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Banks Helping Tardy Mortgage Borrowers Get New Jobs

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By **Jeffrey Pilcher**, CEO/President & Publisher of **The Financial Brand**

Banks in the US are giving distressed homeowners a hand, helping them land new jobs instead of kicking them out on the street.

In 2012, **Fifth Third Bank** started offering an innovative reemployment training program designed to help keep delinquent mortgage borrowers in their homes. The program, developed by **NextJob**, a career counseling service based in Oregon, teaches people how to develop and execute a detailed job search plan. Participants receive up to 16 weeks of one-on-one counseling with a career coach — paid for by the bank — who teaches them skills like resume-writing, interview techniques, how to use online resources like LinkedIn, and how to find “hidden jobs” that are available but never advertised.

Fifth Third is paying an estimated \$1,500 per customer for the service. But **Jon Meade**, SVP and default servicing manager with Fifth Third, says the math pencils out. According to Meade, the average foreclosure costs Fifth Third between \$50,000 and \$60,000.

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— John Courtney, CEO/NextJob

Job loss is a major reason why homeowners fall behind on their mortgage loan payments, explains **John Courtney**, CEO of NextJob.

“The bank understood that neither party benefits from a foreclosure,” Courtney says.

And success with mortgage modifications has been spotty.

“More than half of those who receive mortgage modifications are behind on their payments again within 18 months,” Courtney says. “We took that as a clear sign that there needed to be a solution to solving the underlying problem, which is unemployment.”

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100 days.

Meade says he tracked the pilot closely and compiled enough information to calculate a clear ROI.

“This information and the response from our customers proved that the pilot program was a great success,” Meade said. “The results were amazing, even greater than we had anticipated. The program was a winner.”

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Fifth Third has expanded the program, and is now offering this unique reemployment service to 250–300 customers each month.

([Read More: Room For Improvement In Home Loan Process, Study Shows](#))

Other Follow in Fifth Third’s Footsteps

NextJob granted exclusive rights on its reemployment program to Fifth Third for 12 months, but now the service is available to banks and credit unions everywhere.

M&T Bank was first in line. **Ann Schlifke**, VP of corporate communications for M&T’s mortgage and customer lending division, said they were impressed with Fifth Third’s results and decided to give it a shot.

M&T will be randomly inviting 150 of its home loan customers who have lost their jobs to use NextJob’s services at no cost to the borrowers. The pilot program will run until November 2014.

Schlifke said that M&T is inviting selected customers to participate but won’t require them to do so.

“They have to take the step to sign up,” she said. “We don’t want it to seem like we’re forcing them to do anything.”

M&T isn’t the only bank to take notice of NextJob’s service. Courtney at NextJob says he anticipates a flurry of new business flooding in from financial institutions.

“We developed this idea four years ago and conducted a pilot program for two years,” Courtney explained. “We now have three banks participating and soon we’ll have four.”

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