HERA is a California statewide, not-for-profit legal service and advocacy organization dedicated to helping Californians — particularly those most vulnerable — build a safe, sound financial future, free of discrimination and economic abuses, in all aspects of household financial concerns.
Letter from the Executive Director

Many of you that know us for our local work may be surprised to learn that we do this work all over the state. We not only address housing related problems for individuals, but we work on the broad fabric of household financial problems that affect most of us. Addressing gender and racial wealth inequality is fundamental to our work.

We want you to get to know us even better with highlights from our 2015-2016 work. For years we have been obsessed with solving the problem of wrongful foreclosure on surviving partners and other family members and have advocated vigorously for policy changes to protect survivors. With great partners, we got that done this year with the passage of SB1150 in California. And because of great supporters, we were able to expand our Financial Wellness workshops across the Central Valley, from Sacramento to Madera County, a region starved for help addressing household financial concerns.

We got this all done thanks to our fantastic staff people, brilliant partners, funders and other supporters.

As we enter our 13th year of service across the State of California, we promise to be creative and mindful of the enormous changes afoot. We will continue to fight on many different fronts to address race and gender disparities in building a safe and happy financial present and hanging onto it into the future.

Sincerely,

Maeve Elise Brown, Esq.
Executive Director
Our Services

- Direct legal services to individuals through advice, coaching, advocacy and litigation

- Assistance and training for non-profit and private attorneys, government agencies, and other professionals to help expand the resources available for consumers

- Policy work to translate consumers’ experiences and concerns into effective laws, guidance, and procedures to impact consumers as a whole

- Workshops to train and educate the public on their rights and options

- Creative, strong collaborations and partnerships with other institutions to better serve those in need

“
I needed help and didn't really know what I needed. [HERA] helped walk me through everything to figure it out.

- HERA client
HERA focuses particularly on seniors, women, people with disabilities, veterans, active servicemembers and their families, people of color, immigrants, LGBTQ, people going through reentry and their family members, and low to moderate income individuals.
Statewide Reach

From our home office in Oakland, CA, HERA serves the state. Our geographic location draws a concentration of residents from the 10 Northern California Bay Area Counties and the Central Valley but we also provide services in Southern California in particular.

We have expanded our work in Central California with the launching and expansion of a debt collection defense clinic in San Joaquin County.
Our Work

We offer consumer workshops from Sacramento County through Madera County. HERA has expanded over the Central Valley offering bilingual workshops across a full range of consumer topics- from becoming a homeowner to paying for college, avoiding abusive overdraft fees, collection abuses, understanding and building credit and more.

**Workshop Topics- Selected, Partial List**

- Reviewing Your Tenant Screening Report for Evictions
- Debt Collection-Your Rights
- Setting Goals, Addressing Debt, Understanding Your Credit Report
- Credit Building, Identity Theft, Protecting Your Home
- Becoming a Homeowner: What You Need to Know About Escrow Accounts and Homeowner’s Insurance
- Successor Owners and Mortgage Loans Dealing with an Unaffordable Mortgage: Options and Issues
- Managing Student Loan Debt and How to Pay for College
- How to Shop for Auto Financing
- Debt Collection Defense and Pro Se Assistance
Our Clients
State Policy Work

**Expanded student access to relief from the Student Tuition Recovery Fund**

California maintains the Student Tuition Recovery Fund (STRF) of $25 million to reimburse students for losses from failed schools. STRF is administered by the California Bureau for Private Post-Secondary Education (BPPE), and is funded by student fees from BPPE-licensed private higher education institutions. The BPPE licensed the majority of recently failed California for-profit institutions (WyoTech, Everest, Marinello, Westwood, etc...), it paid less than $1 million in STRF relief to students last year. Through public comment, and direct agency advocacy, HERA is working for streamlining of STRF relief for Corinthian students and providing relief to all students who have suffered economic harm while enrolled in a school whose education standards are subpar.

**Effective state oversight of for-profit institutions operating under state (BPPE) licensure**

HERA attends and comments at the quarterly BPPE Advisory Board meetings, and works with BPPE representatives to ensure that the agency investigates and terminates licensure for bad acting institutions. Historically, the BPPE has largely ignored aggressive oversight, pointing to its limited resources. HERA’s public advocacy has encouraged BPPE to more aggressively investigate complaints, most recently resulting in a de-licensure action against a cosmetology school in response to HERA’s complaints on behalf of four students.

**Worked with CA Coalition to strengthen Reauthorization bill for BPPE (SB 1192)**

SB 1192 provides needed changes to the California Private Postsecondary Education Act of 2009 and the oversight of the act provided by the BPPE.
SB1150: Survivor Bill of Rights

Protecting the family home is and will always be a HERA priority. Our efforts to increase protections at the state level for surviving homeowners were successful this past year.

In 2016 Senate Bill 1150, the Surviving Homeowners Bill of Rights (SBOR) was signed into law. SBOR will protect widows, widowers, and other heirs from unnecessary foreclosures. Surviving homeowners have faced foreclosure because banks and servicers refuse to speak with them after the death of the mortgageholder. Surviving homeowners can include widowed spouses, domestic partners, heirs, siblings and joint tenants.

Under SBOR mortgage servicers will have to speak with surviving homeowners and provide information and guidance on their options and the process of assuming the mortgage or seeking a modification. SBOR took effect in January of 2017, and will allow surviving homeowners to sue banks and mortgage servicers that are not compliant with the law.

Thank you to Governor Brown, Senators Leno and Galgiani, Allies and our Co-Sponsors California Reinvestment Coalition and California Alliance for Retired Americans and Attorney General Harris! And a special thanks to the surviving homeowners who were willing to share their experiences publicly. Together we achieved an incredible, ground breaking protection for surviving homeowners.
2016 Department of Education rulemaking on Borrower Defense discharge:

We acted as the primary non-federal negotiator on behalf of legal services organizations representing student loan borrowers in negotiated rulemaking.

- The rulemaking will establish a process under which borrowers who were defrauded into enrolling in higher-ed programs (particularly for-profit institutions such as the now defunct Corinthian Colleges, Inc.) can obtain federal loan relief.

- The rulemaking also addresses the availability of closed-school and false certification discharges, as well as limitations on the eligibility of demonstrably abusive institutions for Title IV funding.

The negotiated rulemaking did not end in consensus, but nevertheless formed the basis for the Department’s proposed rules published in the Federal Register on July 16, 2016.

HERA is part of a coalition of students, grass-roots advocates, and policy organizations that is advocating to ensure that the final rules get relief to students who deserve it, and we will be submitting both coalition and organizational comments throughout the process.
Federal student loan discharge relief for defrauded former California students of the Corinthian Colleges, Inc.

HERA is advocating with the Department of Education’s appointed “Special Master” for Corinthian College relief and, more recently, the newly created Student Aid Enforcement Unit, to expand group relief to former Corinthian students.

Even students the Department of Education has found eligible for relief are not getting it. Less than 1% of these students have received federal student loan discharge due to monumentally ineffective Departmental outreach. In addition, the Department has, for more than a year in some cases, been simply sitting on Corinthian student discharge requests without approval or denial.

HERA is pushing the Department to engage with borrowers and borrower advocates to obtain evidence in support of discharge for pending applications.

**Private student loan relief for Corinthian College students**

The CFPB and California Attorney General’s actions against Corinthian College highlighted systemic abuses in the company’s private student lending practices. Corinthian pushed thousands of students into expensive private “Genesis” loans, many of which it subsequently sold for cash. Given the abusive origins of these debts, HERA is negotiating with the current owners of thousands of these loans for widespread student borrower relief.
July 22, 2016, CFPB Town Hall Meeting, Oakland City Hall
HERA’s Executive Director, Maeve Elise Brown, has contributed our clients' voices and experiences, and our experience as consumer advocates to the Consumer Financial Protection Bureau's Consumer Advisory Board since 2012, the year the advisory board was first formed.

During these years, the CFPB's rulemaking has encompassed mortgage servicer regulation, lending discrimination concerns, problems with debt collection practices, how industry handles consumers' private data, credit scoring and reporting concerns, mortgage industry data reporting, payday lending concerns, and remittances problems, just to name a few areas of focus. We are honored to have served in this way as part of this unique, new regulator that fights for consumer protection.

In 2016, HERA hosted a Town hall meeting with the CFPB's Director Richard Cordray sharing remarks and listening to members of the public share consumer concerns, including one of HERA's clients whose heart-wrenching story of the importance of the family home and his fear over the possibility of losing it opened the gathering. We thank the City of Oakland and Mayor Libby Schaff for welcoming this event and opening City Hall Chambers to us for this important gathering.
HERA expanded its work to support two reentry programs in the Bay Area—the Reentry Center in Richmond, and the Alameda County Public Defender’s Clean Slate clinic.

Having good credit, access to stable housing, and access to employment are particularly important and challenging. HERA brings workshops and one-on-one counseling on-site to our partners’ offices to help residents going through reentry easily access our help on all of these concerns.

“The presenter was very knowledgeable and treated everyone with dignity.”

-Reentry Workshop Participant
Veteran client assistance on student loan debt, medical debt, foreclosure prevention, and mortgage issues for numerous veterans. HERA also provides technical assistance to Military Legal Assistance attorneys and servicemembers on consumer debt and credit issues, and relief from eviction litigation under the Servicemember Civil Relief Act.

**Camp Pendleton Professional Military Education Conference 2015 & 2016**

Our presentation to military legal assistance attorneys focused on how HERA can provide them with technical assistance and potential direct client assistance on consumer debt and credit issues faced by servicemembers.

**Dixon Stand Down 2015**

HERA attended this resource fair for homeless veterans and spoke with veterans about the services we provide and their consumer debt and credit problems.

**U.S. Coast Guard Island Student Debt Training**

This training for Coast Guard members focused on selecting non-predatory colleges and avoiding or dealing with student loan debt.
Financial Capacity Building

At HERA, we believe that attorneys should be teaching as well as advocating. Our financial universe is complex; we bring a unique spin to financial capability building. We work with residents to help them build the financial lives that they want and to understand how credit and debt fit into that vision.

Rochelle was homeless and applied for subsidized housing. She was denied housing she had too much debt listed on her credit report. HERA helped Rochelle dispute a significant debt in her credit report and helped Rochelle appeal the housing denial. The housing authority rescinded their denial and accepted Rochelle as a tenant.

Hugo went to Check ‘n Go for a loan for his brother's funeral expenses. He negotiated a loan in Spanish, but signed an English language contract. His daughter later helped him realize that he was being charged 80% interest! HERA helped Hugo understand his rights, helped him to rescind the contract which should have been provided to him in Spanish, and helped him complain to the Department of Business Oversight (DBO) and the Consumer Financial Protection Bureau (CFPB). Only then did Check ‘n Go cancel the contract and remove the account from Hugo's credit report, waiving the outstanding balance on the loan.
Our Debt & Credit Work

“I know what it feels like to be judged by property management companies because of your negative credit, even though you have a job with stable income and are a responsible person.”

- Albert Molina, HERA client

Types of Debt (2015-2016)

$6 Million Debt Reduction in 2015 and 2016
Spotlight On Particular Issues

Student Loans
HERA protects students from the burden of student loan debt—both from abusive for-profit schools, like Corinthians and ITT, as well as debt from reputable institutions. Student loan debt servicers remind us of mortgage servicers—focused on collections at all costs, but not on making sure students understand their payment options. HERA has protected many indigent students eligible for debt relief from further abuse by collectors.

HERA Client was homeless and disabled for ten years. He had over $60,000 in student loans in default and it was impacting his ability to find housing. HERA helped the client navigate his options for his student loans and apply for a Total Permanent Disability discharge. His application was accepted and his student loan debt was forgiven.

Medical Debt
Double-billing, and failing to give impoverished residents access to charity care coverage are just a few of the problems that residents with medical debt face. HERA unwinds the mysteries of billing, counsels our clients, and resolves problems through advocacy, and litigation as needed.

A HERA Client was sued for medical debt for emergency services he received from St. Rose Hospital. Client is a low-income individual and was never informed of his rights under California’s Hospital Fair Pricing Policies Act. Under the Act and the Hospital’s policy, he was entitled to receive a discount on his medical bills because of his high medical costs and low income. HERA successfully defended the client and negotiated a settlement for him to pay only what he owed under the Hospital’s discount policy (reducing his debt by 80%) and have all collection costs and interest waived.
Helping Homeowners with HOA Problems

Take a look around, most of the new homeownership housing being built in your city is in the form of a condo or townhouse, which means new owners will face dealing with a Homeowners’ Association (HOA). A detailed, complex set of laws govern HOAs, and many HOAs do not follow them.

A HERA client, a senior on a limited income has lived in her Oakland home for nearly 25 years. Her HOA sent out a special assessment that was nearly $50,000, this would increase her monthly dues by about $700. With a fixed income the increase was not feasible. Unfortunately, in California, HOAs can foreclose on your home if you are more than $1,800 or 12 months delinquent on your assessments. Thus, our client was facing potential foreclosure. We worked closely with the client and helped her apply for Principal Reduction, a Keep Your Home California (KYH) program. Our client received nearly $30,000 in principal reduction funds from KYH. These funds reduced her mortgage payments and offset the massive HOA special assessment payments. As a result, our client was able to remain in her long-time Oakland home.

HOAs are supposed to meet with homeowners to consider repayment plans but some do not. In addition, many HOAs have hired third party collections companies that wrongfully load up assessment payment requests with fees and fines for themselves that are not permitted under the law.

HERA counsels homeowners and works to mediate disputes with HOAs and stop unlawful collections when they occur. Some of our landmark litigation on the collections issue is detailed under “Litigation”.

25
Protecting the Family Home

After a difficult divorce, SM applied to her loan servicer to get a modification of her hybrid loan that was going to see a huge jump in payments in a few months. With HERA’s help, SM was able to get the servicer to revise its property valuation of her unusual rural property which lead to approval for a loan modification that lowered her payment by over 50%!

Without you, there would have been no modification as was the case three years ago when I tried by myself. I just don't know what I would have done without you there....I probably would have lost the property. Thank you so very much for all your support and wisdom.

-SM, HERA client

BJC fell behind on mortgage payments after going on leave due to a traumatic incident at work. HERA was able to get the servicer to delay foreclosure for over three years while the borrower’s worker’s compensation case worked its way through the courts. BJC was able to get assistance through Keep Your Home California that helped lower the balance and the payment on the loan. As a result of HERA’s persistence and advocacy, BJC ended up with a 2% fixed rate loan modification on top of the state assistance. Sometimes a foreclosure delayed is a house saved!

Administering Emergency Funds

As part of our partnership with the City of Oakland, HERA became administrator for funds that the National Fair Housing Alliance (NFHA) gathered through its advocacy. Low-income Oakland homeowners have benefited as HERA has walked them through the process of taking the steps to qualify for this assistance.
Reverse Mortgage Issues

Homeowners who fall behind on property taxes can be foreclosed on by their reverse mortgage lender. HERA’s client VM fell behind one year on her property tax payments because the effects of chemotherapy kept her from working for some months. VM learned about the Reverse Mortgage Assistance Program (RevMAP) provided by Keep Your Home California to help borrowers who fall behind on tax payments due to an involuntary financial hardship but due to her medical condition, she could not handle the process on her own. HERA guided her through the application process, and obtain assistance that reinstated her loan and got her out of foreclosure.

Robert Sherbourne, a senior at the early stages of dementia, fell behind on his property taxes and insurance and failed to submit an occupancy verification letter. The reverse mortgage lender started to foreclose. Social workers from Adult Protective Services helped him submit payments and the occupancy verification needed to reinstate the loan. However, he was later notified that his home had been sold, claiming they had never received the required occupancy verification letter. Mr. Sherbourne then received eviction papers. Through HERA’s advocacy, the sale of the home was rescinded and the eviction matter was mooted out. Mr. Sherbourne was able to stay in his home and avoid displacement, which would have been disastrous to his health and well-being.
Litigation

HERA has continued its leadership role in impact consumer litigation on wrongful debt collection in its many forms, including home financing and home ownership, homeowner dues collection practices and abusive collection practices of debt buyer “mills.”

Homeowner Collections Class Actions: HERA has pioneered consumer protection through our two class action cases challenging the collection practices of debt collectors against condominium owners who have fallen behind on their homeowner’s dues. The challenged practices include charging illegal collection fees, violating the state condominium association laws, and making illegal threats of foreclosure. These practices put home ownership at risk because homeowner’s dues can be collected by non-judicial foreclosure of homes, without any court hearing. Both cases are now in settlement mode, and promise to yield substantial benefits and future protections to homeowners.

Anti-Deficiency Class Action Litigation: HERA has continued to take the lead in vindicating California consumer protection laws that bar mortgage lenders from collecting loan balances from homeowners personally after a lender has foreclosed or short sold the borrower’s home. HERA has successfully concluded a class action settlement against JPMorgan Chase Bank after five years of litigation! Settlement resolves four class action cases against Chase for deceptively attempting to collect mortgage balances after foreclosures and short sales where collection is barred by California’s “Anti-Deficiency Laws.” Former homeowners will receive monetary payments and correction of credit reports.
In a related effort, following our motto of fighting on many different fronts, HERA filed four amicus curiae briefs in related cases, including Coker v. Chase, in which the California Supreme Court ruled that California’s purchase money Anti-Deficiency Law applies after short sales as well as after foreclosure sales; Alborzian v. Chase, where the California Court of Appeal held collection practices that mislead borrowers regarding what they owe under the Anti-Deficiency Laws violate state and federal fair debt collection law statutes; and major briefs in two federal credit reporting appeals.

Home Loan Auditors: HERA has intervened on behalf of Latino mortgage borrowers in a housing discrimination case filed by HERA with HUD, and pursued now by HUD in federal court under the Fair Housing Act. The lawsuit alleges that the perpetrators charged HERA’s clients thousands of dollars for unnecessary “loan audits” to obtain mortgage loan modification services, and after paying the illegal charges, no modification services were provided. HERA staff attorneys expected to take a leading role in partnership with the US Attorney’s office.

"Same Language” Consumer Contracts: HERA is pursuing a class action in federal court for a monolingual Spanish speaker against DISH Network, based on California’s laws requiring consumer contracts negotiated in Spanish and other non-English languages be in that language. DISH advertised an “800” call-in line to Spanish-speaking consumers, on which a DISH representative made all arrangements for DISH satellite TV subscriptions in Spanish. DISH then provided the consumers English-only contracts. The Court has ordered the case to arbitration. HERA and its co-counsel are challenging that ruling, and hope to obtain a Court judgment enjoining DISH from marketing in non-English languages without providing contracts in the same language, and for other relief.
Financial Statements

STATEMENTS OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$432,442</td>
<td>$523,909</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$105,099</td>
<td>$61,306</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$327,343</td>
<td>$462,603</td>
</tr>
</tbody>
</table>

STATEMENT OF ACTIVITIES

<table>
<thead>
<tr>
<th>Support &amp; Revenue:</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation and Community Grants</td>
<td>$247,000</td>
<td>$576,000</td>
</tr>
<tr>
<td>Government Grants</td>
<td>$230,296</td>
<td>$361,064</td>
</tr>
<tr>
<td>Cy Pres Awards</td>
<td>N/A</td>
<td>$56,857</td>
</tr>
<tr>
<td>Contributions</td>
<td>$25,980</td>
<td>$38,591</td>
</tr>
<tr>
<td>Contract Services</td>
<td>$11,540</td>
<td>$1,200</td>
</tr>
<tr>
<td>Attorneys Fees</td>
<td>$226,558</td>
<td>$37,200</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$457</td>
<td>$541</td>
</tr>
<tr>
<td>Other Income</td>
<td>N/A</td>
<td>$95</td>
</tr>
<tr>
<td>Total Support and Revenues</td>
<td>$741,831</td>
<td>$1,071,548</td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$760,542</td>
<td>$770,922</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$36,019</td>
<td>$100,992</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$24,340</td>
<td>$64,374</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$820,901</td>
<td>$936,288</td>
</tr>
</tbody>
</table>
Thank you to our sponsors!

Adobe
Alan Ramos
Amanda Feinstein
Anonymous
Arthur Levy
Barry and Sandy Goldstein
Ben Dupre
Bernida Reagan
Brent Warren
Bryan Kemnitzer
Caroline Mixon
Chavez & Gertler
Community Bank of the Bay
Constanze Esayian
Cotchett, Pitre & McCarthy
David Hahn
David Lim
Deion Harris
Elizabeth Clark
Elliott
Faye Coulter
First Republic Bank
Fred C. and Mary T. Munson
Geva Baumer
Gloria Bruce
Helen Wyman
HERA Board
Isela Gonzalez Ford
Jahan Sagafi
James Kan
James Zhang
Janet Legg
Janice Cho
Jeffrey Fearn
Joe Jaramillo
John and Elizabeth Zinner
John Dawdy
John Komorosky
John Vos
Judith Hunter
Justin Berger

Kathryn Rosenbaum
Katrina Eiland
Ken McCormick
Laura Rosenberg
Law Office of Todd Espinosa
Leanette Flentroy
Les Firestein
Levi Pine
Lin Chin
Lindsey Nako
Margaret Rossoff
Maria Benjamin
Marta Guzman
Matt Edling
Michael Rawson
Mike Baller
Mike Rawson
Morris Baller
Outten & Golden
Paul Leonard
Paulina Gonzalez
PSPrint
Renay Rodriguez
Roberta Stelle
Ron Wilcox
Roxanne Romell
Rural Community Assistance Corporation
Sandy Price
Sarah Hamilton
Schwab Charitable
Scott Borrison
Scott Chang
Solana Rice
Solu Nwanze
Stephen Pitts
Sylvia Torres
Therese Becker
Virginia George
Zachary Baron
HERA
housing and economic rights advocates

www.heraca.org
www.money-happy.org
Email: inquiries@heraca.org
Phone: (510)271-8443 ext. 300
Fax: (510) 868-4521
P.O. Box 29435
Oakland, CA 94604
@Heradvocates  🐦  🌐  📚  📸