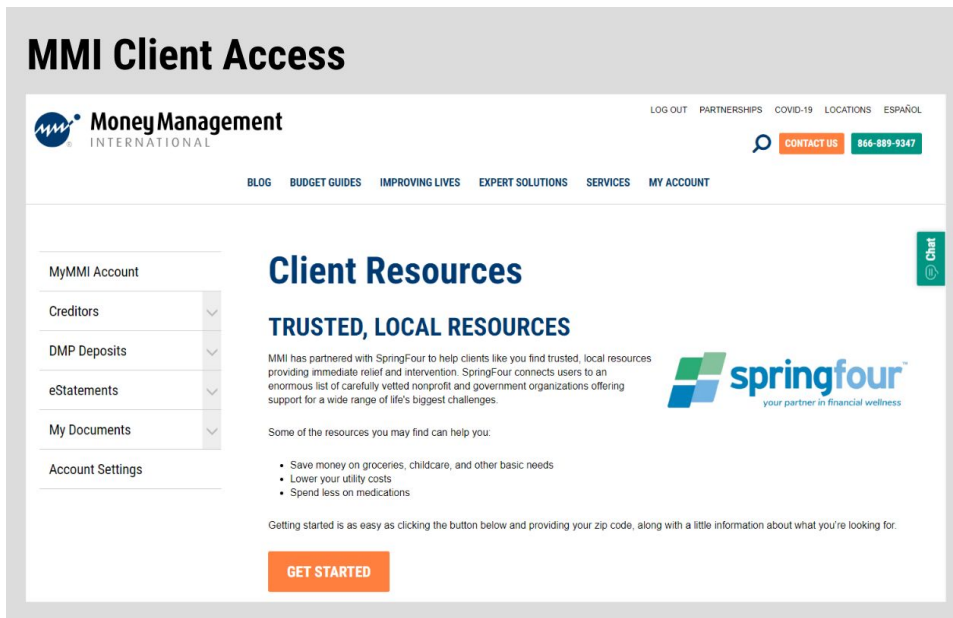
SpringFour Referrals to MMI Clients by Category, 2020



“Our vision is to make life affordable for everyone, but sometimes financial coaching and debt management alone aren’t enough to make ends meet. Because rent and utility costs represent some of the most common household expenses, our clients often find themselves needing more help in these areas. For clients unable to meet their obligations, referral to legal services is often to review them for possibly bankruptcy and to avoid home foreclosure.”

– Jim Triggs, President and CEO, MMI

In fact, in 2020, the three new categories developed following the COVID-19 pandemic (COVID-19 Food, COVID-19 Financial, and COVID-19 Healthcare) accounted for approximately 25% of all SpringFour referrals for MMI clients. While significant, this percentage is half the proportion that these categories represented for all clients in 2020: just over 50% of total referrals across SpringFour’s total portfolio came from these three categories in 2020. This points to the continued importance of key assistance categories that MMI counselors provide, including legal services and helping with rent and utility costs.



As part of SpringFour’s annual survey of agents and counselors who use S4Pro, we heard firsthand from MMI counselors about how providing these referrals has tangible benefits for their clients’ financial lives:



“I have been dealing with many, many unemployed clients. The resources for how to apply for unemployment insurance and pandemic unemployment assistance has been invaluable. In following up with clients, many have been grateful for the assistance as their benefits have come through. I also am regularly referring people to their local legal aid. Again, people are very appreciative as they strive to avoid eviction.”

– Geoff Brown, MMI Counselor

HELPING CLIENTS PAY THEIR RENT

One particular trend that stands out in relation to MMI's referrals is the dramatic growth of rental resource referrals through the S4pro platform in 2020, continuing in 2021. MMI made a concerted effort following the COVID-19 crisis to pay particular attention to families struggling to pay their rent. This awareness and commitment to helping renters is evident in the chart below, which shows the upward trend in MMI counselors making referrals in this category to their clients.

“Project Porchlight, MMI’s disaster recovery solution, experienced an unprecedented increase in demand during 2020 as a result of the pandemic. Upon COVID-19 being declared a major disaster, it allowed us to open this free service to those in need. 84% of those counseled as a result of the pandemic’s impact were renters, making this category of referrals especially important in helping clients navigate this challenging time.”

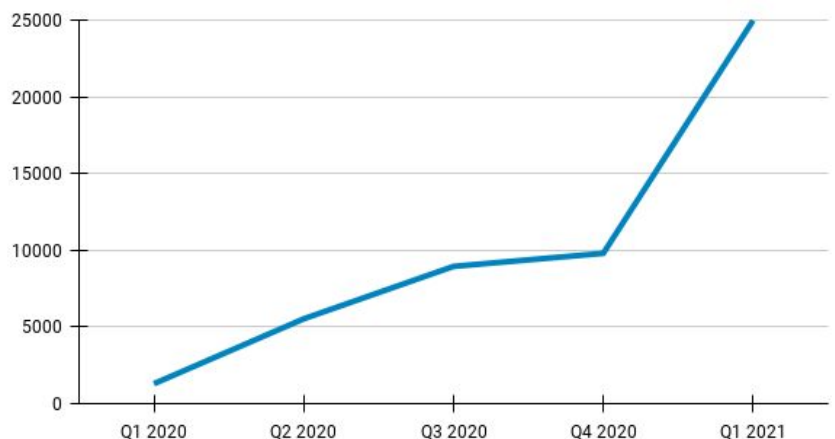
– Jamie Payne, Senior Director of Counseling, MMI

The upward trend continues to move at an impressive rate.

In Q1 2021, MMI has made roughly the same number of Rental Resources referrals as it did in all of 2020--almost 25,000. Beginning in Q3 2020, this category became the #1 referral category for MMI.

This shows a keen understanding of community needs and responsiveness to clients' concerns about housing security in the wake of the COVID-19 pandemic.

MMI S4pro Rental Resource Referral Growth



MMI counselors took special note of how these resources helped their clients get through a time of acute financial crisis:



“A customer told me that because of a SpringFour referral, he was able to pay his rent. He had been out of work since March, and now is back on track.”

– Evana Tio, MMI Counselor



“My client lost her job due to COVID, so I gave her referrals for food, rental assistance and employment services. In a month she called me back to let me know that she found a job with the referrals I gave her. She was able to get free food as well.”

– Cynthia Moura, MMI Counselor



“Through SpringFour, I was able to help a client pay 3 months of her rent until she was able to get another job. It has honestly helped give my clients hope that this too shall pass.”

– Kiesha Nall, MMI Counselor

DATA INTEGRITY YOU CAN TRUST

As evidenced by the testimonials above, MMI counselors develop trust and rapport with clients, and rely on the trustworthiness of SpringFour's 20,000 vetted, local resources to help cement that relationship. As a nonprofit counseling agency, the integrity of SpringFour's resources and the local nature of referrals is of great value and importance for MMI.



“When you deal with customers with financial problems, it is easy to give generic resources. But to truly help a customer, you need personal resources that hit their needs head on. SpringFour provides exactly what we need to give our customers the best experience and chance of success.”

– Kurt Pettit, MMI Counselor

To achieve this level of trust, SpringFour employs a professional data team to curate and vet all resources and does not utilize internet scraping for data. SpringFour's team of professionals with experience in community development and social services vet organizations according to track record, reputation, capacity to assist, and funding levels. SpringFour continues to monitor organizations once they are included in the resource database to make changes whenever necessary. This process has proven to be especially valuable during the COVID-19 pandemic as resources are constantly shifting and changing.

SpringFour's data team adheres to a review calendar that continues to assess organizations after they become a part of the SpringFour platform. In addition, SpringFour stays on top of market trends and program and funding shifts. Beyond this intensive manual review, Springfour employs reliable technology that identifies broken links instantly so our data team can fix them before users are led to a dead-end website. SpringFour never charges the organizations listed in our database or accepts self-reported information. Finally, MMI has been a critical partner to SpringFour in its data integrity process.

“MMI counselors are consistently great contributors to our SpringFour resources. If they hear about a new resource in their community they let us know about it and our Resource Integrity Team works to vet the organization and include it in our database when appropriate. This added benefit of the partnership leverages the counselors expertise, ensures the best resources for their clients, and also makes the counselors feel good about their participation.”

– Cassandra Compton, VP of Data Integrity & User Experience, SpringFour

WHAT THE FUTURE HOLDS

As SpringFour and MMI continue their partnership of over a decade, the inclusion of both S4pro and S4direct, while new at the time of this writing, will provide valuable insights into how an innovative counseling agency can partner to provide direct access to financial resources to its clients on their own time. At the same time, MMI counselors who work with clients and provide resources through S4pro can continue to see tangible results in their clients' financial lives through the use of SpringFour referrals.

"I truly feel that access to Springfour helps MMI go that extra mile for our clients. As we speak with clients all over the United States, we can't know every single service for every city, town and state. SpringFour is a great benefit to those clients facing hard times."

– Sherry Tetreault, MMI Counselor

"At the end of the day, our mission and MMI's mission is the same – to see people succeed, stay in their homes and become financially healthy. It's easy to partner with MMI because we share the same goals and value what each of our organizations provides. People need access to trustworthy advisors, resources and programs and our work together provides this holistic approach. This makes all the difference in a person's success on their financial health journey."

– Rochelle Gorey, CEO, SpringFour

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