



PRINCE GEORGE'S COUNTY COUNCIL

# **FORECLOSURE TASK FORCE**

**R E P O R T  
& RECOMMENDATIONS**

**2013**

# Prince George's County Council



## Prince George's County Foreclosure Task Force Report & Recommendations

Recommended By:

Prince George's County Foreclosure Task Force

October 2013

October 2013

Hon. Rushern L. Baker, III  
County Executive  
Prince George's County  
County Administration Building  
Upper Marlboro, MD 20772

Hon. Andrea C. Harrison, Chair  
Council District 5  
Prince George's County Council  
County Administration Building  
Upper Marlboro, MD 20772

Dear County Executive Baker and Chair Harrison:

On behalf of the Prince George's County Foreclosure Task Force ("Task Force"), we write to submit the Task Force's recommendations for your consideration.

The overall purpose of this Task Force was to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County. The Task Force consists of thirteen (13) members, representing the County, the State, stakeholders from the real estate and banking industry, not-for-profits and the public, brought together to issue this report for consideration by the County Executive and County Council.

Since the Task Force was established by CR-2-2012 and extended by CR-43-2012 and CR-7-2013, we have met eight times, discussed issues and alternatives with County staff, state and local experts and reviewed extensive materials on County operations and programs. The Task Force submits the attached recommendations for your respective review and requests an opportunity to present them to the County Council.

On behalf of the Task Force, we look forward to working with you and the Council in the future as you consider these recommendations.

Sincerely,

Hon. Obie Patterson  
Chair

## **TASK FORCE MEMBERS**

We would like to thank and acknowledge the following individuals for their service on the Prince George's County Foreclosure Task Force:

Hon. Obie Patterson, Chair  
County Council District 8

Hon. Toni E. Clarke  
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Tantallon South Civic Association

## **ACKNOWLEDGEMENTS**

The Task Force would like to thank and acknowledge the following participants and Prince George's County and Maryland agency staff for their assistance during the Task Force's meetings:

**Maryland Office of the Attorney General**

Kisha Brown, Director of Legislative Affairs  
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**Maryland Department of Labor, Licensing & Regulation**

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## **AUTHORIZATION AND CHARGE**

“NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the Prince George's County Foreclosure Task Force is hereby established to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County, including an emphasis on foreclosure prevention, maintenance of foreclosed properties and Court and County administrative policies and procedures in the foreclosure setting.”

***CR-2-2012***

## **TASK FORCE OVERVIEW**

In February 2012, the Prince George's County Council adopted Council Resolution (CR) 2-2012, a resolution establishing a thirteen (13) members Task Force, representing the County, the State, stakeholders from the real estate and banking industry, not-for-profits and the public. The Task Force was to issue its recommendations by September 1, 2012. The County Council subsequently adopted CR-43-2012 and CR-7-2013 extending the reporting time for the Advisory Board (see Attachment A). The Task Force held eight meetings (see Appendix B for Board agendas and minutes), reviewed issues and alternatives with County staff, state and regional experts and reviewed extensive materials on County operations and programs.

This report of the Prince George's County Council Foreclosure Task Force does not represent an endpoint to the foreclosure discussion, rather it is an effort of the County Council and its' citizens to weigh directly in the discussions of the foreclosure crisis and its damage on Prince George's County. The Task Force was assembled to assist the County Council reviewing actions of the County government to address the crisis; and make recommendations in reviewing of future policy enhancements in the areas of:

1. Assisting homeowners in foreclosure distress
2. Addressing property abandonment and neighborhood decline
3. Addressing underwater homeowner issues
4. Addressing blight and abandonment of property issues with housing stabilization strategies
5. Adding more stability to the County's economy by creating jobs related to recovery activities of the housing and real estate industries.

The goal of this report is to provide the County government with another timely opportunity to review current foreclosure strategies and provide public feedback on the current efforts, to strengthen the County's partnership with the State of Maryland, community advocates and other organizations in addressing strategic options to the crisis.

## **HISTORICAL BACKGROUND**

## Introduction

To fully appreciate the event referred to as the National Foreclosure Crisis understanding the roles of Wall Street, the mortgage banking and servicers industry, the framework of the federal, states, and local regulators, and the role of the taxpayer/consumer is valuable.

The National Foreclosure Crisis involves transcending understanding the concept of a home as just being a place where a person lives; to a broader understanding of the home in the business context of mortgage-backed securities, the judicial and non-judicial foreclosure processes, a delinquent mortgage payment, a demand letter, a notice of default, a forbearance, a modification, a refinancing, a short sale, and bankruptcy, just to name a few.

The home is inextricably linked to our understanding of the National foreclosure crisis.

## ***Homeownership: At the root of the national foreclosure crisis***

In an April 11, 2008 letter on the National foreclosure crisis from the US. Congressional Budget Office (CBO) to the Chairman of the U.S. Senate Committee on the Budget, it read: "mortgage foreclosures, particularly among subprime borrowers, has risen to record levels and is still increasing. The financial markets are having severe difficulties in adjusting to the loss of mortgage collateral. Foreclosures are an expensive way to resolve delinquencies. Thus, excessive foreclosures could trigger a downward spiral of house prices that could take them below what would be justified on the basis of normal relationships to income and production costs. Because most mortgages are securitized, resolution procedures also have to respect the limits of securitizing agreements. Without committing resources, the Congress could provide a standard for mortgage restructuring that might assist agreement among the first and second lien holders and simplify the decisions lenders have to make. Legislation could also change the treatment of mortgages in bankruptcy, which would help borrowers and might increase the pressure on lenders to voluntarily restructure loans outside of bankruptcy; such a change, however might also lead to higher interest rates on future mortgages."<sup>1</sup>

From the vast amount of literature on the foreclosure crisis below are ten points that summarize a universal snap shot of the crisis:

1. Real property rapidly increasing and then sudden unsustainable debt levels challenged by falling expendable incomes and housing affordability challenges;
2. Housing markets spiraling out of control causing housing boom and bust cycles and speculative fever;
3. Predatory lending accompanied by products offering low adjustable interest rates with higher reset triggers in the loans;
4. New subprime borrowers whom later default on their mortgages
5. Decline in home demands and home values;
6. Direct and indirect housing industry job loss due to falling supply for houses;

<sup>1</sup> Congressional Budget Office Letter to the Chairman of the U.S. Senate Committee on the Budget, April 11, 2008. Prince George's Foreclosure Task Force Report & Recommendations October 2013

7. Prime mortgage holder beginning to default due to economic and employment issues;
8. Bank foreclosures on homes which have defaulted;
9. A glut of bank properties not being able to swiftly move causing other economic and community development issues;
10. Mortgage holders and investors lose on investments in housing and the financial markets dry up or slow down.

In January 2010, HUD issued to Congress a policy paper entitled, Report to Congress on the Root Causes of the Foreclosure Crisis. Producing the study was a requirement of Section 1517 of the Housing and Economic Recovery Act (HERA) of 2008 (P.L. 110-28), legislation passed during President Bush term. In the HUD report it stated: "Since the passage of HERA in July 2008, the problems in the mortgage markets have triggered a more general crisis in global financial markets." HUD identified the following events or triggers it believed were most associated with the National foreclosure:

1. The borrower's financial liquidity and then a lack of home equity makes it impossible for the borrower to either sell their home to meet their mortgage obligation or refinance into a mortgage that is affordable given their change in financial circumstance. This borrower is unable to meet their mortgage obligation and tends to default.
2. The rapid growth in loan products design with a high risk of default due to the terms and the underwriting standards and controls. Mortgage industry participants appear to have been drawn to encourage borrowers to take on these riskier loans due to the high profits associated with originating these loans and packaging them for sale to investors.
3. A slowdown and decline in house price growth.
4. Insufficient protections against consumers making poor consumer choices in a rapidly expanding mortgage industry.
5. Insufficient federal oversight of the rating agencies of the mortgage backed securities arena. These agencies played a key role in opening the markets for mortgage-backed securities and collateralized debt obligations to a wide range of institutional investors and regulated financial firms seeking AA-or AAA rated investments. In hindsight it is clear that the rating agencies were excessively optimistic in their assessment of the risk associated with subprime mortgages and the securities built on these loans. The ratings compensation structure-under which the agencies were paid by the very firms that sold the securities to investors-likely played an important role in the agencies' failure to more soundly assess these securities. In part, the willingness of investors to purchase risky mortgages with relatively little risk premiums also reflect the belief that innovations in financial market instruments were shielding them for default risks.

The HUD report also highlighted the following, "the national surge in subprime lending was also driven by the high profits participants earned at each stage of the process from loan origination through bond issuance. As housing affordability became a national issue after 2003, lenders began offering new mortgage products intended to stretch the borrower's ability to afford ever more expensive homes as a means of keeping loan origination volumes high resulting in

loosened underwriting standards.”<sup>2</sup>

## **Federal Legislative Fixes and the Foreclosure Crisis**

It is clear from the literature search the U.S. Treasury Department, in the Bush and Obama administrations, is tapped as the key architect and catalyzing force of the Nation’s foreclosure recovery strategy. Together with other major Federal regulatory agencies such as the Federal Reserve Bank System, the Federal Housing Finance Agency (FHFA), Department of Housing and Urban Development (HUD), the Office of the Comptroller of Currency, the Federal Trade Commission, and now the newly created Consumer Finance Protection Bureau, the federal government has steadily increased efforts, particularly by the Obama Administration, to lead the federal strategies for foreclosure recovery. Below is a summary of selected Congressional legislation addressing the National foreclosure crisis:

1. The *Homeownership and Equity Protection Act (HOEPA)* of 1994, which focused on consumer protection against predatory lending.
2. In 2007, HUD established the Federal Housing Administration’s (FHA) Secure Program which was intended to use FHA insurance to replace risky subprime and high cost loans.
3. The *Emergency Economic Stabilization Act of 2008*, authorizing FHA to insure up to \$300 billion in home mortgages via the HOPE for Homeowners program.
4. The *2009 Home Affordable Foreclosure Alternative Program (HAFA)* which took effect on April 2010 and sunset December 2012. It was used extensively in the short sale arena.
5. The *Helping Families Save Their Homes Act of 2009*, signed by the President on May 20, 2009. The act was to expand eligibility for Chapter 13 bankruptcy by excluding home mortgage debt from the current maximum debt limitations; and extend the increased FDIC and NCUA’s deposit insurance limits until December 31, 2013.
6. The *2010 Dodd-Frank Wall-Street Reform and Consumer Protection Act* created broad-based changes to how creditors make loans including new ability to repay standards such as potential borrowers have to supply financial information and lenders must verify it; to qualify for a particular loan, a consumer has to have sufficient assets or income to pay the loan back; and lenders have to determine the consumer’s ability to repay the principal and interest over the term of the loan.
7. In 2009, the Obama Administration’s U.S. Treasury Department announced a new effort in the foreclosure crisis. It was the new *Home Affordable Modification Program (HAMP)* to stabilize the U.S. housing market as mortgage delinquencies continue to spread. It was created by Congress in the Financial Stability Act of 2009. HAMP also known as Standard or Tier 1,

was spearheaded by the U.S. Treasury Department; providing access to low-cost refinancing that would reduce monthly payments for homeowners who owed more than 80 percent of their home value and whose mortgages were owned or guaranteed by Fannie Mae or Freddie Mac. The plan committed \$75 billion through the Treasury Department to achieve loan modifications for three to four million at risk homeowners to help them stay in their homes through "HAMP modifications.

8. The Obama Administration and Congress in 2009 took more action to stem the rising tide of foreclosures. The Federal Housing Finance Agency (FHFA) established Home Affordable Refinance Program (HARP) to assist underwater and near underwater homeowners to be able to refinance their mortgages. In December 2011, FHFA made additional changes to HARP under the banner name of "HARP2.0". HARP2.0 allowed refinancing on all occupancy types ranging from primary residence (owner occupied); second homes, and investment/rental property." As of April 2013, the FHFA extended the HARP2.0 program through December 31, 2015.

### **The State of Maryland- At the helm of the Crisis**

As the National foreclosure crisis raged beginning in 2006, so were its impacts in Maryland. The November 29, 2007, final report of the State of Maryland Homeownership Preservation Task Force, of which Prince George's County was a participating member, characterized the foreclosure impacts accordingly, "rising foreclosure rates have swept the county over the last year and Maryland has not been immune to the trend. The problem has touched every corner of the State, with certain jurisdictions posting particularly high numbers. Statewide, property based foreclosure events reported in the second quarter of 2007 grew by 334 percent over the same period in 2006. Total foreclosure events in the second quarter of 2007 numbered 4,092, a growth of 3,171 events over the second quarter of 2006, according to numbers obtained from Realty Trac and analyzed by DHCD. Prince George's County was reported having the State's highest number of foreclosure events, with 1,192 reported in the second quarter of 2007, representing a 300 percent increase over the same period in 2006.<sup>3</sup>

The State's foreclosure final report stated that the crisis in Maryland was caused disproportionately by subprime loans and non-bank loan originators such as brokers. While brokers can provide an important service to consumers by helping them shop around to find a loan that works for them, the desire to earn fees can lead to unscrupulous practices that ultimately harm the consumer. The nationwide spike in foreclosures is closely tied to the surge in subprime lending that proliferated during the housing boom of recent years. Because home values soared, many buyers refinanced into loans, often subprime loans, assured they would have no problem repaying as home values seemed guaranteed to continue to climb. Between 2000 and the beginning of 2007, the subprime market share in Maryland climbed from 1.6% of all mortgages to 11.7%, according to the Mortgage Banking Association (MBA) survey. Three of the report's recommendations were:

- regulatory and legislative reforms to both broaden and deepen the powers of the State to meaningfully regulate and to have a set of laws that can better protect Maryland homeowners,

- support for the delivery of high-quality homeownership counseling, and
- a series of financial interventions

Before the State's Foreclosure Task Force was convened, the State of Maryland had begun an aggressive effort to arrest foreclosure's threats on the Maryland economy. Governor Martin O'Malley's administration, on June 13, 2007, introduced assistance for homeowners via the *Home Owners Preserving Equity (HOPE) Initiative*. Three activities made up the proposal:

- \$100 million Lifeline Refinancing Program;
- \$10 million for a credit enhancement program; and
- \$1 million in grants for housing counseling programs to provide foreclosure prevention counseling.

In addition, the Governor supported hiring more investigators in the State Department of Labor Licensing and Regulations (DLLR) to increase its ability to investigate fraud and other abusive practices in the mortgage industries.

On the judicial front, the State of Maryland was taking aggressive actions to stem the flow of foreclosures. An October 2010, article, on Maryland Court of Appeals adoption of a new state foreclosure rule (Rule 14-207), stated, "Maryland highest court approved an emergency rule designed to identify and weed out irregularities in the mortgage foreclosure process. The new rule which takes effect immediately, allows circuit courts to appoint independent lawyers to review foreclosure documents for problems. If a problem with the lender's paperwork is detected, it has 30 days to show at its own expense, why the foreclosure action should not be dismissed. Judges may also summon lawyers and public notaries into court when the authenticity of a signature or the veracity of the attestation to the accuracy of a document's content is in question."<sup>4</sup>

On January 11, 2012, the State of Maryland's Foreclosure Task Force issued an updated strategic report on efforts to address statewide foreclosures (Report can be found at [www.dhcd.state.md.us](http://www.dhcd.state.md.us)). These recommendations are located in this report at Appendix C. There were twelve specific recommendations summarized into two (2) broad categories:

1. Enhance loss mitigation outcomes (which had six recommendations)
2. Strengthen Maryland neighborhoods (which had six recommendations)

## Towards the Near Future

In an August 11, 2013 Washington Post news article<sup>5</sup>, featured was a story about a new Maryland state wide housing foreclosure cycle that was already underway. According to the article, between January 2013 and June 2013 Maryland went from having one of the lowest foreclosure rates in the nation to the third highest ranked state. Behind this story is the good news that Maryland state officials had been aware of the potential problems and were more prepared to handle this second foreclosure wave which source was coming from the 'shadow

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<sup>4</sup> Maryland Court Rules, Rule 14-207.

<sup>5</sup> Annys Shin, *A New Foreclosure Wave Hits Md. Homeowners*, Washington Post, August 11, 2013, C1.

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inventory' of homes in the foreclosure process the banks were holding as they were undergoing National regulatory compliance and enforcement settlement issues. The State of Maryland has developed a strong and proven team of subject matters experts in housing, banking, and mortgage servicing issues ready to engage in the various REO issues and property disposition actions.

### **National Mortgage Settlement Agreement (MSA) Impact**

The final strategic tool of the State of Maryland in addressing foreclosures was the resources it obtained from the \$50 billion in the 2013 National Mortgage Settlement Agreement (MSA). This settlement was a negotiated settlement between the six major federal regulators, the Conference of State Bank Supervisors, and 49 State Attorney Generals and the nation's five largest mortgage servicers (Bank of America, Wells Fargo and Co., JP Morgan Chase and Co., Citigroup Inc., and Res Cap—formally operating as GMAC Mortgage and Ally Financial). The MSA principally applied to the mortgages held by the five services and did not apply to mortgages of the Government Sponsored Entities (GSEs). The MSA would be administered by a newly created Office of Mortgage Settlement Oversight. More information on the Office and its functions can be found at [www.nationalmortgagesettlement.com](http://www.nationalmortgagesettlement.com).

A summary of the MSA's settlement terms are as follows:

- \$17 billion to be used for relief for struggling homeowners with 60% of these funds required to be allocated to reducing the principal balance of home loans for borrowers who are in default or at risk of default on their loan payments
- \$5.2 billion to be used for other forms of homeowner assistance
- \$3 billion to be used for refinancing of underwater homes
- Mortgage servicing reforms
- \$1.5 billion for foreclosure victims
- \$2.5 billion may be directly distributed by State Attorney General's for activities such as foreclosure relief and housing programs such as counseling, legal assistance, foreclosure prevention hotlines, foreclosure mediation, and community blight remediation (Appendix D)

National reports showed the State of Maryland was allocated \$59 million in MSA funds (A summary of the MSA impact on Maryland is provided in Appendix D of this Report). The State's initial reported categorical uses of the funds was as follows:

- 10% would be allocated to the State of Maryland's coffers as civil penalties
- \$14 million towards neighborhood stabilization programs which would be selected through a request for proposal process and would be administered by Maryland's DHCD
- \$10 million to go to anti-blight activities to be administered through DHCD
- \$8.6 million for housing counseling to be administered through DHCD
- \$6.2 million for legal aid administered through DHCD
- \$2.1 million for additional staff in the Maryland State Attorney General

- Office to address consumer protection
- \$2.1 million for additional staff in the Maryland Department of Labor, Licensing, and Regulation (DLLR)

Prince George's County was reported to receive \$10 million dollars from the Maryland Attorney General's settlement funds for targeted neighborhood stabilization programs and activities. Since 2012, the County and the Attorney General Office had been in negotiations as to specific uses, as well as, working through two provisions of the Attorney General's Office that will be binding on the final negotiated Agreement. The provisions were: (a) no funds were to be spent on outreach efforts, and (b) a requirement to expend County funds first then be reimbursed by the state settlement funds. The negotiated final agreement between the State Attorney General Office and Prince George's County government is attached at Appendix E.

In closing, the State of Maryland has developed a strong team of subject matter experts in housing policy and foreclosure issues. The County is most pleased with the highly effective working partnership it has established with the Governor's Office, the Lt. Governor's Office, the Attorney General's Office, the State Departments of Housing and Community Development and its' Community Development Administration (CAD); and the Department of Labor, Licensing and Regulations (DLLR).

### **County Task Force Policy Issues**

The County government, under the leadership of County Executive Rushern L. Baker, III, has been an active partner with the State of Maryland in addressing two major areas of the affects from the foreclosure cycles. One area was the impact caused by depressed values in housing and commercial real-estate causing an erosion of the County's revenue base; and the second area, the harm caused to Prince George's homeowners in the foreclosure process.

Since 2010, the Baker Administration has been involved in planning and executing strategic efforts to address the ill effects of the foreclosure crisis. The vision and approaches were forged by a data driven process resulting in a County-wide foreclosure prevention, intervention, and stabilization strategy. Two (2) policy documents developed to accomplish the overall strategy were: (1) an April 2010 COUNTYSTAT report, entitled, Foreclosures-Neighborhood Stabilization (see Appendix G); and (2) a June 2012, COUNTYSTAT report entitled Neighborhood Revitalization-Residential Market Assessment and Place study (Appendix G). In addition, the County has enhanced its understanding of the foreclosure crisis through data analysis work conducted by the Washington D.C. based, Urban Institute. The Institute produced Foreclosures in Prince George's County, 2011 study and the Foreclosure Indicators by Servicers in Prince George's County, October 2012 study (Appendix F).

The County Task Force approached its charge by meeting with diverse groups of subject matter presenters on the various issues and data sets regarding foreclosure in Prince George's County. The following are a representation of some of the issues discussed or used by staff in developing the monthly agendas:

1. **One policy area of discussion** was the short and long term effects of neighborhood impacts caused by single family REO investors in Prince George's County neighborhoods. REO refers to property that has gone through the Maryland foreclosure process and owned by a bank or a loan servicers as part of its real estate portfolio (**Appendix J**). REO properties are often synonymous for a vacant or foreclosed home left unmaintained and these properties can become

an economic obstacle to a resale market.

The Task Force discussion on this topic covered items such as: (a) what are the impacts of vacant homes in the County, (b) potential new low and moderate income homeowners due to REO inventory, and (c) negative neighborhood impacts of REO properties.

2. **A second policy area of discussion** was concerning the absorption rate of REO foreclosures and the overall impact on price values, (b) how foreclosed homes listed for sale in a market saturated with additional non-foreclosure sale properties affect overall neighborhood house prices; and (c) the effect of short sales on neighborhoods and home sales.
3. **A third policy area of discussion** centered on Prince George's County government's neighborhood stabilization strategies. The Task Force was presented ongoing and planned County strategies in partnership with key State of Maryland agencies including the Department of Labor and Licensing Regulation (DLLR) and the Department of Housing and Community Development (DHCD). Discussions included Maryland's foreclosure notice of intent filings (NOIFs) process, strengthening the County's property standards requirements, and planned County code enforcement enhancements.
4. **A fourth policy area of discussion centered on the Maryland housing counseling network and the foreclosure mitigation process.**
5. **The final stage of work focused on shaping four policy questions which could further shape and clarify the County's current and future foreclosures efforts:**
  - (1) What further specific actions will be developed and implemented to represent the County's efforts to address a continuum of housing foreclosure issues: (a) **delinquency**; (b) **in pre and post foreclosure**; (c) **REO or bank owned properties**; (d) **vacant status**;
  - (2) Which entity or entities in the County government will implement what specific actions?
  - (3) When will the specific action be carried out by that County entity or entities?
  - (4) What will be the level of internal and external coordination and communication to execute the County's strategy or strategies to address foreclosures in Prince George's County?

## **RECOMMENDATIONS**

After extensive discussions the Task Force members achieved consensus on the following 16 recommendations in the categories below:

### **Foreclosure Data & Analysis**

1. That the County continues to work in partnership with the State of Maryland to make residents aware of the state resources such as the National Mortgage Settlement Agreement (MSA) with the Banks and Servicers, the State of Maryland's portion of the Mortgage Service Agreement and what are its eligible uses, as well as, the Maryland HOPE Hotline.
2. That the County's Departments of Housing and Community Development (DHCD) and the newly created Department of Permitting, Inspections and Enforcement (DPIE)<sup>6</sup> provide regularly scheduled joint briefings to the County on their collaborative foreclosure efforts as outlined in the 2012 COUNTYSTAT document Foreclosure Crisis.
3. That the County's DHCD and DPIE provide regularly scheduled briefing on the Neighborhood Stabilization efforts as outlined in the COUNTYSTAT report and cover specific areas such as: (a) the status of Notice of Intent of Foreclosure (NOIFs) by Council Districts, (b) REO stabilization efforts undertaken by the County's use of HUD's Neighborhood Stabilization Programs (NSP) funds- Round 3 and NSP Round 1 funds, County-wide homeownership foreclosure activities through the State of Maryland's Neighborhood Conservation Initiative funds, and (c) presentation by community organizations addressing foreclosures through the use of Community Development Block Grant, HOME, and Emergency Solutions Grant funds, as well as, HUD/Maryland housing counseling funds.

### **Programs and Funding**

4. That the County implement the Memorandum of Understanding with the Maryland Attorney General's Office for \$10 million dollars in funds to Prince George's County as part of the National Mortgage Settlement Agreement (see Appendix E).
5. That the County funds a coordinated housing counseling strategy aimed to reduce the number of homeowners facing or impacted by foreclosure. The funding may focus more so on financial literacy, pre-homeownership counseling, foreclosure-mitigation, and debt counseling.
6. That the County study or request a study on how the recently adopted legislation establishing the Housing Investment Trust Fund (CB-21-2012)

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<sup>6</sup> As of July 1, 2013, the Department of Permitting, Inspection and Enforcement is planned to take over property standard and code enforcement responsibilities from the Department of Environmental Resources.  
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will be used to develop effective strategies to strengthen County neighborhoods impacted by foreclosures.

7. That the County explores the use of its' local federally (U.S. Treasury) certified "Community Development Financing Instruction" (CDFI) as a financing tool to create funds for more activities to address foreclosures.
8. That the County recommends the County pursue funding the Take Back Your Home Coalition's "Rent-Back-and Rent-to-Own" programs options (see Resource Document and Appendix K).

### **Partnership and Outreach**

9. That the County develop or maintain an effective working partnership with the State of Maryland government, the Federal regulatory agencies such as US Department of Housing and Urban Development, the US Office of Thrift Supervision (OST), the US Office of the Comptroller of the Currency (OCC), the U.S. Board of Governance of the Federal Reserve System, the U.S. Consumer Financial Protection Bureau (CFPB), other national and local partners in the National Board of Realtors, the National Association of Homebuilders, as well as, other national, regional and local advocates or professional organizations working to address foreclosures
10. That the County through its' DHCD and the Office of Community Relations (OCR) be utilized to further expand community partnerships with housing not-for-profit organizations to provide education and outreach to County residents facing foreclosure.
11. That the County consider expanding the Prince George's Human Relations Commission's staff (HRC) capacity to monitor, investigate and prosecute fair lending violations in the County, under Division 12 of the County Code, which addresses discrimination by a "lending" institution, and to provide County HRC budgeted resources to investigate foreclosure violations under the federal law, "Protecting Tenants at Foreclosure Act" (PFTA).
12. That the County in partnership with community based financial institutions such as credit unions and the Coalition for Home Ownership Preservation in Prince George's establish a personal asset building program similar to the federally funded Individual Development Accounts (IDA) program which has been used to encourage personal responsibility in engaging in the housing ownership arena.

### **Property Maintenance**

13. That Dpie fully implement and utilize the County's Property Registry process, working in coordination with the State of Maryland's Foreclosure Registry Program, for enforcement of the County's property standards relative to REO properties. The status of this effort should be presented to the Council at the quarterly joint staff briefings.

14. That the County assigns staff and focuses on code enforcement and property maintenance in areas designated by the State of Maryland's Property Foreclosures Quarterly Reports as foreclosure "Hot Spots" areas in the County, as well as, in the County's Transforming Neighborhood Initiatives (TNI) program areas.
15. That DPIE fully implement the Memorandum of Understanding (MOU) with the County's Department of Correction to utilize incarcerated individuals for community service credits to rapidly address conditions of blight caused by the presence of blighted REO properties in the County.
16. That DPIE fully implements the County Department of Environmental Resources (DER) Property Standards Reform Plan, including proposing legislation to adjust County fees and fines for the property standards provision of the County Code (Appendix I).

## **CONCLUSION**

The Task Force, therefore, recommends that Prince George's County undertake these and additional measures as outlined in this report to address foreclosures in the County.

Finally, the Task Force thanks the County Executive and County Council for the opportunity to serve and participate in this process and County staff and other governmental and not-for-profit organizations for their input and expertise.

## **RESOURCE DOCUMENTS**

The Task Force had extensive discussion regarding information contained in the following documents:

- The Federal Reserve Bank of Richmond 2012, 4<sup>th</sup> Quarter Mortgage Performance Summary on Housing Market and Mortgage Performance in Maryland and the District of Columbia. In that report it stated foreclosure rates in Maryland continued to 3.5% on a year over year basis while the 90 day delinquency rates fell to 4.3%. Maryland ranked 12<sup>th</sup> in the Nation in its share of the national subprime loans.
- State of Maryland Quarterly Property Foreclosure Reports which covers the monthly Notices of Mortgage Loan Defaults, the Notices of Foreclosures Sales, Lender purchases of foreclosed properties, and the Foreclosure Hot Spots ([www.dhcd.state.md.us](http://www.dhcd.state.md.us))
- 2011 Urban Institute Studies on Foreclosures in Prince George's County, provided a snapshot of the status of Notices of Intent to Foreclose (NOIs) between July 1, 2011 through June 30, 2012, for the top six loan servicers in the County - data compiled by Neighborhood Info DC (Attachment F)
- County Department of Housing and Community Development Presentation of their efforts, resources, and programs addressing foreclosure (Attachment H)
- COUNTYSTATS' Neighborhood Revitalization and Foreclosures presentation provided a series of charts and graphs that depict foreclosures from a regional perspective. The report noted Prince George's County had the greatest decline in property values, the largest number of unoccupied residences that serve as catalysts for crime and blight, and the greatest gap between the potential for development and redevelopment in the inner ring and market realities (Attachment G)
- Office of the Maryland Attorney General Service Consent Order & Settlement Overview (Attachment D)
- County Department of Environmental Resources Property Standards Reform Action Plan and Fee & Fine Review (Attachment I).
- Take Back Your Home Coalition's White paper on Rent-Back and Rent to Own Programs (Attachment K)

## APPENDIX

- A. CR-2-2012/CR-43-2012/CR-7-2013**
- B. TASK FORCE MEETING AGENDA & MINUTES**
- C. STATE OF MARYLAND FORECLOSURE TASK FORCE SUMMARY**
- D. NATIONAL MORTGAGE SETTLEMENT AGREEMENT SUMMARY**
- E. STATE OF MARYLAND ATTORNEY GENERAL AND COUNTY'S MEMORANDUM OF UNDERSTANDING**
- F. 2011 URBAN INSTITUTE STUDIES ON FORECLOSURE IN PRINCE GEORGE'S COUNTY**
- G. COUNTYSTAT'S NEIGHBORHOOD REVITALIZATION AND FORECLOSURE PRESENTATION**
- H. COUNTY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESENTATION**
- I. COUNTY DEPARTMENT OF ENVIRONMENTAL RESOURCES PROPERTY STANDARDS REFORM PLAN AND FEE/FINE REVIEW**
- J. MARYLAND FORECLOSURE TIMELINE CHART**
- K. TAKE BACK YOUR HOME COALITION PROPOSAL**
- L. PUBLIC COMMENTS**

**A. CR-2-2012/CR-43-2012/CR-7-2013**

## COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

## 2012 Legislative Session

Resolution No. CR-2-2012  
Proposed by Council Member Patterson  
Introduced by Council Members Patterson, Toles, Harrison, Davis Olson and Lehman  
Co-Sponsors \_\_\_\_\_  
Date of Introduction January 24, 2012

## RESOLUTION

## A RESOLUTION concerning

## Prince George's County Foreclosure Task Force

For the purpose of establishing the Prince George's County Foreclosure Task Force to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County.

WHEREAS, the Prince George's County Council is well aware of the economic, community and quality of life impacts that foreclosures are having in the County and the region and has undertaken several legislative, policy and funding initiatives to support efforts to encourage retention of homes and new homeownership opportunities; and

WHEREAS, the County Council desires to further examine the opportunities for addressing issues related to residential property foreclosures, including through education, counseling, homeowner and buyer financial assistance, and to consider appropriate recommendations for implementation related thereto; and

WHEREAS, Section 506 of the Charter provides that the County Council or County Executive may appoint, for designated periods, one or more temporary advisory boards of citizens of the County who shall assist in the consideration of County policies and programs;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the Prince George's County Foreclosure Task Force is hereby established to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County, including an emphasis on foreclosure prevention, maintenance of foreclosed properties and Court and County administrative policies and procedures in the foreclosure setting.

1       BE IT FURTHER RESOLVED that the Foreclosure Task Force shall be composed of  
2 thirteen (13) members as follows:

- 3       1. The Chair of the County Council or the Chair's representative;
- 4       2. The County Executive or the County Executive's representative;
- 5       3. The Director of the County Department of Housing and Community Development  
6                   (DHCD) or their designee;
- 7       4. The Director of the County Department of Environmental Resources or their designee;
- 8       5. The Director of the Office of Community Relations or their designee;
- 9       6. The Secretary of the State Department of Housing and Community Development  
10                  (DHCD) or their designee;
- 11       7. The Administrative Judge of the Circuit Court of Prince George's County or their  
12                  designee;
- 13       8. A representative of a bank or mortgage company operating within Prince George's  
14                  County with experience in residential lending;
- 15       9. A representative of a not-for-profit housing organization providing foreclosure related  
16                  services within Prince George's County;
- 17       10. Two representatives of the Prince George's County realtor community; and
- 18       11. Two (2) citizens of the County;

19       BE IT FURTHER RESOLVED that the Chair of the County Council shall appoint the  
20                  Chair of the Task Force from amongst the thirteen appointed members.

21       BE IT FURTHER RESOLVED that the Foreclosure Task Force shall present its evaluation  
22                  and recommendations to the County Executive and County Council on or before September 1,  
23                  2012 and shall dissolve upon the issuance of their report.

24       BE IT FURTHER RESOLVED that copies of this Resolution shall be sent by the Clerk of  
25                  the Council to the County Executive, the Secretary of the State Department of Housing and  
26                  Community Development, the Administrative Judge of the Circuit Court of Prince George's  
27                  County and the Chairs of the Prince George's County House and Senate Delegations.

Adopted this 14<sup>th</sup> day of February, 2012.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY:

Andrea C. Harrison  
Andrea C. Harrison  
Chair

ATTEST:

Redis C. Floyd

Redis C. Floyd  
Clerk of the Council

APPROVED:

DATE: Feb. 22, 2012

BY:

Rushern L. Baker, III  
Rushern L. Baker, III  
County Executive

## Prince George's County Council Agenda Item Summary

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**Meeting Date:** 2/14/2012  
**Reference No.:** CR-002-2012  
**Draft No.:** 2  
**Proposer(s):** Patterson  
**Sponsor(s):** Patterson, Toles, Harrison, Davis, Olson, Lehman  
**Item Title:** A Resolution establishing the Prince George's County Foreclosure Task Force to review and evaluate the County's response to foreclosures in the County and to recommend appropriate policies and/or legislation to address foreclosures in the County.

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**Drafter:** Todd M. Turner, Legislative Officer  
**Resource Personnel:** Ellis Watson, Legislative Aide District 8

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>		<b>Executive Action:</b>	2/22/2012 S
<b>Committee Referral:</b>	1/24/2012 - THE	<b>Effective Date:</b>	
<b>Committee Action:</b>	2/9/2012 - FAV(A)		
<b>Date Introduced:</b>	1/24/2012		
<b>Public Hearing:</b>			
<b>Council Action (1)</b>	2/14/2012 - ADOPTED		
<b>Council Votes:</b>	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
<b>Pass/Fail:</b>	P		
<b>Remarks:</b>			

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### AFFECTED CODE SECTIONS:

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### COMMITTEE REPORTS:

#### Transportation, Housing and Environment Committee

Date 2/9/2012

February 9, 2012

Committee Vote: Favorable with amendments , 4-0 (In favor: Council Members Olson, Davis Patterson and Lehman)

Staff provided a summary of the resolution and referral comments that were received. CR-2-2012 establishes the Prince Georges County Foreclosure Task Force to review and evaluate the County's response to foreclosures in the County and recommend appropriate policies and / or legislation to address foreclosures in the County.

Two representatives from the Prince Georges County Association of Realtors and Brandon Brittingham, an expert on Short Sales and Foreclosure Alternatives provided additional information to the Committee.

Amendments adopted included: (1) expanding the Task Force from nine to thirteen members, by adding a representative from the Department of Environmental Resources, the Office of Community Relations, the Administrative Judge of the Circuit Court of Prince George's County and an additional representative from the real

estate community; (2) specifying the focus of the Task Force; and (3) extending the reporting date from June 1 to September 1, 2012.

The Office of Law determined that CR-2-2012 was in proper legislative form.

The Office of Audits and Investigation indicated there will be no adverse fiscal impact on the County as a result of adopting CR-2-2012.

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**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

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## COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

## 2012 Legislative Session

Resolution No. CR-43-2012  
Proposed by Council Member Patterson  
Introduced by Council Members Patterson, Harrison, Olson, Davis,  
Co-Sponsors Lehman, Toles and Franklin  
Date of Introduction June 12, 2012

## RESOLUTION

A RESOLUTION concerning  
Prince George's County Foreclosure Task Force  
For the purpose of extending the reporting date for the Prince George's County Foreclosure Task Force to make recommendations.

WHEREAS, Prince George's County Council on February 14, 2012 adopted CR-2-2012, establishing the Prince George's County Foreclosure Task Force, a thirteen (13) member group, to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County and provide its recommendations by September 1, 2012.

WHEREAS, the County Council desires to provide additional time to the Prince George's County Foreclosure Task Force to examine the opportunities for addressing issues related to residential property foreclosures, including through education, counseling, homeowner and buyer financial assistance, and to consider appropriate recommendations for implementation related thereto; and

WHEREAS, Section 506 of the Charter provides that the County Council or County Executive may appoint, for designated periods, one or more temporary advisory boards of citizens of the County who shall assist in the consideration of County policies and programs;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the Foreclosure Task Force shall present its evaluation and recommendations to the County Executive and County Council on or before December 31, 2012 and shall dissolve upon the issuance of their report.

BE IT FURTHER RESOLVED that copies of this Resolution be sent by the Clerk of the

1      Council to the County Executive, the Secretary of the State Department of Housing and  
2      Community Development, the Administrative Judge of the Circuit Court of Prince George's  
3      County and the Chairs of the Prince George's County House and Senate Delegations.

Adopted this 12<sup>th</sup> day of June, 2012.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: Andrea C. Harrison  
Andrea C. Harrison  
Chair

ATTEST:

Redis C. Floyd

Redis C. Floyd  
Clerk of the Council

## Prince George's County Council Agenda Item Summary

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**Meeting Date:** 6/12/2012  
**Reference No.:** CR-043-2012  
**Draft No.:** 1  
**Proposer(s):** Patterson  
**Sponsor(s):** Patterson, Harrison, Olson, Davis, Lehman, Toles, Franklin  
**Item Title:** A Resolution concerning the Prince George's County Foreclosure Task Force for the purpose of extending the reporting date for the Prince George's County Foreclosure Task Force to make recommendations.

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**Drafter:** Todd M. Turner, Legislative Officer  
**Resource Personnel:** Ellis Watson, Legislative Aide District 8

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### **LEGISLATIVE HISTORY:**

<b>Date Presented:</b>		<b>Executive Action:</b>
<b>Committee Referral:</b>		<b>Effective Date:</b>
<b>Committee Action:</b>		
<b>Date Introduced:</b>	6/12/2012	
<b>Public Hearing:</b>		
<b>Council Action (1)</b>	6/12/2012 - ADOPTED	
<b>Council Votes:</b>	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A	
<b>Pass/Fail:</b>	P	
<b>Remarks:</b>		

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### **AFFECTED CODE SECTIONS:**

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### **COMMITTEE REPORTS:**

#### **BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

CR-2-2012 established a thirteen member Prince George's Foreclosure Task Force to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County. This resolution would extend the Task Force's reporting date from September 1, 2012 to December 31, 2012.

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### **CODE INDEX TOPICS:**

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### **INCLUSION FILES:**

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND****2013 Legislative Session**

Resolution No. CR-7-2013

Proposed by Council Member Patterson

Introduced by Council Members Patterson, Davis, Franklin, Olson and Turner

Co-Sponsors \_\_\_\_\_

Date of Introduction February 5, 2013

**RESOLUTION**

1 A RESOLUTION concerning

2 Prince George's County Foreclosure Task Force

3 For the purpose of extending the reporting date for the Prince George's County Foreclosure Task  
4 Force to make recommendations.

5 WHEREAS, Prince George's County Council on February 14, 2012 adopted CR-2-2012,  
6 establishing the Prince George's County Foreclosure Task Force, a thirteen (13) member group,  
7 to review and evaluate the County's response to foreclosures and to recommend appropriate  
8 policies and/or legislation to address the impact of foreclosures in the County and provide its  
9 recommendations by September 1, 2012.

10 WHEREAS, Prince George's County Council on June 12, 2012 adopted CR-43-2012,  
11 which extended the Prince George's County Foreclosure Task Force report of recommendations  
12 to December 31, 2012.

13 WHEREAS, the Prince George's County Task Force has meet three (3) times and desires  
14 additional time to examine the opportunities for addressing issues related to residential property  
15 foreclosures, including through education, counseling, homeowner and buyer financial  
16 assistance, and to consider appropriate recommendations for implementation related thereto; and

17 WHEREAS, Section 506 of the Charter provides that the County Council or County  
18 Executive may appoint, for designated periods, one or more temporary advisory boards of  
19 citizens of the County who shall assist in the consideration of County policies and programs;

20 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
21 County, Maryland, that the Foreclosure Task Force shall present its evaluation and  
22 recommendations to the County Executive and County Council on or before March 31, 2013 and

1 shall dissolve upon the issuance of their report.

2 BE IT FURTHER RESOLVED that copies of this Resolution be sent by the Clerk of the  
3 Council to the County Executive, the Secretary of the State Department of Housing and  
4 Community Development, the Administrative Judge of the Circuit Court of Prince George's  
5 County and the Chairs of the Prince George's County House and Senate Delegations.

Adopted this 5<sup>th</sup> day of February, 2013.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: Andrea C. Harrison  
Andrea C. Harrison  
Chair

ATTEST:

Redis C. Floyd  
Redis C. Floyd  
Clerk of the Council

## Prince George's County Council

### Agenda Item Summary

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**Meeting Date:** 2/5/2013  
**Reference No.:** CR-007-2013  
**Draft No.:** 1  
**Proposer(s):** Patterson  
**Sponsor(s):** Patterson, Davis, Franklin, Olson, Turner  
**Item Title:** A Resolution concerning the Prince George's County Foreclosure Task Force for the purpose of extending the reporting date for the Prince George's County Foreclosure Task Force to make recommendations.

---

**Drafter:** Todd M. Turner, Legislative Officer  
**Resource Personnel:** Ellis Watson, Legislative Aide District 8

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#### **LEGISLATIVE HISTORY:**

<b>Date Presented:</b>		<b>Executive Action:</b>
<b>Committee Referral:</b>		<b>Effective Date:</b>
<b>Committee Action:</b>		
<b>Date Introduced:</b>	2/5/2013	
<b>Public Hearing:</b>		
<b>Council Action (1)</b>	2/5/2013 - ADOPTED	
<b>Council Votes:</b>	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:-	
<b>Pass/Fail:</b>	P	
<b>Remarks:</b>		

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#### **AFFECTED CODE SECTIONS:**

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#### **COMMITTEE REPORTS:**

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#### **BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

CR-2-2012 established a thirteen member Prince George's Foreclosure Task Force to review and evaluate the County's response to foreclosures and to recommend appropriate policies and/or legislation to address the impact of foreclosures in the County. The Council extended the reporting deadline in CR-43-2012. This resolution would extend the Task Force's reporting date from December 31, 2012 to March 31, 2013.

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#### **CODE INDEX TOPICS:**

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#### **INCLUSION FILES:**

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**B. TASK FORCE MEETING AGENDA & MINUTES**



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, September 25, 2013

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

3:00 – 3:10 p.m.      Welcome

3:10 – 3:15 p.m.      Approval of June 19<sup>th</sup> Meeting Minutes

3:15 – 3.30 p.m.      Public Comment

3:30 – 4.45 p.m.      Task Force Discussion & Updates –

- Public Comment Review
- Draft Report/Recommendations Review
- Adoption

4:45 – 5:00 p.m.      Wrap Up/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

**Revised**

**Prince George's County Foreclosure Task Force**

Wednesday, June 19, 2013

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

**Agenda**

3:00 – 3:10 p.m.      Welcome

3:10 – 3:15 p.m.      Approval of March 27<sup>th</sup> Meeting Minutes

3:15 – 4.30 p.m.      Task Force Discussion – Draft Report/  
Recommendations Review

4:30 – 4:45 p.m.      Proposed Legislation Discussion

4:45 – 4.55 p.m.      Public Comment

4:55 – 5:00 p.m.      Wrap Up

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

**Wednesday, June 19, 2013**  
**Meeting Minutes**

The following persons were present:

**Task Force Members:**

Obie Patterson, Task Force Chair  
Eric C. Brown, DHCD  
Adam Ortiz, DER  
Alease Bowles, Member  
Hazel Robinson, Member  
Chip Halsy, Member

Hon. Toni E. Clarke, Member  
Michael Lyles, OCR/HRC  
Gary Cunningham, DER  
Donna B. Hurley, Member  
Robin Scales, Member  
Brandon Brittingham, Member

**Council Staff:**

Todd M. Turner, Legislative Officer  
Hawi Sanu, Committee Director  
Vicki Middleton, Comm. Aide  
Edwin Brown, Adm. Aide

Kenneth Williams, Council Admin.  
Ellis Watson, Dist. 8  
Gillie Haynes, Communications

**Others:**

Nicole Garrett, DHCD  
Shelly Gross-Wade, P.G. Financial Service Corp.  
Marielle Macher, Lawyers Comm. For Civil Rights  
Approximately 10 members of the public

**WELCOME & INTRODUCTION:**

Task Force Chair Patterson opened the meeting at 3:30 p.m. and welcomed all to the seventh meeting of Prince George's County Foreclosure Task Force ("Task Force").

MARCH 27, 2013 MEETING MINUTES

The Task Force unanimously approved with minutes with noted corrections from the March 27, 2013 meeting minutes.

TASK FORCE DISCUSSION: DRAFT REPORT AND RECOMMENDATIONS

Chair Patterson then opened up for the Task Force member discussion the recommendations for the draft report. Staff provided an orientation and overview of the draft report and recommendations based on the Task Force's work to date.

DHCD Director Brown raised issues with recommendations #2 (requesting reporting date change), #6 (funding issue for CB-21-2012) and #12 (seeing if the Community Foundation was planning on updating the Foreclosure Guide).

In response to questions from Chair Patterson, Director Brown addressed the status of the Memorandum of Understanding (MOU) with the State Attorney General's office indicating that it had been signed by the County and returned to the State (AG and Maryland DHCD). In addition, he discussed that DHCD would be setting up a meeting with Wells Fargo to discuss the recent settlement

HRC Director Lyles recommended amendments to recommendation #10 related additional authority for the HRC to monitor discrimination by lending institutions.

Acting DER Director Ortiz addressed recommendations #13 – 16 on property maintenance, highlighting the release announced DER Reform Action Plan, and indicated that the DER will provide a Fee Schedule matrix for the Task Force's review.

Ms. Hurley provided additional information from the Take Back Your Home Coalition's Buy Back Program for the members to review and consider related to recommendation #7.

Members had extensive discussion on the draft and made suggestions for inclusion in the final report.

PUBLIC COMMENT

Chair Patterson recognized Ms. Gross-Wade, President & CEO, Prince George's Financial Services Corporation, who spoke on the role of FSC as (CDFI) and willingness to be utilized in response to the foreclosure issues in the County.

requested if any member of the public wished to address the Task Force. Ten (10) members of the public spoke (see speaker's list) with respect to the draft report, the need for more input and comment, their personal experience with foreclosure and the use of the National Foreclosure Settlement funds in Prince George's County.

WRAP UP/TO DO/ NEXT STEPS

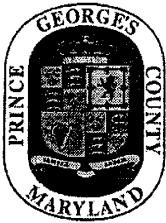
The Chair also requested that staff prepare a revised draft Task Force report and recommendations, based on member and public comments, that it be transmitted electronically to the members for further review and that there be an opportunity for a public comment period on the revised report. An additional meeting may be scheduled to complete the review of the report.

Chair Patterson adjourned at 5:16 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, March 27, 2013

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

3:00 – 3:10 p.m.

Welcome

3:10 – 3:15 p.m.

Approval of Feb. 27<sup>th</sup> Meeting Minutes

3:15 – 4.45 p.m.

Task Force Discussion – Draft Report/  
Recommendations Review

4:45 – 4.55 p.m.

Public Comment

4:55 – 5:00 p.m.

Wrap Up/To Do

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, March 27, 2013  
Meeting Minutes

The following persons were present:

Task Force Members:

Obie Patterson, Task Force Chair  
Eric C. Brown, DHCD  
Alease Bowles, Member  
Hazel Robinson, Member

Hon. Toni E. Clarke, Member  
Peter Dolkart, MD DHCD  
Donna B. Hurley, Member  
Robin Scales, Member

Council Staff:

Todd M. Turner, Legislative Officer  
Hawi Sanu, Committee Director  
Ellis Watson, Dist. 8  
Howard Stone, A & I Unit

Kenneth Williams, Council Admin.  
Vicki Middleton, Comm. Aide  
Sasha Desrouleaux, Dist. 6  
Sylvia King, A & I Unit

Others:

Nicole Garrett, DHCD  
Ross Levin, Roots of Mankind  
Marielle Macher, Lawyers Comm. For Civil Rights

Alexis Revis-Yeoman, DHCD

WELCOME & INTRODUCTION:

Task Force Chair Patterson opened the meeting at 3:13 p.m. and welcomed all to the sixth meeting of Prince George's County Foreclosure Task Force ("Task Force").

FEBRUARY 27, 2013 MEETING MINUTES

The Task Force unanimously approved with minutes with noted corrections from the February 27, 2013 meeting minutes.

**TASK FORCE DISCUSSION: DRAFT REPORT AND RECOMMENDATIONS**

Chair Patterson then opened up for the Task Force member discussion the recommendations for the draft report. Staff provided an orientation and overview of the draft report and recommendations based on the Task Force's work to date.

Ms. Hurley provided background information from the Take Back Your Home Coalition for the members to review and consider. Members had extensive discussion on the draft and made suggestions for inclusion in the final report.

**PUBLIC COMMENT**

Chair Patterson requested if any member of the public wished to address the Task Force. Mr. Macher, Washington, DC Lawyers Committee of Civil Rights, provided comments on foreclosures and the legal process.

**WRAP UP/TO DO/ NEXT STEPS**

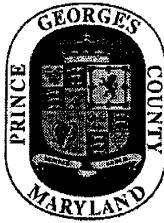
The Chair also requested that staff prepare a revised draft Task Force report and recommendations, based on member comments, and that it be transmitted electronically to the members for further review. An additional meeting may be scheduled to complete the review of the report.

Chair Patterson adjourned at 5:16 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, February 27, 2013

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

3:00 – 3:10 p.m.	Welcome
3:10 – 3:15 p.m.	Approval of Jan. 23 <sup>rd</sup> Meeting Minutes
3:15 – 3:30 p.m.	Committee Workgroups <ul style="list-style-type: none"><li>• DER-DOC Community Service MOU</li><li>• County-Realtor-Not-for-Profit Cooperation</li></ul>
3:30 – 3:45 p.m.	Task Force Presentation
3:45 – 4:45 p.m.	Task Force Discussion – Draft Report/Recommendations
4:45 – 4:55 p.m.	Public Comment
4:55 – 5:00 p.m.	Wrap Up/To Do/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

### Wednesday, March 27, 2013 Meeting Minutes

The following persons were present:

#### Task Force Members:

Obie Patterson, Task Force Chair  
Eric C. Brown, DHCD  
Alease Bowles, Member  
Hazel Robinson, Member

Hon. Toni E. Clarke, Member  
Peter Dolkart, MD DHCD  
Donna B. Hurley, Member  
Robin Scales, Member

#### Council Staff:

Todd M. Turner, Legislative Officer  
Hawi Sanu, Committee Director  
Ellis Watson, Dist. 8  
Howard Stone, A & I Unit

Kenneth Williams, Council Admin.  
Vicki Middleton, Comm. Aide  
Sasha Desrouleaux, Dist. 6  
Sylvia King, A & I Unit

#### Others:

Nicole Garrett, DHCD  
Ross Levin, Roots of Mankind  
Marielle Macher, Lawyers Comm. For Civil Rights

Alexis Revis-Yeoman, DHCD

#### WELCOME & INTRODUCTION:

Task Force Chair Patterson opened the meeting at 3:13 p.m. and welcomed all to the sixth meeting of Prince George's County Foreclosure Task Force ("Task Force").

#### FEBRUARY 27, 2013 MEETING MINUTES

The Task Force unanimously approved with minutes with noted corrections from the February 27, 2013 meeting minutes.

**TASK FORCE DISCUSSION: DRAFT REPORT AND RECOMMENDATIONS**

Chair Patterson then opened up for the Task Force member discussion the recommendations for the draft report. Staff provided an orientation and overview of the draft report and recommendations based on the Task Force's work to date.

Ms. Hurley provided background information from the Take Back Your Home Coalition for the members to review and consider. Members had extensive discussion on the draft and made suggestions for inclusion in the final report.

**PUBLIC COMMENT**

Chair Patterson requested if any member of the public wished to address the Task Force. Mr. Macher, Washington, DC Lawyers Committee of Civil Rights, provided comments on foreclosures and the legal process.

**WRAP UP/TO DO/ NEXT STEPS**

The Chair also requested that staff prepare a revised draft Task Force report and recommendations, based on member comments, and that it be transmitted electronically to the members for further review. An additional meeting may be scheduled to complete the review of the report.

Chair Patterson adjourned at 5:16 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, January 23, 2013

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

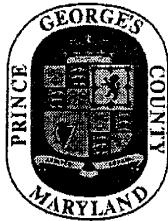
### Agenda

3:00 – 3:10 p.m.	Welcome
3:10 – 3:15 p.m.	Approval of Nov. 28 <sup>th</sup> Meeting Minutes
3:15 – 4:00 p.m.	Task Force Recap
4:00 – 4:15 p.m.	Committee Workgroups <ul style="list-style-type: none"><li>• DER-DOC Community Service MOU</li><li>• County-Realtor-Not-for-Profit Cooperation</li></ul>
4:15 – 4:45 p.m.	Task Force Discussion – Possible Legislation
4:45 – 4:55 p.m.	Public Comment
4:55 – 5:00 p.m.	Wrap Up/To Do/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, January 23, 2013  
Meeting Minutes

The following persons were present:

Task Force Members:

Obie Patterson, Task Force Chair  
Musa Eubanks, OCR  
Donna B. Hurley, Member  
Robin Scales, Member

Gary Cunningham, DER  
Alease Bowles, Member  
Hazel Robinson, Member

Council Staff:

Todd M. Turner, Legislative Officer  
Sasha Desrouleaux, Dist. 6  
Howard Stone, A & I Unit  
Gillie Haynes, Communications

Ellis Watson, Dist. 8  
Kenneth Williams, Council Admin.  
Pierrette Michel, Admin. Aide

Others:

Hon. Adam Ortiz, Act. Dir., DER  
Amber Hendricks, OCE  
Matthew Thomas, DER  
Nicole Jackson, SEED

Kisha Brown, OAG  
Alexander Krughoff, OCE  
Chip Halsey, Industrial Bank  
Rashid Mahdi, SAO

WELCOME & INTRODUCTION:

Task Force Chair Patterson opened the meeting at 3:15 p.m. and welcomed all to the fourth meeting of Prince George's County Foreclosure Task Force ("Task Force").

NOVEMBER 28, 2012 MEETING MINUTES

The Task Force unanimously approved with minutes from the November 28, 2012 meeting minutes.

TASK FORCE RECAP:

Task Force staff Todd M. Turner provided a recap of presentations and discussions by the Task Force to date and since the last meeting in November. He also discussed that legislation had been drafted to extend the reporting time of the Task Force until March 2013 and that the County Council would be considering it in early February.

TASK FORCE PRESENTATION:

Chair Patterson then moved to the presentations request by the Department.

Department of Environmental Resources (DER) Acting Director Adam Ortiz and Deputy Director Gary Cunningham provided an overview of the Department's draft Property Standard Reform Plan, including reforms in policy, management, operations, staffing and technology & equipment that the Department will be undertaking prior to the transfer of these functions to the new Department of Permits, Inspections and Enforcement in July 2013.

COMMITTEE WORKGROUPS

Chair Patterson moved to committee workgroups.

Department of Environmental Resources (DER) Acting Director Adam Ortiz and Deputy Director Gary Cunningham provided an update on the DER-COC Community Service memorandum of understanding. They responded to questions from members.

There was not report on the Realtor-Not-for-Profit Cooperation workgroup as key members were absent.

TASK FORCE DISCUSSION:

Ms. Hurley raised the issue of the status and assessment process for the HUD Emergency Mortgage Assistance Program managed by the Maryland Department of Housing and Community Development. Staff will follow up with Mr. Dolkart, Task Force member from MDHCD, for response.

Ms. Brown, Office of the Attorney General, provided comments in response to a recent January *Washington Post* The RootDC article regarding operation of the National Settlement process in Prince George's County.

PUBLIC COMMENT

Chair Patterson requested if any member of the public wished to address the Task Force. None came forward.

WRAP UP/TO DO/ NEXT STEPS

The Task Force selected Wed. Feb. 27<sup>th</sup> and March 27<sup>th</sup> from 3:00 – 5:00 pm for the next two meetings of the group. The Chair also requested that staff start preparing a draft Task Force Report and Recommendations for the discussion for the February meeting.

Chair Patterson adjourned at 4:45 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, November 28, 2012

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

3:00 – 3:10 p.m.	Welcome
3:10 – 3:15 p.m.	Approval of Oct. 31 <sup>th</sup> Meeting Minutes
3:15 – 4:00 p.m.	Task Force Presentations <ul style="list-style-type: none"><li>• P.G.C. CountyStat Office</li><li>• Maryland Attorney General Gansler's Office</li></ul>
4:00 – 4:15 p.m.	Committee Workgroups <ul style="list-style-type: none"><li>• DER-DOC Community Service MOU</li><li>• County-Realtor-Not-for-Profit Cooperation</li></ul>
4:15 – 4:45 p.m.	Task Force Discussion
4:45 – 4:55 p.m.	Public Comment
4:55 – 5:00 p.m.	Wrap Up/To Do/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

**Wednesday, November 28, 2012**  
**Meeting Minutes**

The following persons were present:

**Task Force Members:**

Obie Patterson, Task Force Chair  
Eric Brown, DHCD  
Thomas Himler, DCAO  
Donna B. Hurley, Member  
Robin Scales, Member  
Alease Bowles, Member

Gary Cunningham, DER  
B. Doyle Mitchell, Member  
Hon. Toni E. Clarke, Member  
Hazel Robinson, Member  
Brandon Brittingham, Member  
Peter Dolkart, MD DHCD

**Council Staff:**

Todd M. Turner, Legislative Officer  
Victoria Middleton-Swann, Admin. Aide  
Howard Stone, A & I Unit

Hawi Sanu, Committee Director  
Kenneth Williams, Council Admin.  
Emanuel Osakwe, Admin. Asst.

**Others:**

Hon. Adam Ortiz, Act. Dir., DER  
Michael Lyles, HRC  
Jennie Nevin, OCE  
Bernard Holloway, OCE  
Matthew Thomas, DER  
Mike Graziano, P.G. Realtors Assn.  
Ross Levin, Roots of Mankind

Nicole Garrett, DHCD  
Kisha Brown, OAG  
Lauren Caldwell, OAG  
Alexander Krughoff, OCE  
Cara Stretch, Md. DLLR  
Chip Halsey, Industrial Bank

**WELCOME & INTRODUCTION:**

Task Force Chair Patterson opened the meeting at 3:09 p.m. and welcomed all to the third meeting of Prince George's County Foreclosure Task Force ("Task Force"). Chair Patterson allowed the Task Force members to introduce themselves again and their background.

OCTOBER 31, 2012 MEETING MINUTES

The Task Force unanimously approved with minutes from the October 31, 2012 meeting minutes.

TASK FORCE PRESENTATIONS:

Chair Patterson then moved to the presentations scheduled on the Agenda.

Ms. Jennie Nevin, Mr. Bernard Holloway and Mr. Alexander Krughoff, Office of the County Executive's (OCE) CountyStat Office, provided a PowerPoint presentation highlighting the recent foreclosure response by providing an over of the process, efforts at neighborhood stabilization and residential code enforcement. They responded to member questions on efforts by DER and County Stat to track foreclosures and complaints and utilization of team effort with PG Police Department.

Ms. Kisha Brown and Ms. Lauren Caldwell, Office of the Attorney General (OAG), provided a presentation on the Attorney General's Mortgage Servicer Consent Order and Agreement for \$53 million for Maryland, including use of funds as follows: \$6.2 million for legal assistance, \$8.6 for housing counseling, \$14 million for neighborhood stabilization, \$4.9 million for financial fraud prevention & enforcement and \$10 million each for Prince George's and Baltimore City. Ms. Caldwell and DHCD Director Brown responded to questions from members about the status of the Prince George's Memorandum of Understand (MOU) with the OAG.

COMMITTEE WORKGROUPS

Department of Environmental Resources (DER) Acting Director Adam Ortiz and Deputy Director Gary Cunningham provided an overview of the Department's discussion with the Department of Corrections on the Community Service MOU, as well as potential costs and operational issues.

Members Brandon Brittingham, Donna Hurley and DHCD Director Brown reported on a recent meeting to discuss greater cooperation, better information and coordination between the County, realtors and the not-for-profit providers. Member Alease Bowles asked that the P.G. Realtors Association be added to the workgroup discussion.

TASK FORCE DISCUSSION:

During discussion Task Force members raised several questions regarding the response to foreclosure and the information provided. The area of questions related to the following:

- (1) the impact of a recent MD Court of Appeals decision on self-help evictions in foreclosure cases and potential legislation;
- (2) possible reduction in Transfer & Recordation Taxes to encourage purchase and rehab of vacant or foreclosed properties;
- (3) potential use of recent tax credit legislation (HB 971); and
- (4) the impact of foreclosure on renters of properties and potential programs to assist with purchase options;

PUBLIC COMMENT

Chair Patterson requested if any member of the public wished to address the Task Force. None came forward.

WRAP UP/TO DO/ NEXT STEPS

Michael Lyles announced that the County will be conducting a Fair Housing Forum on Nov. 16<sup>th</sup> that members maybe interested in.

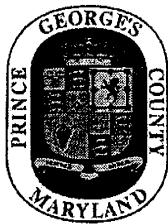
Chair Patterson indicated that the Task Force may wish to skip December's meeting because of the holidays and also mentioned the possible need to extend the work on the Task Force into 2013. The Task Force selected Wed. Jan. 23<sup>rd</sup> from 3:00 – 5:00 pm for the next meeting of the group. The Chair also requested that members provide any additional topics for the discussion for the January meeting.

Chair Patterson adjourned at 4:54 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, October 31, 2012

3:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

3:00 – 3:10 p.m.      Welcome & Introductions

3:10 – 3:15 pm      Approval of Sept. 26<sup>th</sup> Meeting Minutes

3:15 – 4:15 p.m.      Task Force Presentations

- Rashid Mahdi, Office of the State Attorney's
- P.G.C. Department of Housing & Community Development
- P.G.C. Department of Environmental Resources
- P.G.C. Office of Community Relations

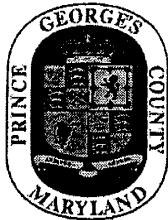
4:15 – 4:45 p.m.      Task Force Discussion

4:45 – 5:00 p.m.      Wrap Up/To Do/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

### Wednesday, October 31, 2012 Meeting Minutes

The following persons were present:

#### Task Force Members:

Obie Patterson, Task Force Chair  
Eric Brown, DHCD  
Thomas Himler, DCAO  
Donna B. Hurley, Member  
Robin Scales, Member  
Alease Bowles, Member

Gary Cunningham, DER  
Musa Eubanks, OCR  
Hon. Toni E. Clarke, Member  
Hazel Robinson, Member  
Brandon Brittingham, Member  
Peter Dolkart, MD DHCD

#### Council Staff:

Todd M. Turner, Legislative Officer  
Victoria Middleton-Swann, Admin. Aide  
Howard Stone, A & I Unit  
Ellis Watson, Dist. 8  
Gillie Haynes, Comm. Office

Hawi Sanu, Committee Director  
Kenneth Williams, Council Admin.  
Kendall Gray, A & I Unit  
Brendon Laster, Dist. 9

#### Others:

Hon. Karen R. Toles, Council Member  
Evette Alexander, DHCD  
Michael Lyles, HRC  
Jennie Nevin, Office of the County Exec.  
Matthew Thomas, DER  
Rebecca Grace, Urban Institute  
Jean Carney, Urban Institute  
Mike Graziano, P.G. Realtors Assn.  
Robert Hillman, Esq., Samuel White, P.C.

Hon. Adam Ortiz, Act. Dir., DER  
Nicole Garrett, DHCD  
Eilene Brown, HRC  
Nathaniel Tutt, DER  
Cara Stretch, Md. DLLR  
Brianna Lasoya, Urban Institute  
Rashid Mahid, OSA  
Megan Wessels, UCAP  
Chip Hakey, Industrial Bank

#### WELCOME & INTRODUCTION:

Task Force Chair Patterson opened the meeting at 3:12 p.m. and welcomed all to the second meeting of Prince George's County Foreclosure Task Force ("Task Force"). Chair Patterson allowed the Task Force members to introduce themselves again and

their background.

SEPTEMBER 26, 2012 MEETING MINUTES

The Task Force unanimously approved with minutes from the September 26, 2012 meeting minutes.

TASK FORCE PRESENTATIONS:

Chair Patterson then moved to the presentations scheduled on the Agenda.

Mr. Rashid Mahdi, Office of the State's Attorney for Prince George's, made a short presentation on the potential criminal issues that arise from foreclosed and abandoned properties in the County, leading to Police and prosecutions. A discussion on possible enforcement actions, such as use of Nuisance Abatement and a separate Court docket, were discussed,

P.G.C. Department of Housing and Community Development (DHCD) Director Eric Brown presented a PowerPoint overview on the Department's response to foreclosure in the County, with an emphasis of three strategies – Prevention, Intervention and Stabilization – highlighting efforts in each area and the Foreclosure Hot Spots as reported by the State DHCD. Director Brown than introduced Ms. Rebecca Grace, The Urban Institute, who provided a presentation on the tracking of Notices of Intent (NOI) filed in Prince George's County by six major banks/servicers (Bank of America, Wells Fargo, JPMorgan Chase, Citibank, IndyMac Bank and GMAC) for the period of July 1, 2011 to June 30, 2012, including analyzing median amount to cure defaults, median days delinquent and share of total NOIs. The Urban Institute is working with DHCD and the County to provide some more useful neighborhood based information to coordinate responses in areas of the County. Ms. Cara Stretch, DLLR, provided some comments on the NOI process by several of the banks and the recent requests by the State to meet with the banks.

P.G.C. Department of Environmental Resources (DER) Acting Director Adam Ortiz and Deputy Director Gary Cunningham provided an overview of the Department's efforts to address post-foreclosure issues in the County, including using the County Stat Program and neighborhood level based evaluation to maximize response (i.e. Transforming Neighborhoods Initiative). They also discussion the lien, notification and property registry process for enforcement of the County's property standards code provisions and the need for evaluation of the effectiveness of County funded not-for-profit counseling and assistance programs.

P.G.C. Office of Community Relations (OCR) Director Musa Eubanks provided an overview of the community outreach efforts by his office, including hosting an upcoming Housing Conference on Nov. 16<sup>th</sup>, and the use of County Click and 3-1-1 system for reporting and tracking of complaints on foreclosed and abandoned properties.

TASK FORCE DISCUSSION:

During the course of the presentations, Task Force members raised several questions regarding the County's response to foreclosure and the information provided. The area of questions related to the following:

- (1) discussion on the status of distribution, uses and timeframe of the National Foreclosure Settlement in Maryland by the Office of the Attorney General;
- (2) the potential use of County Corrections non-violent offenders for community service; and
- (3) the property registry requirements recently adopted by the State (HB 1373) and the County requirements;
- (4) the impact of foreclosure on renters of properties and potential programs to assist with purchase options; and
- (5) the need for better cooperation and education between the County, real estate and the not-for-profit community to provide assistance and resources for those facing foreclosure.

WRAP UP/TO DO/ NEXT STEPS

Chair Patterson asked that for the next meeting that DER provide an update on its Memorandum of Understanding (MOU) with the Department of Corrections, that DHCD and representatives of the Realtors and Not-for-Profit community meet to discuss greater cooperation and that a update of the rental process be provided to the Task Force.

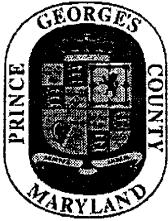
The Task Force selected Wed. Nov. 28<sup>th</sup> from 3:00 – 5:00 pm for the next meeting of the group. Chair Patterson indicated that the Task Force may wish to skip December's meeting because of the holidays and also mentioned the possible need to extend the work on the Task Force into 2013. The Chair also requested that members provide any additional topics for the discussion for the November meeting and that he will provide time for public participation as well.

Chair Patterson adjourned at 5:23 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

**(301) 952-3860**

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

Wednesday, September 26, 2012

2:00pm – 5:00pm

Prince George's County Administration Building  
Council Committee Hearing Room; 2<sup>nd</sup> Floor

### Agenda

2:00 – 2:15 p.m.      Welcome & Introductions

- Hon. Andrea Harrison, Council Chair
- Hon. Obie Patterson, Task Force Chair

2:15 – 2:45 p.m.      Background & Purpose

- CR-2/43-2012

2:45 – 4:45 p.m.      Task Force Discussion: Goals & Issues

4:45 – 5:00 p.m.      Wrap Up/To Do/Next Steps

### Foreclosure Task Force Members:

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Alease Bowles  
Brandon Brittingham  
Peter Dolkart  
Donna B. Hurley

B. Doyle Mitchell  
Hazel Robinson  
Robin Scales



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3860

**Obie Patterson**  
Council Member, District 8

## Prince George's County Foreclosure Task Force

### Wednesday, September 26, 2012 Meeting Minutes

The following persons were present:

#### Task Force Members:

Andrea C. Harrison, Council Chair  
Eric Brown, DHCD  
Alease Bowles, Member  
Donna B. Hurley, Member  
Robin Scales, Member

Obie Patterson, Task Force Chair  
Musa Eubanks, OCR  
Hon. Toni E. Clarke, Member  
Hazel Robinson, Member

#### Council Staff:

Todd M. Turner, Legislative Officer  
Victoria Middleton-Swann, Admin. Aide  
Howard Stone, A & I Unit  
Ellis Watson, Legis. Aide (Dist. 8)  
Karen Campbell, Comm. Office

Hawi Sanu, Committee Director  
Kenneth Williams, Council Admin.  
Amber Hendricks, A & I Unit  
Dwayne Mingo, Legis. Aide (Dist. 7)  
Gillie Haynes, Comm. Office

#### Others:

Evette Alexander, DHCD  
Jennie Nevin, Office of the County Exec.  
Natasha Mehu, Md. DHCD  
Mike Graziano, P.G. Realtors Assn.  
Mary Dade, Personal Finance Solutions  
J. Scott Hutchinson, HIP Services

Nicole Garrett, DHCD  
Derrick Davis, Dep. Dir., OCR  
Cara Stretch, Md. DLLR  
Megan Wessels, UCAP  
Walkuria Pool, Centro de Apoyo

#### WELCOME & INTRODUCTION:

Task Force Chair Patterson opened the meeting at 2:08 p.m. and welcomed all to the first meeting of Prince George's County Foreclosure Task Force ("Task Force"). Chair Patterson then introduced County Council Chair Harrison who gave welcoming remarks and appreciation for the members serving on the Task Force.

Chair Patterson allowed the Task Force members to introduce themselves and their background. He also introduced Council staff that will assist the Task Force.

TASK FORCE DISCUSSION: GOALS & ISSUES

Chair Patterson then highlighted several questions for the Task Force to consider as part of their review:

- Need for quick response time to clean and secure vacant and foreclosed properties.
- Need to improve upon notification to homeowners regarding options before foreclosures.
- Establishing and/or approving a strong public/private partnership with State and Federal agencies for the purchase, renovation and resale of foreclosed properties.
- Explore all housing programs for veterans, especially those with health and housing challenges

Chair Paterson then moved to allow the members to discuss aspects of the foreclosure crisis in the County, including cooperation with the banking industry, vacant property and vandalism, cooperation between counseling agencies and the realtor community for early outreach and education of homeowners and the potential use of Correctional Department inmates training for public sponsored rehab, clean up and renovation projects. Extensive question and answer and discussion by members and representatives of County and State agencies occurred.

PUBLIC PARTICIPATION:

Chair Patterson next opened the meeting to the public. Mr. J. Scott Hutchinson, HIP Services, raised issues regarding the Federal foreclosure efforts under HAMP II, as well as principle reductions and notification issues under the Attorney General National settlement. Ms. Cara Strech, Director of Foreclosure Outreach for the MD. Office of the Commissioner of Financial Regulation for the Department of Labor, Licensing and Regulation (DLLR) provided information about her agency responsibility to enforce State law and monitoring the Attorney General National Settlement administration.

WRAP UP/TO DO/ NEXT STEPS

The Task Force selected Wed. Oct. 24<sup>th</sup> from 3:00 – 5:00 pm for the next meeting of the group. County DHCD Director Brown indicated that he will provide a presentation on the County's current response and programs to address foreclosures.

Chair Patterson adjourned at 3:37 p.m.

**Foreclosure Task Force Members:**

The Honorable Obie Patterson, Chair  
The Honorable Toni E. Clarke  
Thomas Himler, DCAO  
Eric Brown, DHCD  
Gary Cunningham, DER  
Musa Eubanks, OCR  
Peter Dolkart, MD DHCD

Alease Bowles  
Brandon Brittingham  
Donna B. Hurley  
B. Doyle Mitchell  
Hazel Robinson  
Robin Scales

**C. STATE OF MARYLAND FORECLOSURE TASK FORCE  
SUMMARY**

# MARYLAND FORECLOSURE TASK FORCE REPORT

JANUARY 11, 2012



RAYMOND A. SKINNER, Secretary  
Department of Housing and Community Development  
Co-Chair

ALEXANDER M. SANCHEZ, Secretary  
Department of Labor, Licensing, and Regulation  
Co-Chair

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MARTIN O'MALLEY  
*Governor*

ANTHONY G. BROWN  
*Lt. Governor*

January 11, 2012

Governor Martin O'Malley  
Lt. Governor Anthony Brown  
The Citizens and Families of Maryland

Dear Governor O'Malley:

Four years ago, you convened the Maryland Homeownership Preservation Task Force to develop an action plan to help Maryland homeowners address rising mortgage defaults and foreclosures following severe distress in the subprime mortgage market. A broader financial crisis was beginning to affect every corner of our State. We are pleased to report that under your leadership Maryland has made impressive progress. We have enacted some of the most sweeping reforms in the country and, today, financially beleaguered homeowners have access to far more options – and more time to explore those options – than they did in 2007.

Now, the economy is recovering albeit much more slowly than everyone hoped. The housing market remains fragile and far too many families are financially strapped and fighting to save their most important asset – their home. On September 22, 2011, you established a new task force, the “Maryland Foreclosure Task Force,” to seek new ideas to improve prospects for families affected by foreclosure .

This is our report. We believe our recommendations reflect testimony from a wide range of informed and expert stakeholders. . The task force members and participants also reviewed best practices from around the country. As a result of our efforts, the task force recommends several new initiatives, such as early mediation, that can prevent homeowners from losing their home; however, Maryland is also facing the harsh reality that notwithstanding effective intervention programs, an unusually high level of foreclosures will continue for some time. Consequently, it is imperative that state and local governments are prepared with the necessary resources to mitigate the blighting effect of vacant or abandoned property on neighborhoods as well as manage successfully an oversupply of foreclosed homes which could some communities from a full economic recovery.

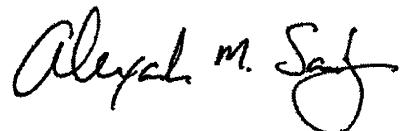
Maryland families pay a high financial and emotional cost as a result of foreclosure. Their ability to obtain credit suffers and investments in their home are lost. Others suffer too. Lenders lose money, employees in related industries lose jobs, and communities struggle to remain intact.

This report is intended to inform and your guide your next steps in responding to the evolving nature of the foreclosure crisis, and supporting sustainable homeownership and stable neighborhoods in Maryland.

Sincerely,



Raymond A. Skinner, Secretary  
Maryland Department of  
Housing and Community Development



Alexander M. Sanchez, Secretary  
Maryland Department of  
Labor, Licensing and Regulation

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## EXECUTIVE SUMMARY

The O'Malley-Brown Administration's commitment to homeownership and economic recovery has been unwavering since the very start of the foreclosure crisis. Governor O'Malley established the "Homeownership Preservation Task Force" on June 13, 2007 in response to rising mortgage loan defaults and foreclosures throughout Maryland. The members of that original task force developed an action plan that resulted in the creation of the MDHOPE hotline for people facing foreclosure, dedication of new resources for nonprofit housing and legal counseling, and the implementation of important legal reforms to prevent mortgage fraud, increase legal oversight, and improve Maryland's foreclosure process. These key efforts to curtail the crisis in Maryland, including a homeowner's right to mediation that became law in July of 2010, are rightly seen as among the most progressive and aggressive approaches to mitigating foreclosures in the nation.

The Administration remains committed to working through the crisis towards recovery alongside all Maryland families and broader communities. Recognizing the changing nature of both the housing and economic landscape in Maryland, Governor O'Malley convened a new task force in the fall of 2011. The charge to the "Maryland Foreclosure Task Force" was to: 1) *assess foreclosure trends and the impact of foreclosures on communities across Maryland*; 2) *identify further innovative and effective strategies to enhance loss mitigation outcomes for homeowners*; and 3) *identify innovative and effective strategies to strengthen Maryland neighborhoods impacted by foreclosure*.

The members and participants in the new Maryland Foreclosure Task Force found that the housing crisis has indeed evolved – transitioning from its beginning as a crash of the "subprime" or exotic market to a much broader economic crisis with many people affected by under- and unemployment, diminishing access to credit, and increasing foreclosures and neighborhood degradation. And while recovery appears to be underway, Maryland is still facing the harsh reality of more foreclosures to come. By observation and by analyzing data trends, it is clear that a foreclosure affects not only the people who are losing a home, but also the neighborhood and community left to deal with a range of negative consequences from vacant properties, decreasing property values, and uprooted families and social networks. Now, with fewer resources expected from outside the State and pressures both domestic and global continuing, Maryland is finding that while recovery is real, it is also uneven. Some households are stabilizing and others are still struggling, the future is hard to predict for everyone, and many families hesitate in their plans to move forward.

Continuing to actively address foreclosures and support our neighborhoods and communities is work that remains critically important. The following chapters, each reporting the findings of one of three work groups, clearly demonstrate that Maryland can rise to the challenge.



**CHARGE TO THE TASK FORCE****1. Identify key foreclosure trends and impact of foreclosures on communities across Maryland**

Gain an understanding of the current face of foreclosure in Maryland (i.e., loans in default, reasons for default, shadow inventory, etc.)

**2. Identify further innovative and effective strategies to enhance loss mitigation outcomes for homeowners****A. Enhance home preservation strategies in order to help more homeowners stay in their homes**

- Work with all stakeholders to identify areas that must be streamlined to make the mediation process more predictable;
- Identify strategic steps to improve mediation participation and outcomes;
- Identify tools to assist homeowners avoid foreclosure through loss mitigation;
- Understand the barriers to successful loss mitigation or foreclosure avoidance (this could include anything from servicer practices and policies to increased outreach to borrowers and support for counseling networks); and,
- Identify and implement prevention strategies (from financial fitness for homeowners/prospective homeowners to scam avoidance and fraud prosecution).

**B. Enhance post-foreclosure liquidation strategy (short sales, land banks) by reviewing legal processing rules**

- Make recommendations to streamline and clarify foreclosure auction rules;
- Reexamine the requirement that foreclosures be advertised in print media; and
- Improve rental options.

**3. Identify innovative and effective strategies to strengthen Maryland neighborhoods impacted by foreclosure**

- Document the community cost of foreclosures including declining local housing values, decreased local taxes, and increased costs of local services;
- Identify strategies to mitigate these costs; and,
- Identify incentives that will direct new private sector investment in the reclamation of vacant homes in neighborhoods impacted by foreclosure.

## RECOMMENDATIONS OF THE TASK FORCE

### Enhance Loss Mitigation:

#### 1. Enhance loss mitigation outcomes through pre-filing mediation

Legislation: To address the late stage barriers to achieving sustainable loss mitigation, revise MD Code Ann Real Prop § 7-105.1 to introduce mediation as an option, upon consent by both parties, prior to filing a foreclosure action in Circuit Court for owner-occupied residential properties in default at the Notice of Intent to Foreclose stage. Ensure that borrowers participating in pre-filing mediation engage the services of a non-profit housing counselor as a prerequisite to doing so.

Regulation: Promulgate regulations to provide for retention/liquidation options and alternatives to be discussed during mediation to be provided to both parties.

#### 2. Address the impact of unemployment and underemployment on loss mitigation outcomes, including a dignified exit from the property for homeowners unable to retain homeownership

Best Practices – extended forbearance: Periods of extended unemployment or underemployment can often result in significant payment deficiencies, making it difficult for a borrower to qualify for a loan modification upon regaining employment. More is needed to curb such escalating balances. The use of “extended forbearance” should be considered by servicers operating in Maryland. Servicers should offer a program which allows homeowners to make payments based on 31% of their available monthly income, which is held in an expense account and during which time late payments are not reported to the credit bureaus, and the loan does not proceed to foreclosure. A time limit could be set at 6 months (with an option to extend if employment has not been obtained) at which time the loan would be reviewed for a loan modification.

Regulation – short sales: Eliminate current regulatory barriers to real estate agents negotiating short sales. The Office of the Commissioner of Financial Regulation, the Real Estate Commission and the Maryland Association of Realtors will collaborate to develop standard language in real estate documents so as to provide a safe harbor from implicating a licensing requirement under the Maryland Credit Services Business Act for realtors providing short sale assistance to borrowers, provided the short sale does not result in an unsecured promissory note or other extension of credit as a condition of the sale.

Best Practices – structured liquidation: For homeowners that are unable to afford even a modified payment or who wish to relinquish their homes, liquidation options must be thoroughly discussed. Options for liquidation, as included on the pre-filing mediation “checklist,” should include renting the property back to the borrower, short sales, deeds in lieu of foreclosure, and arrangements by which servicers compensate borrowers through money for moving expenses, or “cash for keys.”

#### 3. Address negative equity and declining property values

Best Practices – refinancing and principal reduction: Encourage access to interest rate and payment reductions through refinancing. Currently, loss mitigation options, including refinancing to lower interest rates, have been inhibited by substantial declines in property values which have resulted in negative equity. Servicers should provide access to refinancing and loan modifications that reduce principal balances to reflect current market value under a shared appreciation model, through over-equity refinancing, principal reduction and short-sales or structured liquidation agreements.

#### 4. Enhance loss mitigation success rates

**Best Practices – single points of contact:** Mortgage loan servicers should provide Maryland borrowers with a “single point of contact” to assist in the loss mitigation application process. Housing counselors expressed the frustration of homeowners and homeowners’ advocates in being routed through general toll free lines each time that they call. By implementing a system in which a single person or a small team is assigned to work with specific borrowers, much of the confusion and contradiction that has ensued will subside.

**Best Practices – enhanced support for housing counseling:** Funding shortages and long term viability of the non-profit housing counseling industry are a very real concern given the current make-up of Congress and loss of support for private and public funds through budget cuts and a struggling economy to housing counseling agencies across the State. Members of Congress must recognize and support funding for housing counseling through HUD and its intermediaries. Existing resources should be leveraged to provide support to counselors through a liaison position, within an existing nonprofit agency or as an employee of the State, to support the housing counseling infrastructure. Specifically, the liaison would be responsible for: (1) negotiating fee for service arrangements with servicers; (2) negotiating and securing funding sources for counseling agencies; (3) providing on-going training for counselors and mediators; (4) providing updates on changes to laws, regulations and programs available for borrowers; and (5) developing escalation contacts at servicer partners. The fee for service arrangements should provide the needed funds to support this role.

**Best Practices – web based portal and social media:** Borrowers must be reached through social media, such as Facebook®, in an effort to provide tools and tutorials for Maryland borrowers that are more likely to use the Internet, rather than face to face counseling workshops, for material. Additionally, more is needed to streamline and automate the loss mitigation process through the use of a web-based portal to expedite processing of loss mitigation requests including mediation.

## 5. Stabilize property values and focus resources on occupied properties

**Legislation:** Create a new section in MD Code Ann Real Prop § 7-105 to provide for an expedited process that would continue to safeguard and preserve notices requirements and mediation options for occupied structures, but would waive these provisions for properties that are certified as vacant. In doing so, vacant properties that blight communities and exert negative pressure on area home values would be addressed in a more timely fashion.

## 6. Ensure compliance with notices protecting tenants in foreclosure

**Regulation:** Explore problematic notices addressed to tenants that are the unintended victims of foreclosure proceedings. Specifically, concerns have been raised relating to inconsistent language and, at times, misleading notices provided to tenants residing in properties subject to foreclosure. The Commissioner of Financial Regulation will consider issuing an Advisory directing compliance and uniformity with existing notice requirements for occupants of properties in foreclosure.

## Strengthen Maryland Neighborhoods:

### 1. Create a centralized Foreclosed Property Registry.

**Legislation:** To allow government officials to better locate parties about the condition of foreclosed properties during the “limbo period” between a foreclosure auction and the ultimate recordation of the property deed. Create a simple central resource by which State and local governments have timely access to contact information for reaching the purchasers of foreclosed properties after a property auction.

**2. Enact a Neighborhood Conservation Tax Credit for people who purchase foreclosed properties as their principal residence.**

Legislation: Neighborhoods that have been destabilized by foreclosures are at a disadvantage in the market for attracting private investment. New homebuyers may prefer the ease of a “move in ready” home. Therefore it is critical that public entities consider incentives that will particularly increase new investment in neighborhoods that have been affected by the foreclosure crisis. Legislation would enable local governments to tailor a package of local property taxes to benefit purchasers of foreclosed properties in target communities.

**3. Expand financing tools and incentives for reclamation of foreclosed properties.**

Best Practices: There are challenges with accessing financing for the acquisition, rehab and resale or conversion to rental of vacant foreclosed homes, whether by a homeowner or an investor/ developer. One recommendation for addressing this challenge is to develop a pool of funds that can provide below market interest rate and flexible term loans to nonprofit CDCs/CDFIs that acquire and rehab vacant/foreclosed properties in impacted areas. Relatedly, it is important to consider ways to increase operating support for non-profits CDCs and CDFIs for this work, possibly through expansion of the State’s Community Investment Tax Credit program (CITC) (which would require legislation).

A related recommendation of the Work Group took into consideration the benefits of retaining former homeowners in their homes after foreclosure, either as renters or through financial mechanisms that allow the homeowner to “rebuy” their homes at the current market value.

**4. Encourage expanded partnerships between nonprofits, local governments and REO holders and other Foreclosure Purchasers.**

Best Practices: Expanded partnerships between stakeholders are needed in order to accelerate the reclamation or disposition of vacant foreclosed properties. One recommendation is for REO holders to provide a “right of first refusal” to nonprofits and local government for purchase of REO properties, especially in Maryland’s targeted Neighborhood Conservation Areas, areas already designated by local governments statewide as part of the HUD funded Neighborhood Stabilization Program (NSP). Relatedly, such partnerships could include more donations or discounting of foreclosed/REO properties to non-profits or government entities.

**5. Encourage transition of distressed properties, including multi-family properties, to high quality affordable rental opportunities, particularly near transit and good schools.**

Best Practices: As recently noted in Federal Reserve White Paper entitled, “The U.S. Housing Market: Current Conditions and Policy Considerations”, issued on January 4<sup>th</sup>, the weakness of the home buying market coupled with persistence of new foreclosures in foreclosure will result in large inventories of unsold homes. Strategies to convert single-family and other denser properties to rental opportunities need to be considered. As noted in recommendation #3, new and flexible financing tools may be needed to encourage experienced developers to buy, renovate and manage a new portfolio of single-family rental properties.

In addition, multi-family properties may be threatened with foreclosure. This is a topic where additional data is required. It is recommended that research be conducted or compiled to identify multi-family properties that may be at risk; such a risk can result in the displacement of many households. One best practice cited, was Montgomery County’s “first look” program for multi-family properties wherein the County has an option to consider purchasing distressed properties prior to foreclosure.

6. Encourage the timely resale of distressed and REO properties to new 3<sup>rd</sup> party owners, with an emphasis on selling homes to new homeowners, where high homeownership rates have traditionally predominated.

Best Practices: There is a need for better communication between lenders and realtors in order to increase the success of short sale offers and reduce the timeline that these offers now entail. It is also noted that a reassessment of the true current market value of foreclosed properties prior to resale could strengthen the home buying market, allowing homeowners to qualify for affordable homeownership (such that property taxes/monthly escrows are based on current market value of the foreclosed property rather than older out of date assessments).

#### ORGANIZATION OF THE TASK FORCE

The task force included the Department of Labor, Licensing and Regulation (DLLR), Department of Housing and Community Development (DHCD), Members of the General Assembly, the Judiciary, and representatives from the private sector including the banking industry and nonprofit consumer advocates. Members worked together to understand the barriers to successful foreclosure avoidance, the impact of foreclosures on Maryland neighborhoods, and provided recommendations to help borrowers and communities prevent foreclosures and stabilize neighborhoods that have faced high levels of foreclosure.

Members of the Task Force:

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Secretary, Maryland Department of Labor, Licensing and Regulation

**Raymond A. Skinner, Co-Chair**  
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**Maryland Department of Housing and Community Development**

**Massoud Ahmadi, Director, Office of Policy, Planning and Research**  
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**Carol Gilbert, Assistant Secretary, Division of Neighborhood Revitalization**  
**Natasha Mehu, Program Manager, Division of Neighborhood Revitalization**  
**Caroline Varney-Alvarado, Special Assistant to the Secretary**

Work Group Participants: The following Work Group rosters include both task force members and additional individuals invited to participate in deliberations.

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**Kelly Whitley, Bank of America**

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**Brad Blower, HOPE LoanPort**  
**Marie Day, Wells Fargo**  
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**Ruth Griffin, Maryland Housing Counselors Network, Inc.**  
**Bill Gruhn, Consumer Protection Division, Maryland Office of the Attorney General**  
**Mary Hunter, Housing Initiative Partnership**  
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**D. NATIONAL MORTGAGE SETTLEMENT AGREEMENT  
SUMMARY**



# Attorneys General Mortgage Servicer Consent Order

November 28, 2012

# SERVICERS AND CONTACTS

- Five largest servicers:
  - Ally/GMAC
  - Bank of America (and Countrywide)
  - Citi
  - JP Morgan Chase (and WaMu) and
  - Wells Fargo (and Wachovia)
- These banks service more than 60% of mortgage loans

# Relief Under Consent Order

- Injunctive relief, including 42 pages of servicing standards
- \$25 billion nationwide in monetary relief, including:
  - Payments for civil penalties and housing assistance
  - Various programs for assistance to homeowners and people who lost their homes to foreclosure

# Maryland Funds for Housing Relief

- \$53,727,723 to be used for housing and foreclosure-relief purposes and for related investigations and enforcement activities
  - \$6.2 million for legal assistance through an RFP process
    - Announcement of awards expected this week
  - \$8.6 million for housing counselors through an RFP process
    - Applications under review and announcement expected by end of year
  - \$14 million for neighborhood stabilization through an RFP process
    - Applications from county governments, housing authorities and non-profit organizations due by December 7, 2012
  - \$10 million each for Prince George's County and Baltimore City
    - Currently working with the jurisdictions on the details of their plans
    - MOU will set out the parties' understanding of the use of funds, record keeping and reporting obligations
  - \$4.9 million for financial fraud prevention and enforcement

# Financial Relief for Borrowers

- Three buckets of relief for Maryland borrowers:
  - Restitution to people who lost their homes through foreclosure
    - Claim forms due by January 18, 2013
  - Refinance program for borrowers who are current but underwater
    - Solicitations from banks have been mailed
  - Principal reduction for borrowers who are in default and other forms of relief
    - Ongoing solicitations, mailings, outreach programs, including co-sponsored program between the banks and the OAG on May 3-4, 2013 at the P.G. Sports & Learning Complex

# Servicers' Obligations

Servicers have flexibility as to how they meet their obligations under the NMS, within certain parameters.

- At least 60% of obligation must be met by 1<sup>st</sup> & 2<sup>nd</sup> lien principal reduction.
- At most 10% of obligation may be met by deficiency waivers.
- Varying credits
  - \$-for-\$ credit for principal forgiveness when loan is owned and serviced by bank
    - \$.05 for \$1 credit for certain forbearance activities

# Monitor's Report

- Joseph A. Smith appointed to monitor banks' compliance with NMS
- Progress Report issued August 2012
- Continued Progress Report, November 19, 2012
- Monitor's first report will be filed with the court in the second quarter of 2013

# Monitor's November 19, 2012 Report

- Covers March 1 through September 30, 2012
- Almost 7,000 Maryland residents provided relief.
- Banks value the relief provided Maryland residents at more than \$552 million.
- Average relief per Maryland consumer valued at almost \$80,000.
- Banks value relief provided nationwide to 278,418 borrowers at almost \$22 billion.
- Servicing standards supposed to be implemented as of October 2, 2012

# Limitations

- Monitor has not audited banks' figures.
- Banks' figures do not translate dollar for dollar into credits towards banks' \$25 billion commitments under NMS.
- The data include both completed consumer relief and active first lien trial modifications.
- The data include completed short sales and deeds in lieu, which do not require trial periods.
- Monitor is currently reviewing compliance with servicing standards.

# Future Monitor Activities

- Monitor may add up to 3 new metrics to the 29 existing metrics by which to better monitor bank activity.
- Monitor will review metrics to evaluate compliance and may take enforcement action.
- Monitor encourages and will analyze complaints from consumers and professionals.

# Links for Consent Judgment and Exhibits

- [http://www.oag.state.md.us/mortgageSettlement/Final\\_exhibits.pdf](http://www.oag.state.md.us/mortgageSettlement/Final_exhibits.pdf)
- [http://www.oag.state.md.us/mortgageSettlement/Signed\\_CJ.pdf](http://www.oag.state.md.us/mortgageSettlement/Signed_CJ.pdf)

# Mortgage Servicing Settlement -- Allocation of Settlement Funds Matrix

Program/ Activity	Baltimore City & Prince George's Direct Funding			Enforcement Positions			Financial Fraud Positions		Neighborhood Stabilization Fund	
	Housing Counselor Grants	Legal Assistance Grants	DHCD	DHCD	OAG	OAG	DLLR	DHCD	DLLR	DHCD
<b>Funding Amount</b>	\$8,600,000	\$6,227,863	\$20,000,000	\$2,761,860	\$2,138,000	\$14,000,000				
<b>Vision Statement</b> <small>Describes the future that we want to result from this investment.</small>	Maryland households once affected by foreclosure are now financially stable.	Maryland households once affected by the foreclosure are now financially stable.	A State that provides its residents with stable, safe and productive environments, free from the blight brought about through large numbers of foreclosures.	A State that provides its residents with a housing marketplace free of deceptive and unfair practices further the economic well-being of consumers, investors and honest businesses.	Maryland's fraud detection, prosecution and prevention services are strong, benefiting Maryland consumers	Target MD neighborhoods once destabilized by foreclosure are attractive and safe places for families to live and invest.				
<b>Vision Statement</b> <small>Describes the purpose/intent of the program investment.</small>	To assure that households affected by foreclosure are able to access professional counseling, increasing their chances of avoiding displacement, fraud, or predatory practices.	To assure that households affected by foreclosure are able to access affordable legal services, increasing their chances of avoiding displacement, fraud or predatory practices.	To stabilize and revitalize neighborhoods harmed by predatory lending, economic blight and foreclosures.	To protect Maryland residents from mortgage lending and foreclosure-related violations of consumer protection and securities laws and to obtain redress for past violations.	To detect, investigate and bring administrative action against perpetrators of financial fraud	To leverage private investment and creative strategies for the stabilization of targeted neighborhoods.				
<b>Goals</b> <small>Big picture target(s) for what to achieve by the end of the program. Usually oriented toward impact/outcome not just activities/outputs.</small>	To help an increasing number of consumers avoid foreclosure through loss mitigation and mediation counseling. Assure that all AG Settlement financial assistance estimated for Marylanders is used.	To help an increasing number of consumers avoid displacement, fraud or predatory practices through legal services. Assure that all AG Settlement financial assistance estimated for Marylanders is used.	To help communities damaged by predatory lending and high numbers of foreclosures by acquiring and renovating homes, demolishing homes that are abandoned and cannot be renovated, and providing assistance to homeowners moving into vacant or foreclosed housing.	To investigate potential housing and mortgage-related unfair and deceptive practices and bring enforcement actions where violations of the law are found.	To enhance fraud protection efforts by improving response and turn around of complaints involving allegations or indications of financial fraud. Perform settlement monitoring to ensure proper implementation of the settlement standards and to ensure that Maryland borrowers receive appropriate benefits.	Work with local partners to stabilize housing markets in 5 to 10 target neighborhoods, creating new opportunities for affordable quality housing.				
<b>Objectives</b> <small>Discrete, smaller targets that, together, add up to or are complementary to achieving the big-picture, long-term goal(s) of the program.</small>	1) Increase # of consumers assisted by counselors 2) Increase volume to Hotline 3) Increase mediation participation and resolution rate 4) Maintain MD's high HAMP and HARP ranking	1) Increase # of consumers assisted by legal services 2) Increase attorneys recruited, trained & cases served 3) Increase mediation participation and resolution rate	1) Acquire, rehabilitate and maintain occupancy of affordable housing by owners and tenants; 2) Create open space and opportunities for new development where housing is abandoned and in serious disrepair; 3) Assist homebuyers to obtain affordable housing; and 4) Provide affordable housing for tenants.	1) Address inquiries from consumers and investors who complain about fraud in mortgage lending, foreclosure and mortgage securitization practices; 2) Investigate possible abuses in the housing and securities markets, including inappropriate actions in connection with properties in default, court filings, unfair and illegal treatment of tenants, and misleading disclosures to investors about mortgage-backed securities; 3) Take enforcement action to protect consumers and investors.	1) Address an increased number of fraud complaints from consumers and other constituencies 2) Conduct an increased number or scope of investigations 3) Issue an increased number or scope of cease and desist (C&D) orders, settlement actions and/or other administrative and regulatory remedies	1) Leverage other public and private investment 2) Maintain and Rehabilitate affordable housing 3) Improve sales in target neighborhoods				
<b>Performance Indicators</b> <small>Metrics by which we'll measure progress.</small>	# of consumers assisted annually	# of vacant homes demolished	# of vacant homes demolished	# of investigations	# of investigations	# of investigations	# of Complaints/Inquiries Addressed	# of Complaints/Inquiries Addressed	# of Awards	# of Awards
	Positive outcomes on closed cases rate	# of pro bono attorneys per year	# of homes acquired, rehabilited, preserved	# C&Ds Issued	# C&Ds Issued	# C&Ds Issued	# of Rehabilitated & Preserved Homes	# of Rehabilitated & Preserved Homes		
	# of annual calls to the HOPE Hotline	# of tenants assisted annually	# of families assisted with purchase	# of investigations/ actions	# of investigations/ actions	# of investigations/ actions	\$ Amount Leveraged	\$ Amount Leveraged		
	Mediation Participation & Resolution Rate	Positive outcome rate	# tenants provided affordable housing	# actions/settlements	# actions/settlements	# actions/settlements	Home Sales Trends	Home Sales Trends		

# Appendix III: State Consumer Relief Information

## Maryland, Program to Date

CONSUMER RELIEF	BANK OF AMERICA				CITI				CHASE				WELLS				TOTAL CONSUMER RELIEF - ALL SERVICES			
	Aggregate Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Aggregate Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Aggregate Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Aggregate Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Aggregate Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers
Completed 1st Lien Modification Forgiveness <sup>1</sup>	\$6,174,156	47	\$131,365	190	\$152,619	55	\$82,343	129,408,862	251	\$111,671	\$10,504,908	131	\$80,150	\$80,475,898	684	\$107,655				
Completed Forgiveness of pre 3/7/2012 Forbearance <sup>2</sup>	\$49,800	1	\$49,800	113,21,409	204	\$64,811	\$8,601,292	139	\$61,880	\$16,276,013	114	\$55,053	\$44,9774	15	\$29,985	\$28,598,288	473	\$16,461		
Completed 2nd Lien Modification Forgiveness <sup>3</sup>				\$13,261,679	40	\$81,542	\$1,788,729	54	\$31,255	\$24,485	4	\$8,621	\$25,948	14	\$16,139	\$3,10,841	112	\$47,418		
Completed 2nd Lien Extinguishments <sup>4</sup>	\$218,895	40	\$52,972	\$91,843,510	1,659	\$58,977	\$4,393,592	67	\$65,576							\$104,355,997	1,766	\$59,092		
Short Sales Completed/Deficiency Forgiveness <sup>5</sup>	\$10,804,682	79	\$136,768	\$161,907,851	1,377	\$117,580	\$7,570,448	97	\$78,046	\$79,655,371	625	\$127,449	\$14,014,399	153	\$91,601	\$273,953,351	2,331	\$117,226		
Deeds in Lieu Completed/Deficiency Forgiveness <sup>6</sup>																\$557,095	9	\$59,677		
Enhanced Borrower Transitional Funds Paid by Servicer (excess of \$1,500) <sup>7</sup>																				
Service Payments to Unrelated 2nd Lien Holder for Release of 2nd Lien <sup>8</sup>																				
Forbearance for Unemployed Borrowers <sup>9</sup>																				
Deficiency Waivers <sup>10</sup>																				
Forgiveness of Principal Associated with a Property When No Foreclosure <sup>11</sup>																				
Cash Costs Paid by Servicer for Damolition of a Property <sup>12</sup>																				
REO Properties Donated <sup>13</sup>																				
Refinance Completed - Estimated Contingent Relief <sup>14</sup>	\$1,286,249	18	\$71,558	\$3,287,452	54	\$60,882	\$5,54,8,950	140	\$39,639	\$7,951,993	161	\$49,391	\$15,116,664	1	\$46,312	\$34,98,608	721	\$47,721		
Total Consumer Relief <sup>15</sup>	\$20,433,782	185	\$10,453	\$330,266,322	4,127	\$80,031	\$33,277,068	567	\$88,690	\$126,706,345	1,339	\$94,628	\$42,003,522	715	\$67,746	\$52,707,039	6,933	\$79,721		
<b>CONSUMER RELIEF - IN PROCESS</b>																				
1st Lien Modification Trials Offered/Approved <sup>16</sup>	\$1,950,984	11	\$177,362	\$169,33,350	1,09	\$153,897	\$18,791,652	103	\$65,356	\$67,539,039	627	\$107,718	\$16,243,883	174	\$91,356	\$123,658,918	2,014	\$130,913		
1st Lien Modification Trials Started <sup>17</sup>	\$1,576,604	9	\$170,845	\$132,558,621	851	\$155,768	\$9,021,344	106	\$85,107	\$59,167,368	546	\$108,365	\$13,836,678	159	\$87,023	\$216,21,615	1,671	\$129,337		
<b>TOTAL CONSUMER RELIEF - ALL SERVICES</b> <b>\$552,707,039</b>																				

### Notes:

\* Any differences in rounding are due to rounding.

• The sum of the individual state amounts do not agree to the national total amount due to the fact that some jurisdictions are not parties.

### DEFINITIONS:

1 Completed 1st Lien Modification Forgiveness represents finalized first lien principal reduction permanent modifications (including converted trial modifications).

2 Completed 2nd Lien Modification Forgiveness represents forgiveness of deferred principal from pre-settlement permanent modification of 1st lien mortgages. This line is distinct from Completed 1st Lien Modification Forgiveness line item.

3 Completed 2nd Lien Modification Forgiveness represents forgiveness of principal reduction permanent modifications.

4 Short Sale Completed/Deficiency Forgiveness represents the forgiveness of first or second lien mortgage remaining balance to facilitate a transaction in which a homeowner deeds the residence to Servicer/investor in lieu of foreclosure.

5 Deeds in Lieu Completed/Deficiency Forgiveness represents the forgiveness of first or second lien mortgage remaining balance to facilitate a transaction in which a homeowner deeds the residence to Servicer/investor in lieu of foreclosure.

6 Enhanced Borrower Transitional Funds Paid by Servicer to facilitate a transaction in which a homeowner deeds the residence to Servicer/investor in lieu of sale or dated-in-lieu transactions.

7 Service Payments to Unemployed Borrowers on behalf of unemployed borrowers in connection with short sale or dated-in-lieu transactions.

8 Deficiency Waivers represent a waiver of valid claims on borrower deficiency balances on first or second lien mortgages.

9 Forbearance of Principal Associated with a Property When No Foreclosure represents forbearances of principal associated with a property and release of liens in connection with a decision not to pursue foreclosure.

10 Cash Costs Paid by Servicer for Demolition of Property represents payments to demolish properties to prevent blight.

11 REO Properties Donated represents properties owned by Servicer/investor that are donated to municipalities, nonprofits, disabled servicemembers, or families of deceased servicemembers.

12 The estimated benefit to borrowers from refinancing is the product of the average annual interest rate reduction, the average unpaid principal loan balance, and the number of borrowers.

13 The sum of the individual state amounts do not agree to the national total amount due to the fact that some jurisdictions are not parties.

14 Completed 1st Lien Modification Trials Offered/Approved represents the first lien principal reduction multiple under the Settlement D 19.e.l.i. and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average annual interest rate reduction, the average unpaid principal loan balance, and the number of borrowers.

CONSUMER RELIEF	BANK OF AMERICA				CITI				CHASE				WELLS				TOTAL REFINANCES COMPLETED - ALL SERVICES			
	Average Loan Balance	No. of Borrowers	Average Rate Reduction	No. of Borrowers	Average Loan Balance	No. of Borrowers	Average Rate Reduction	No. of Borrowers	Average Loan Balance	No. of Borrowers	Average Rate Reduction	No. of Borrowers	Average Loan Balance	No. of Borrowers	Average Rate Reduction	No. of Borrowers	Average Loan Balance	No. of Borrowers	Average Rate Reduction	No. of Borrowers
Refinance Solidifications/Offer/s/Approval/s	\$35,431	59	2.5%	274,392	853	\$231,799	276	\$212,506	197	\$25,742	1,022	\$257,985	2,407							
Refinances Completed	\$36,2463	18	2.5%	\$273,983	54	\$236,126	140	\$306,521	161	2.5%	\$233,986	348	2.5%	\$257,549	721	2.34%				

\* Refinance Solidifications/Offer/s/Approval/s represents the first lien mortgages considered for refinancing when loan to value exceeds 105% and would not qualify for Servicer's generally available refinancing program as of 9/30/11. This includes mandatory solicitation borrowers under 9.a. of Exhibit D.

\*\* 1st Lien Modification Trials Offered/Approved represents all first lien mortgages where firm modification offers were made to the borrower.

\*\*\* 1st Lien Modification Trials Started represents all first lien mortgages for which the first payment in a trial modification was made. Trial may have been Offered/Approved in current or prior quarter.

## Appendix III: State Consumer Relief Information

### National Totals, Program to Date

		BANK OF AMERICA				CHASE				WELLS				TOTAL CONSUMER RELIEF - ALL SERVICES					
		CITI				CITI				CITI				CITI					
CONSUMER RELIEF		Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers	Average Amount of Relief/Benefit	No. of Borrowers				
Completed 1st Lien Modification Forgiveness <sup>1</sup>	\$106,160,379	1113	\$95,383	\$889,717,711	5751	\$154,612	121,683,329	1,717	\$70,986	\$903,20,316	7,709	\$117,151	\$52,575,935	5,543	\$96,081	2,552,912,770	21,833	\$116,929	
Completed Forgiveness of 1st/2nd Lien <sup>2</sup>	\$2,525,391	36	\$70,366	\$230,874,337	3,720	\$62,063	\$180,011,907	4,417	\$63,417	\$423,016,447	5,859	\$72,215	\$71,110,95	1,961	\$36,263	\$1,007,730,477	15,993	\$63,011	
Completed 2nd Lien Modification Forgiveness <sup>3</sup>	\$4,363,344	133	\$32,892	\$101,597,758	1,398	\$72,674	\$41,511,387	1,412	\$79,406	\$3,870,920	271	\$14,284	\$5,094,331	388	\$13,130	\$156,453,740	3,602	\$43,435	
Completed 2nd Lien Extinguishment <sup>4</sup>	\$82,083,333	1,449	\$56,648	\$2,431,733,751	43,479	\$55,929	\$107,797,609	1,495	\$72,105							\$2,621,614,693	46,423	\$56,472	
Short Sales Complicated/ Deficiency Forgiven <sup>5</sup>	\$168,074,388	1,719	\$97,775	\$7,434,96,072,75	62,084	\$19,756	\$317,243,350	3,549	\$99,390	\$3,960,915,791	33,310	\$118,931	\$1,225,576,876	12,557	\$97,601	\$13,067,771,330	13,219	\$115,765	
Deed-in-Lieu Completed/ Deficiency Forgiven <sup>6</sup>																\$25,929,671	315	\$82,316	
Enhanced Borrower Transitional Funds Paid by Servicer (Excess of \$1,500) <sup>7</sup>																			
Servicer Payments to Undeclared and Lien Holder for Release of 2nd Lien <sup>8</sup>																			
Forbearance for Unemployed Borrowers <sup>9</sup>																			
Deficiency Waivers <sup>10</sup>	\$182,763,149	3,143	\$58,149	\$5,928,895,598	10,896	\$50,468										\$3,258	\$212,456,482	22,857	\$19,295
Forgiveness of Principal Associated with a Property When No Foreclosure <sup>11</sup>																			
Cash Costs Paid by Servicer for Demolition of Property <sup>12</sup>																			
REO Properties Donated <sup>13</sup>																			
Refinances Completed <sup>14</sup>	\$41,663,984	594	\$70,478	\$53,224,315	974	\$54,696	\$224,507,533	8,262	\$78,384	\$537,017,591	12,113	\$42,683	\$595,778,555	15,453	\$38,554	\$1,442,442,279	37,396	\$36,572	
Estimated Consumer Relief <sup>15</sup>	\$587,841,646	8,187	\$71,802	\$11,758,497,329	140,053	\$33,937	\$105,086,397	21,131	\$2,297	\$5,979,405,360	68,530	\$87,258	\$24,488,808,766	40,517	\$61,416	\$21,919,979,320	278,418	\$78,730	
<b>CONSUMER RELIEF - IN PROCESS</b>																			
1st Lien Modification Trials Offered/Approved <sup>16</sup>	\$26,287,880	196	\$134,121	\$7,463,741,585	29,698	\$160,460	\$221,305,337	3,061	\$72,298	\$1,980,435,610	17,983	\$101,028	\$1,025,170,129	8,274	\$99,731	\$7,816,940,241	59,202	\$132,038	
1st Lien Modification Trials Started <sup>17</sup>	\$20,053,584	159	\$126,123	\$3,638,259,765	22,423	\$162,256	\$234,112,866	3,259	\$71,836	\$1,698,592,240	15,786	\$107,601	\$751,923,746	7,566	\$99,382	\$6,342,942,201	49,193	\$128,940	
<b>TOTAL CONSUMER RELIEF - ALL SERVICES</b>	\$21,919,979,320																		

Note:

• Any differences in adding are due to rounding.

#### DEFINITIONS:

<sup>1</sup> Completed 1st Lien Modification Forgiveness represents forgiveness of principal reduction permanent modifications (including converted trial modifications).

<sup>2</sup> Completed Forgiveness of 1st/2nd Lien Modification Forgiveness represents permanent principal reduction of first lien mortgages. This line is distinct from Completed 1st Lien Modification Forgiveness line item.

<sup>3</sup> Completed 2nd Lien Modification Forgiveness represents principal reduction of second lien principal reduction modifications.

<sup>4</sup> Completed 2nd Lien Extinguishment represents principal reduction of second lien mortgage extinguishments. Forgiveness of the entire balance and release of lien.

<sup>5</sup> Short Sales Completed/Deficiency Forgiveness represents the forgiveness of first or second lien mortgage balances remaining after a short sale or release of the entire balance and release of lien.

<sup>6</sup> Deed-in-Lieu Completed/Deficiency Forgiveness represents the release of the entire balance of the lien in exchange for a deed-in-lieu or release of the entire balance of the lien in exchange for a deed-in-lieu.

<sup>7</sup> Enhanced Borrower Transitional Funds Paid by Servicer represents funds of first or second lien mortgage balances used to facilitate transactions in which borrower debt is discharged in exchange for a short sale or deed-in-lieu.

<sup>8</sup> Servicer Payments to Undeclared and Lien Holder for Release of 2nd Lien in liens in exchange for a short sale or deed-in-lieu transactions.

<sup>9</sup> Forbearance for Unemployed Borrowers represents forbearance of payment arrangements for unemployed borrowers or forbearance programs for unemployed borrowers to keep them in their homes until they can resume payments.

<sup>10</sup> Deficiency Waivers are a waiver of valid claims on borrower deficiency balances on first or second lien mortgages and release of liens.

<sup>11</sup> Cash Costs Paid by Servicer for Demolition of Property represents properties to prevent blight.

<sup>12</sup> REO Properties Donated represents properties owned by Servicers/investors that are donated to municipalities, nonprofits, charitable organizations, or families or deceased service members.

<sup>13</sup> Refinances Completed represents eligible loans refinanced with reduced rates. The estimated benefit is the estimated annual interest rate multiplied by 7.85, which represents the Servicer's weighted multiplier under the Settlement per Exhibit D 9.e.ii, and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average unpaid principal loan balance, the average unpaid interest rate reduction, the average unpaid principal loan balance, and the number of borrowers. See below for information on Refinance Solicitations/Approvals.

<sup>14</sup> Servicer Payments for Demolition Completed by each Servicer.

<sup>15</sup> Cash Costs Paid by Servicer for Demolition of Property represents properties to prevent blight.

<sup>16</sup> Refinances Completed represents properties owned by Servicers/investors that are refinanced with reduced rates. The estimated benefit is the estimated annual interest rate multiplied by 7.85, which represents the Servicer's weighted multiplier under the Settlement per Exhibit D 9.e.ii, and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average unpaid principal loan balance, the average unpaid interest rate reduction, the average unpaid principal loan balance, and the number of borrowers. See below for information on Refinance Solicitations/Approvals.

<sup>17</sup> Refinances Completed represents eligible loans refinanced with reduced rates. The estimated benefit is the estimated annual interest rate multiplied by 7.85, which represents the Servicer's weighted multiplier under the Settlement per Exhibit D 9.e.ii, and is consistent with what some of the Servicers are reporting in their filings with the U.S. Securities and Exchange Commission. The estimated annual benefit to borrowers is the product of the average unpaid principal loan balance, the average unpaid interest rate reduction, the average unpaid principal loan balance, and the number of borrowers. See below for information on Refinance Solicitations/Approvals.

		BANK OF AMERICA				CHASE				WELLS				TOTALS - ALL SERVICES			
Refinance Solicitations/Offer/Approvals		Average Loan Balance	No. of Borrowers	Average Rate Reduction	Average Loan Balance	No. of Borrowers	Average Rate Reduction	Average Loan Balance	No. of Borrowers	Average Rate Reduction	Average Loan Balance	No. of Borrowers	Average Rate Reduction	Average Loan Balance	No. of Borrowers		
Refinance Solicitations/Offer/Approvals	\$313,296	1,706	\$25,078	8,697	\$150,919	1,675	\$271,384	15,221	\$121,481	\$185,446	15,253	\$23,539	\$216,793	90,234			
Refinances Completed	\$321,736	594	2.79%	\$25,227	974	8,753	1,153,211	8,762	2.36%	\$20,513	12,131	2.01%	\$185,446	15,253	2.53%	\$37,396	2.34%

\* Refinance Solicitations/Offer/Approvals represents the first lien mortgages considered for refinancing. Where loan to value exceeds 80% and would not qualify for Servicer's generally available refinancing program as of 9/30/11. This includes mandatory solicitation borrows under 9a. of Exhibit D.

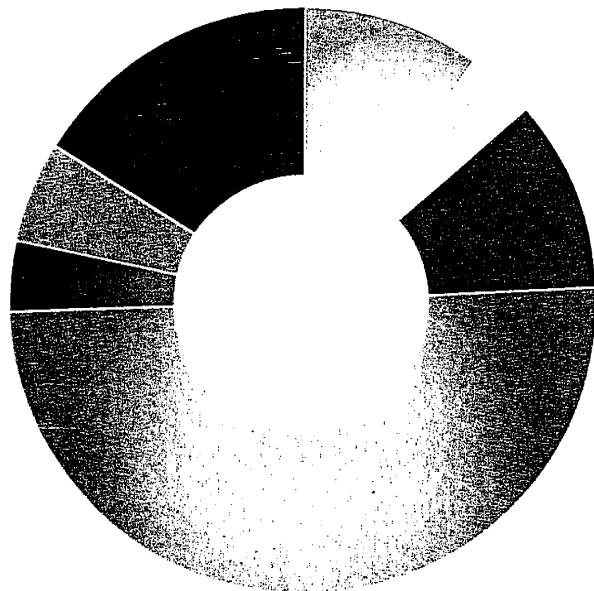
\*\* 1st Lien Modification Trials Offered/Approved represents all first lien mortgages where firm modification offers were made to the borrower.

\*\*\* All first lien mortgages for which any payment had been made in a trial modification after March 1, 2012.

## Appendix II: Program to Date Consumer Relief

# Total Consumer Relief—Program to Date \$26.11B

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- Completed First Lien Modification Forgiveness **\$2.553B**  
Completed Forbearance of pre-3/1/12 Forbearance **\$1.008B**
- Completed Second Lien Modifications and Extinguishments **\$2.778B**
- Short Sales Completed **\$13.133B**
- Total Other Program Activity **\$1.006B**
- Refinance Consumer Relief **\$1.442B**
- Active Trial in Process **\$4.187B**

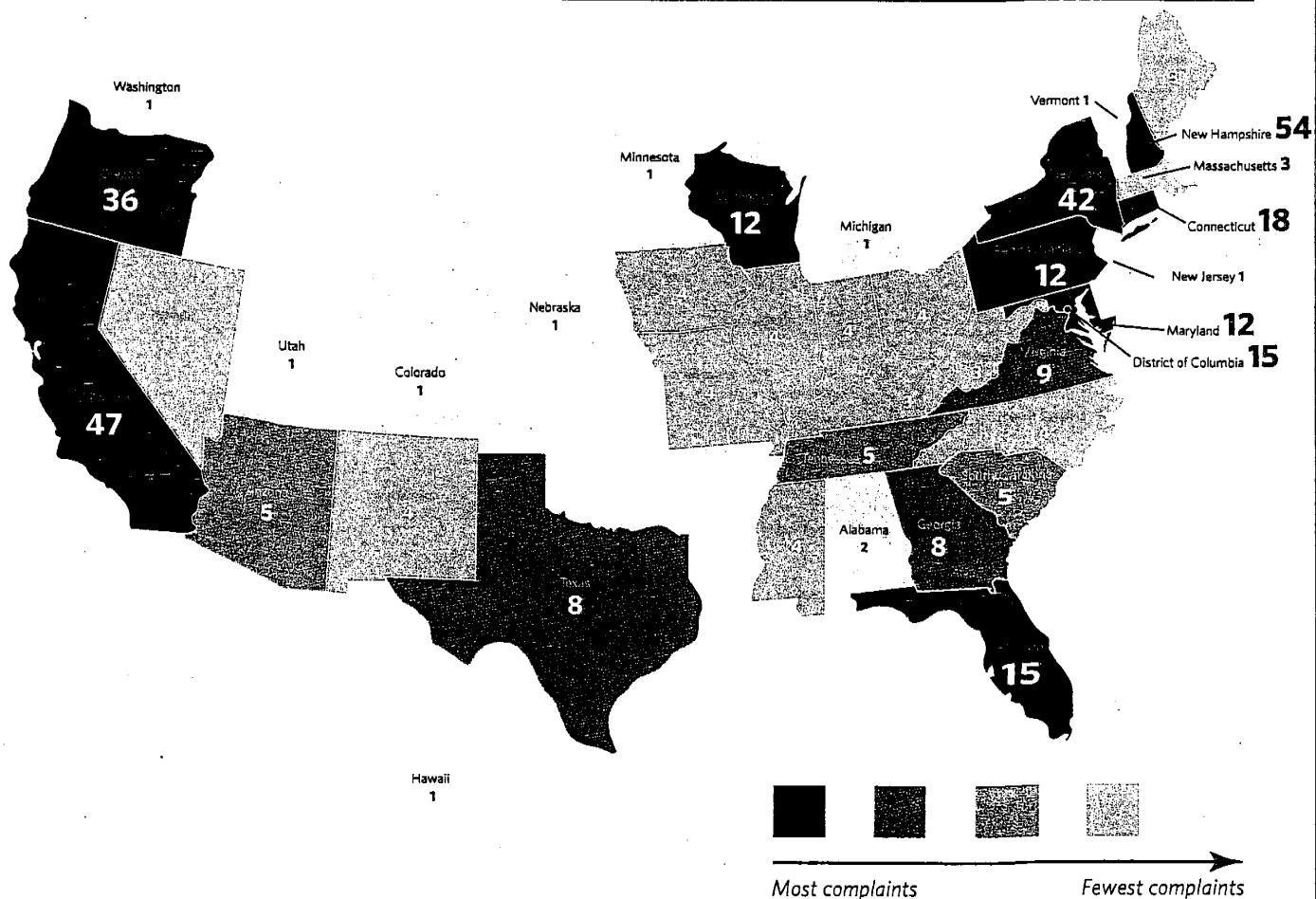
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# From the Market

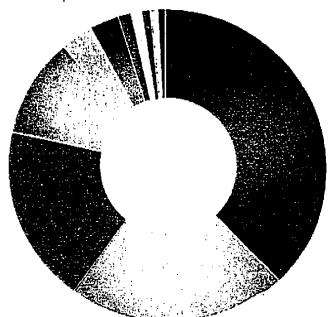
Attorneys, caseworkers, counselors and other professionals helping consumers with their mortgages provided online feedback from mid-May to the end of October regarding the range of issues that individuals are experiencing with servicers.

Office of  
**Mortgage Settlement**  
Oversight

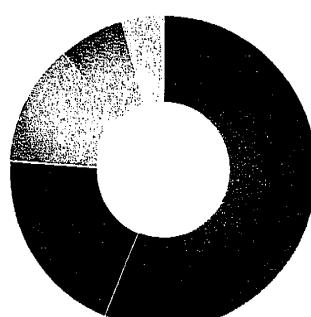
## Number of Professional Issues Reported per State



## Professional Form Submission Complaints by Issue



## Professional Form Submissions by Servicer



**E. STATE OF MARYLAND ATTORNEY GENERAL AND  
COUNTY'S MEMORANDUM OF UNDERSTANDING**

MARYLAND OFFICE OF THE ATTORNEY GENERAL,  
THE MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT AND  
PRINCE GEORGE'S COUNTY, MARYLAND

MORTGAGE SERVICING SETTLEMENT FUND  
MEMORANDUM OF UNDERSTANDING

This Mortgage Servicing Settlement Fund Agreement ("Agreement") by and between the Office of the Attorney General ("OAG"), the Maryland Department of Housing and Community Development ("Department"), and Prince George's County, Maryland ("County"), a body corporate and politic, on behalf of the Prince George's County Department of Housing and Community Development (DHCD") is entered into as of the date of its execution by the OAG ("Effective Date")

Recitals

- A. Attorney General Douglas F. Gansler entered into a settlement with the nation's five largest mortgage servicers ("Settlement") following an extensive investigation into foreclosure abuses, fraud, and unacceptable mortgage servicing practices such as "robo-signing." The Settlement provides monetary benefits to distressed Maryland borrowers, imposes standards for the banks' mortgage servicing processes, and provides funds to the State of Maryland for housing-related services and activities.
- B. The County has suffered from the foreclosure crisis with many of its communities ravaged by foreclosures. Some neighborhoods have been particularly hard hit.
- C. The County has identified nine zip codes -- 20743 (Capitol Heights), 20746 (Suitland), 20706 (Lanham), 20745 (Oxon Hill), 20747 (District Heights), 20772 and 20774 (Upper Marlboro), 20748 (Temple Hills), 20744 (Fort Washington) (collectively "Zip Codes") -- that are hot spots for foreclosures. In the year ending September 30, 2012, each of these Zip Codes has experienced a high number of foreclosures as well as an increase in the median dollar amount necessary to cure a default and the median number of days the loan payment is past due.
- D. The County is in a strong position to help remedy the harms suffered and to stabilize injured neighborhoods.
- E. The Attorney General, in consultation with the Governor, members of the General Assembly, the Department, the Maryland Department of Labor, Licensing and Regulation, local

Prince George's County, Maryland

governments and nonprofits, intends to allocate \$10 million from the Settlement funds to the County.

- F. The County has presented a proposal to the OAG and the Department with several components, including an emergency mortgage assistance program, a program to assist with down payment and closing costs, and a program to support the acquisition, rehabilitation and resale or rental of properties. Each of these programs will target the identified nine Zip Codes that have been especially hard hit by the foreclosure crisis.
- G. The County plans to use \$2 million from the Settlement funds to provide emergency mortgage assistance to about 200 families in the nine identified Zip Codes, with a maximum of \$10,000 paid to any single family. The County agrees to provide the OAG and the Department with its Emergency Mortgage Assistance plan, including its criteria for an award under this program, the application form for the program, the loan terms and the terms of the deed of trust securing the loan.
- H. The County plans to use \$5 million from the Settlement funds to supplement \$2 million from other sources to help about 600 homebuyers with down payment and closing costs for the purchase of homes in the nine identified Zip Codes. This program will target first-time homebuyers who are pre-approved for a first mortgage and satisfy income requirements. The County agrees to provide the OAG and the Department with its Down Payment Assistance plan, including its criteria for an award under this program, the application form for the program, the loan terms and the terms of the deed of trust securing the loan.
- I. The County plans to use \$3 million from the Settlement funds to supplement \$1.5 million from other sources to acquire, rehabilitate and either sell or rent homes in the identified Zip Codes. The County expects to acquire approximately 49 foreclosed properties that are vacant or abandoned, applying pre-specified criteria that include an effort to cluster the properties. The County will use its own construction specialists, program managers and underwriters to evaluate and select properties, and will use licensed contractors to perform the rehabilitation work. The County agrees to provide the OAG and the Department with its Stabilization plan, including its criteria for selecting properties, the RFP for selecting licensed contractors and the plan for selling or renting the rehabilitated properties.
- J. The County has also stated its intention to use other funds to prevent foreclosures through education and other outreach to families at risk of foreclosure. A homeownership education program will be linked to the down payment assistance and closing cost program. Financial literacy training and outreach efforts will be a crucial component of foreclosure prevention, especially in the African American and immigrant communities. The County expects to spend \$435,000 on outreach and educational activities in the next three years.
- K. The County will re-use any Program Income in furtherance of, and consistent with, the Emergency Mortgage Assistance program as described in paragraph G, the Down Payment

Prince George's County, Maryland

Assistance program as described in paragraph H or the Stabilization program as described in paragraph I.

- L. Program funds and Program Income will not be used to cover administrative or outreach costs.
- M. The County is required to submit information to and receive approval from the Maryland Historical Trust for each house to be rehabilitated.
- N. While the County has provided policies, guidelines and forms related to activities it is currently administering, the funding under this Agreement may have different requirements or policies which must be adhered to rather than what is specifically stated in attachments provided.
- O. The OAG, the Department and the County agree that their cooperation will benefit Maryland residents and facilitate implementation of the Settlement.

NOW THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the County, the OAG and the Department hereby agree to enter into this Agreement upon the following terms and conditions:

1. Program

- a. Program. The OAG and the Department hereby grant to the County an amount not to exceed Ten Million and 00/100 Dollars (\$10,000,000.00) ("Program funds"). The Program shall be used to support and augment the County's activities described in Exhibit A ("Scope of Work") attached hereto. The County shall expend the Program funds in accordance with the budget approved by the OAG and the Department, set forth in the Exhibit B ("Budget") attached hereto. The award and the disbursement of Program funds is made subject to the availability and allocation of the Settlement funds, and is contingent upon the County's satisfactory performance under this Agreement.
- b. Program Term. The Program Term shall be for three (3) years commencing March 1, 2013 ("Commencement Date") and terminating on February 29, 2016 ("Termination Date").
- c. Program Funds Disbursement. The Program funds shall be disbursed in installments when the request for reimbursement exceeds at least Five Hundred Thousand Dollars (\$500,000.00). Disbursements are subject to the Department's receipt, review and approval of the County's (i) request for disbursement identifying all costs incurred for which the disbursement is being sought and supporting documentation; and (ii) reports, financial information and any other information required pursuant to this Agreement. The County shall allow approximately thirty (30) days for the Department to process a disbursement request. At least 25% of the Program funds shall be expended within 12

Prince George's County, Maryland

months of the Effective Date; at least 75% shall be expended within 24 months of the Effective Date; and 100% shall be expended within 36 months of the Effective Date.

The OAG and the Department reserve the right not to disburse any Program funds, in the requested amount, in the event that:

1. The County has failed to supply material facts or documentation in a disbursement request;
2. The County's disbursement request, when combined with all prior disbursement requests, exceeds Ten Million Dollars;
3. The County has used any portion of any advance of Program funds in a manner inconsistent with the terms and conditions of this Agreement;
4. The County is otherwise in default under this Agreement or is otherwise not in compliance with State and federal requirements; or
5. Settlement funds are not appropriated by budget amendment or otherwise made available to support continuation of the Program, in which case this Agreement shall automatically terminate.

d. Ineligible Activities. No funds made available under the Program, including Program Income (as defined herein), may be used for costs related to overhead or outreach/publicity events.

e. Prior Expenses and Costs. No expenses or costs incurred by the County before the Commencement Date of this Agreement shall be reimbursed. The Department and the OAG reserve the right to deny reimbursement of expenses incurred between the Commencement date and execution of this Agreement.

2. Records, Reports, Inspections.

Prince George's County, Maryland

- a. Records. The County shall maintain accurate financial records in a form acceptable to the Department of all transactions relating to the receipt and expenditure of the Program funds. The County shall make these records, and its administrative offices, personnel, consultants or volunteers who are involved in the Scope of Work available to the Department upon request. All financial, programmatic and other records of the County associated with the Scope of Work, including all minutes of meetings of the Board of Estimate of the County, shall be maintained by the County for a period of three (3) years after the official closeout of the award by Department staff, except in cases where unresolved audit questions may require retention of some or all of said records for a longer period, as determined by the Department.
- b. Quarterly Reports. Throughout the Program term, the County, shall provide the Department with quarterly progress reports in a format that will be provided, no later than the tenth (10<sup>th</sup>) day of the second quarter following the Commencement Date. Quarterly reports are required by the Department up to and including the final quarterly report on Program activities through the Termination Date and shall include the cumulative activity to date during the Program. The County shall continue to report for five (5) years after the Termination Date on the re-use of Program Income as set forth in item 2.c below, with annual reports only after February 1, 2016. The reports shall describe in narrative form the services provided, other activities, achievements, and barriers to achievements in accomplishing the Scope of Work, financial information, such as actual expenditures, and the specific uses made of the Program funds and re-use of Program Income. The County's quarterly reports shall also include, at a minimum, the following items, but this list may be supplemented, modified and/or clarified by the OAG and the Department:
  1. Identification of the location of properties purchased and the properties for which homebuyers and homeowners were given down payment or mortgage assistance using Program funds in the prior quarter, and maps of each of the Zip Codes showing those properties;
  2. Itemization of the addresses, of the acquisition prices of homes purchased in the Stabilization program or by homeowners receiving down payment assistance from Program funds, of the household incomes of homebuyers assisted with Program funds, and of the amounts of down payment assistance provided to each homebuyer;
  3. Itemization of the median amount of emergency mortgage assistance given to homeowners and the median family income, by Zip Code;
  4. Identification of the properties that the County expects to purchase and for which the County expects to provide down payment or mortgage assistance using Program funds in the upcoming quarter;
  5. An explanation for any changes made to the location of properties that were projected for purchase or assistance in the previous quarterly report;

6. Itemization of the sale price of each rehabilitated property that was sold in the previous quarter and/or of the monthly rental income for each rehabilitated property that was rented in the previous quarter;
7. Itemization of the amount, source and re-use of any Program Income generated in the previous quarter; and
8. Description of the intended use of Program Income in the upcoming quarter.

c. Program Income. The County shall apply any income generated in the course of implementing the Program from the repayment of homebuyer down payment assistance or emergency mortgage assistance or the sale or rental of rehabilitated properties (collectively, "Program Income"), for neighborhood restabilization and revitalization purposes, as agreed to by the OAG and the Department. The County shall not use Program Income for outreach or administrative expenses.

d. Inspection. The County understands and agrees to the following:

1. Upon reasonable notice to the County, the Department has the right to inspect the County's programmatic and financial records in connection with the Program, including the books and records of any subcontractor that utilizes all or any portion of the Program funds. All financial records or books of the County with respect to the Program shall be available for inspection by authorized personnel of the Department and the OAG. The County shall further permit the Department to perform program monitoring, evaluation and audit activities as determined to be necessary, at the discretion of the Department;
2. The Department shall conduct monitoring inspections of the Scope of Work and the County's records in connection with the Program during the term of this Agreement. The County shall make available for the Department's inspection all fiscal and programmatic documentation with respect to the Program during such site visits.
3. The County shall provide the Department with records, reports and other documentation as may be required by the Department.

3. The County's Certifications. The County certifies that:

- a. The DHCD is an agency of the County and is authorized to administer services provided in connection with matters relating to the Mortgage Services Settlement Fund.
- b. This Agreement has been duly authorized, executed, and delivered by the County in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of the County;

Prince George's County, Maryland

- c. The County shall carry out the Scope of Work in compliance and in accordance with State and federal law;
- d. No person who is an employee, agent, consultant, officer, or elected or appointed official of the County and who exercises or has exercised any functions or responsibilities with respect to activities assisted through the Program funds, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself, or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter;
- e. The representations, statements, and other matters contained in the County's submissions in connection with the Program are and remain true and complete in all material respects, or any modifications to the submissions have been approved by the OAG and the Department;
- f. The County has obtained, or has reasonable assurances acceptable to the Department, that it will obtain any federal, State, and local government approvals, permits, or license which may be required to accomplish the Scope of Work; and

4. Nondiscrimination and Drug and Alcohol Free Workplace.
  - a. The County may not discriminate against any person on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical or mental handicap, or age in any aspect of its projects.
  - b. The County shall comply with applicable federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, and credit practices, including:
    1. Titles VI and VII of the Civil Rights Act of 1964;
    2. Title VIII of the Civil Rights Act of 1968, as amended;
    3. The Americans with Disabilities Act of 1990;
    4. The Governor's Code of Fair Practices, as amended; and

Prince George's County, Maryland

5. The State of Maryland Department of Housing and Community Development's Minority Business Enterprise Program, as amended.
- c. The County shall comply with the provisions of the Governor's Executive Order 01.01.1989.18 regarding a drug-and alcohol-free workplace and any regulations promulgated thereunder.
5. Fair Practices Certification. The County certifies that it will not engage in, and will proactively prohibit discrimination on the basis of:
  - a. political or religious opinion or affiliation, marital status, race, color, creed, or national origin; or
  - b. sex or age; or
  - c. the physical or mental handicap of a qualified handicapped individual.
6. Non-Sectarian Certifications.
  - a. The County certifies that no part of the Program funds, shall be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination, including (but not limited to) religious services, religious instruction, or other activities that have an explicitly religious content; and
  - b. The County certifies that it will provide services to clients on a nondiscriminatory basis, including (but not limited to) the provision of services without regard to the creed, religion, or religious affiliation of the clients.
7. Default, Repayment and Remedies.
  - a. It shall be a default under this Agreement if:
    1. The County fails to complete the Scope of Work within the Program Term, unless the OAG and the Department agree to extend the Program term;

Prince George's County, Maryland

2. The County uses any portion of the Program funds for any purpose other than as authorized under this Agreement, unless the OAG and the Department agree to modify the Scope of Work;
3. The County fails to comply with any term or condition imposed by this Agreement; or
4. There is a breach of any covenant, agreement, provision, representation, warranty or certification of the County which was made in this Agreement.

b. Upon an event of default, the OAG and the Department may require that all or part of the Program funds be returned to the Department and the OAG, withhold further disbursement of the Program funds until the County cures such default to the satisfaction of the Department and the OAG, and/or the Department and OAG may terminate this Agreement. The County shall be given thirty (30) days' notice and opportunity to cure any alleged default.

c. In the event of termination, the Department and the OAG may:

1. Withhold disbursement of all or any portion of the Program funds, and the County's rights to receive any additional proceeds of the Program funds will cease and the County will have no right, title or interest in or to any portion of the Program funds not disbursed;
2. Demand immediate repayment of all or any portion of the Program funds which have been disbursed and enforcement and collection costs, including reasonable attorneys' fees, incurred by the Department and the OAG in any recovery proceedings; and
3. Exercise the above remedies contemporaneously with remedies set forth in subsection (d) below, and all of such rights shall survive any termination of this Agreement.

d. If a default occurs, the Department and the OAG may at any time proceed to protect and enforce all rights available to the Department and the OAG under any relevant guidelines, regulations, at law or in equity, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement. Furthermore, no failure or delay of the Department or the OAG to exercise any right, power or remedy consequent upon a default shall constitute a waiver of any such term, condition, covenant, certification or agreement of any such default or preclude the Department or the OAG from exercising any such right, power or remedy at any later time or times;

e. Any proceeds of the Program funds for which the Department or the OAG has made a demand pursuant to this section, or any Program funds that County has not expended as of the Termination Date, shall be returned to the Department and the OAG immediately

by check.

8. Voluntary Termination. The Department, OAG and the County shall have the right to terminate this Agreement for any reason upon thirty (30) days written notice to the other parties.. In the event of voluntary termination by the Department or the OAG, the County's authority to request disbursements shall cease and the County shall have no right, title or interest in or to any of the Program funds not yet disbursed to the County. At the time of termination, the County shall return to the Department and the OAG any Program funds disbursed to the County but not yet expended or encumbered by the County as authorized by this Agreement.
9. Liability. The County releases the Department and the OAG from, agrees that the Department and the OAG shall not have any liability for, and agrees to protect, indemnify, and save harmless the Department and the OAG from and against any and all liabilities, suits, actions, claims, demands, losses, expenses, and costs of every kind and nature, including reasonable attorneys' fees, incurred by, asserted, or imposed against the Department and the OAG, as a result of or in connection with the County's activities which are the subject matter of this Agreement.
10. Indemnification. The County further agrees that all funds expended by the Department and the OAG as a result of such liabilities, suits, actions, claims, demands, losses, expenses, or costs, including reasonable attorneys' fees, shall be immediately and without notice due and payable by the County to the Department and the OAG. The County's obligation to indemnify the Department and the OAG shall survive the term of this Agreement.
11. Applicability to Contractors and Agents. Where performance of the activities that are the subject of this Agreement is approved by the Department and the OAG to be carried out by any contractor or agent of the County, the County shall make the provisions of this Agreement binding on such contractor or agent. This shall be accomplished by a written agreement or contract between the County and any contractor or agent. Where the term "County" appears in this Agreement, it shall be interpreted to include any contractor or agent of the County. The County acknowledges and agrees that the County has the ultimate legal responsibility for ensuring compliance with the requirements of this Agreement.
12. Notices. All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:
  - a. Communications to the Department shall be mailed to:

Department of Housing and Community Development  
Attn: Carol Gilbert  
100 Community Place, First Floor  
Crownsville, Maryland 21032-2023

Prince George's County, Maryland

and

Office of the Attorney General  
Attn: Anthony Mohan  
100 Community Place, Suite 2.300  
Crownsville, Maryland 21032-2023

b. Communications to the OAG shall be mailed to:

Office of the Attorney General  
Attn. Katherine Winfree  
200 St. Paul Place, 20<sup>th</sup> Floor  
Baltimore, MD 21202

and

Office of the Attorney General  
Attn. Lucy Cardwell  
200 St. Paul Place, 16<sup>th</sup> Floor  
Baltimore, MD 21202

c. Communications to the County shall be mailed to:

Prince George's County Department of Housing and Community Development  
Attn: Eric C. Brown  
Director  
9400 Peppercorn Place, Suite 200  
Largo, MD 20774

Prince George's County Office of Law  
Attn: County Attorney  
14741 Governor Oden Bowie Drive, Room 5121  
Upper Marlboro, Maryland 20772

13. Non-Assignment. The County may not, during the term of this Agreement or any renewals, extensions or amendments thereto, assign or subcontract all or any part of the Agreement without the prior written consent of the Department and the OAG. The Department and the OAG may withhold consent, for any reason, in their absolute discretion.

14. Amendment of Agreement. This Agreement may be amended only as the County, the OAG and the Department mutually agree in writing. Except for any specific provision of this Agreement, which is amended in accordance with this paragraph, this Agreement remains in full force and effect after such amendment.

Prince George's County, Maryland

15. Applicable Law. This Agreement shall be construed and enforced according to the laws of the State of Maryland.
16. Entire Agreement. This Agreement, together with the exhibits attached and incorporated by reference, represents the complete and final understanding of the County, the OAG and the Department. No other understanding, oral or written, regarding the subject matter of this Agreement may be deemed to exist or to bind the parties at the time of execution.
17. Further Assurances and Corrective Instruments. The County agrees that it will, from time to time, execute and deliver, or cause to be delivered, such amendments hereto and such further instruments as may be required by the OAG and the Department to comply with any existing or future State regulations, directives, policies, procedures, and other requirements, or to further the general purposes of this Agreement, including the form of Assurance of Compliance attached as Exhibit C.
18. Delay Does Not Constitute Waiver. No failure or delay of the OAG and the Department to exercise any right, power, or remedy consequent upon default shall constitute a waiver of any such term, condition, covenant, certification, or agreement of any such default or preclude the OAG and the Department from exercising any right, power, or remedy at any later time or times.
19. Waiver of Maryland's Access to Public Records Act.
  - a. The OAG and the Department intend to make available to the public certain information regarding this Agreement and the County. The information available to the public will include the County's name; the amount of the Program funds; and the uses of the funds, including, but not limited to (1) the location and purchase price of properties purchased for rehabilitation; (2) the aggregate amount of emergency mortgage assistance provided to homeowners and the number of homeowners who are assisted under the Program, by street block and Zip Code; and (3) the aggregate amount of down payment assistance provided to homebuyers and the number of homebuyers who are assisted under the Program, by street block and Zip Code. Some of this information may be confidential under Maryland's Public Information Act, State Government Article, Section 10-611 et seq., of the Annotated Code of Maryland ("Public Information Act"). The County hereby waives its rights under the Public Information Act with respect to this information.
  - b. The OAG and the Department desire to disclose information about this Agreement and the County to the Maryland General Assembly or other State officials or their staff, and local government officials or their staff. Such information may include date and amount of financial assistance awarded by the OAG and the Department; the terms of such financial assistance; use of funds; the sources, amounts, and terms of other funding used, including the County's capital contributions, if any; and copies of any reports that the County is required to provide the OAG and the Department. Some of this information may be confidential under the Public Information Act. The County has read and

Prince George's County, Maryland

understands this waiver of its rights, as evidenced by the initials of the County's authorized representative.

I have read and understand the above paragraph.

Signer Initials: TMH

WITNESS the hands and seals of the parties hereto with the specific intention of creating a document under seal.

WITNESS:

Francine E. Jones

PRINCE GEORGE'S COUNTY, MARYLAND

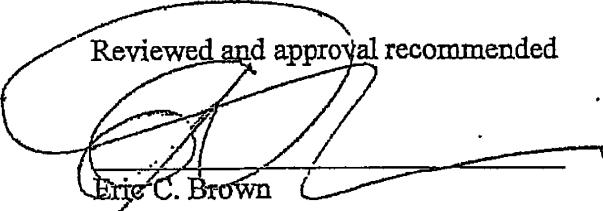
By: Thomas H. Himler (SEAL)

Thomas Himler  
Deputy Chief Administrative Officer  
for Budget, Finance and Administration

6/13/13

Date Executed on behalf of the County

Reviewed and approval recommended

  
Eric C. Brown  
Director,  
Prince George's Department of Housing and Community Development

Reviewed for Legal Sufficiency

April H. Womack  
Prince George's County Office of Law

Prince George's County, Maryland

MARYLAND DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT,  
a principal department of the State of Maryland

J. Pacholkin

By: Clarence Snuggs (SEAL)  
Clarence J. Snuggs, Deputy Secretary

7/2/13

Date Executed on behalf of the Department

Approved for form and  
legal sufficiency

Kantor  
Assistant Attorney General

OFFICE OF THE ATTORNEY GENERAL

Carol Wood Schubert

By: Katherine Winfree (SEAL)  
Katherine Winfree

7/14/13

Date Executed on behalf of the Office of the  
Attorney General (Effective Date)

Approved for form and  
legal sufficiency

Luanne Cardwell  
Assistant Attorney General

Prince George's County, Maryland

Exhibit A – Scope of Work

Exhibit A-1 – Down Payment Assistance Plan

Exhibit A-2 – Emergency Mortgage Assistance Plan

Exhibit A-3 – Acquisition/Rehabilitation Plan

Exhibit A-4 – Plan to re-use Program Income

Exhibit B – Budget, to be provided

Exhibit C – Assurance of Compliance

Exhibit D – Quarterly Reporting Form, to be provided

**EXHIBIT A**

**MORTGAGE SERVICING SETTLEMENT FUND  
AGREEMENT**

**Scope of Work**

The County, the OAG and the Department agree that the Program funds will be used to:

- Acquire foreclosed properties in identified Zip Codes that are vacant or abandoned for rehabilitation and sale or rental; and
- Assist first-time homebuyers in identified Zip Codes whose income meets certain qualifications to acquire homes by providing down payment and closing cost assistance; and
- Assist homeowners in identified Zip Codes facing a temporary hardship with emergency mortgage assistance; and
- Re-use income generated from the Program for similar neighborhood stabilization and revitalization purposes.

The County shall carry out the Scope of Work in accordance with the description of the Scope of Work described herein and incorporating by reference documents that the County has agreed to submit to the OAG and the Department including a Down Payment Plan, an Emergency Mortgage Assistance Plan, an Acquisition/Rehabilitation Plan, and a plan to re-use Program Income. The County shall notify the OAG and the Department in writing and discuss with the OAG and the Department any changes in the County's plans described in any of the documents incorporated by reference, and provide the OAG and the Department with any material modifications of the plans. The Program shall be carried out in accordance with the Scope of Work, except as may be agreed to by the parties.

The County is required to submit information to and receive approval from the Maryland Historical Trust for each house to be rehabilitated.

### Prince George's County, Maryland

## EXHIBIT B

## **MORTGAGE SERVICING SETTLEMENT FUND AGREEMENT**

## Budget

## Prince George's County Plan Budget Projection

**EXHIBIT C**

**ASSURANCE OF COMPLIANCE  
WITH EEO, CIVIL RIGHTS AND DRUG AND ALCOHOL FREE  
WORKPLACE REQUIREMENTS**

**PRINCE GEORGE'S COUNTY, MARYLAND HEREBY AGREES THAT IT  
WILL COMPLY WITH:**

**A.** Title VI of the Civil Rights Act of 1964 (the "Act"), as amended, to the end that, in accordance with Title VI of the Act, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant-Recipient receives financial or technical assistance from the Office of the Attorney General or the Department of Housing and Community Development of the State of Maryland.

**B.** Title VII of the Civil Rights Act of 1964, as amended, to the end that, in accordance with Title VII of that Act, it shall be an unlawful employment practice for an employer:

1. to fail or refuse to hire or to discharge any individual, or otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin;

2. to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's race, color, religion, sex, or national origin.

**C.** Title VIII of the Civil Rights Act of 1968, as amended, to the end that, it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States.

**D.** The Federal Fair Housing Amendments Act of 1988, 42 U.S.C. §3601 *et seq.*, as amended (the "Fair Housing Amendments Act"), to the end that it shall be unlawful to discriminate based on race, color, religion, sex, handicap, familial status, or national origin, in connection with rental, sales or financing of residential real property (as those terms are defined in the Fair Housing Amendments Act).

**E.** State of Maryland Governor's Code of Fair Employment Practices (as set forth in Executive Order 01.01.1995.19).

Prince George's County, Maryland

F. Article 49B of the Annotated Code of Maryland, as amended, which establishes the Maryland Human Relations Commission and prohibits discrimination in employment and residential housing practices.

G. State of Maryland Executive Order 01.01.1989.18 relating to drug and alcohol free workplaces for non-State entities, promulgated November 28, 1989.

H. The Department Secretary's Policy Statement on Equal Opportunity, to the end that, the Department shall not knowingly approve grants of financial or technical assistance to recipients who are engaged in discriminatory employment practices.

I. The Department Secretary's Minority Business Enterprise Program which establishes a program to provide opportunities for minority contractors and vendors to participate in Department Programs; and the minority business enterprise plan submitted by or on behalf of the County as approved by the Department's Equal Opportunity Officer, provided, however, that this Paragraph I shall not apply in the event that a statement is attached hereto from the County's equal opportunity officer stating that the general contractor is in compliance with local minority business participation programs or objectives.

J. 49 C.F.R. Part 24.

K. All other related applicable Federal and State laws, regulations, and rules.

**THE COUNTY HEREBY GIVES ASSURANCE THAT** it will immediately take any measures to effectuate this Agreement.

THIS ASSURANCE is given this 10th day of June, 2013 in consideration of and for the purpose of obtaining and shall continue for the period of any State financial or technical assistance extended after the date hereof to or on behalf of the County by the Office of the Attorney General and the Department of Housing and Community Development of the State of Maryland. The County recognizes and agrees that such State financial or technical assistance will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the County, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the County.

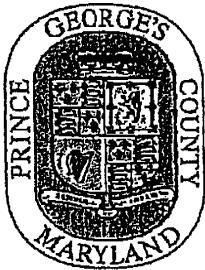
IN WITNESS WHEREOF, the parties hereto have executed this document as of the day and year first above written with the specific intention of creating a document under seal.

WITNESS:

James P. Johnson

PRINCE GEORGE'S COUNTY, MARYLAND

By: Franklin (SEAL)



Rushern L. Baker, III  
County Executive



Eric C. Brown  
Director

## Prince George's County Foreclosure Crisis Prevention, Intervention & Stabilization

**Submitted by:**

**Prince George's County Department of  
Housing and Community Development**

**October 9, 2012**

## Background

Since the foreclosure crisis began Prince George's County has been the jurisdiction to suffer the most foreclosures in the state of Maryland. According to the Maryland Foreclosure Taskforce Report, dated January 11, 2012, over 27% of all foreclosures filed for the third quarter of 2011 occurred in Prince George's County. By the end of the second quarter of 2012, the County's share of foreclosures had climbed to 28.3%.

The zip codes that have been most impacted are in those areas classified by the Maryland Department of Housing and Community Development (MD DHCD) as "hot spots." The MD DHCD Office of Policy, Planning and Research (OPPR) defines a foreclosure *"Hot Spots"* as a community that had more than ten foreclosure events in the current quarter and recorded a foreclosure concentration ratio of greater than 100. The bulk of the foreclosure *Hot Spots* are located in Prince George's County. The *Hot Spot* communities are further grouped into three broad categories: high, very high, and severe. The "high" foreclosure communities posted foreclosure indices that fall between 100 and 200. The "very high" category foreclosure Hot Spots posted foreclosure indices of 200-300. The "severe" Hot Spots are those communities with foreclosure indices exceeding 300.

A look at the first, second and third quarters of 2012 revealed that the following zip codes were included in the severe and very high hot spots.

20743 (Capitol Heights)

20746 (Suitland)

20706 (Lanham)

20745 (Oxon Hill)

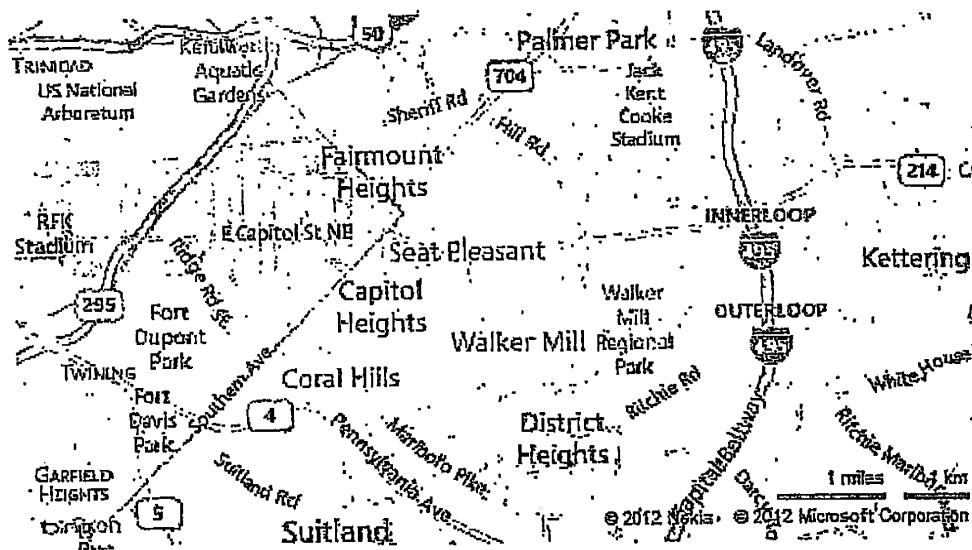
20747 (District Heights)

20772/74 (Upper Marlboro)

20748 (Temple Hills)

20744 (Fort Washington)

**20743 (Capitol Heights)** is designated as a severe foreclosure hot spot. The zip codes as of the third quarter of 2012 had a foreclosure index of 380 and a foreclosure rate of 95. The map below depicts the boundaries of the zip code.



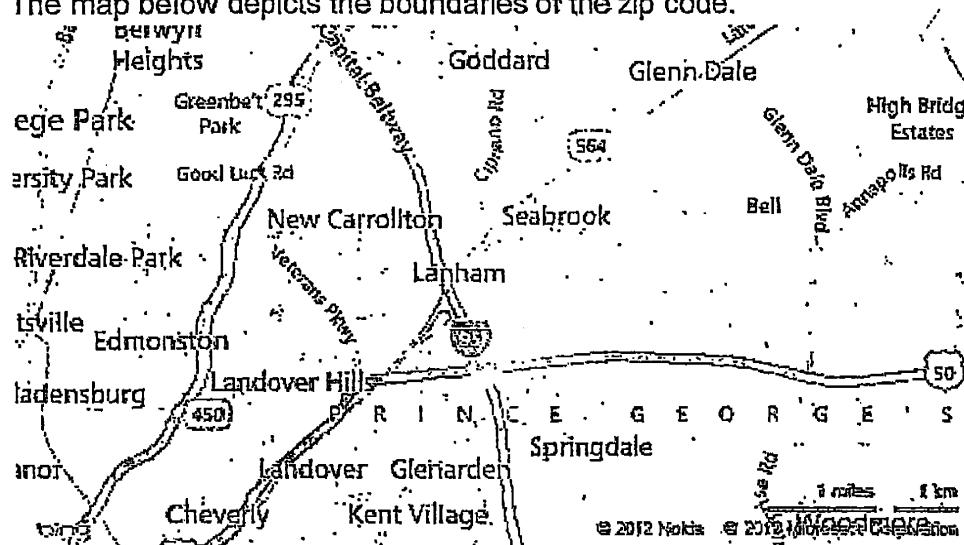
There are 10,320 residences in the zip code. Between the third quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$4332 in 2011 to \$5344 in 2012. The median days past due increased from 66 days in 2011 to 106 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 100. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$121,851; the average days on the market was 73 days and the number of homes sold was 29.

**20746 (Suitland)** is designated as a severe foreclosure hot spot. The zip codes as of the third quarter of 2012 had a foreclosure index of 346 and a foreclosure rate of 104. The map below depicts the boundaries of the zip code.



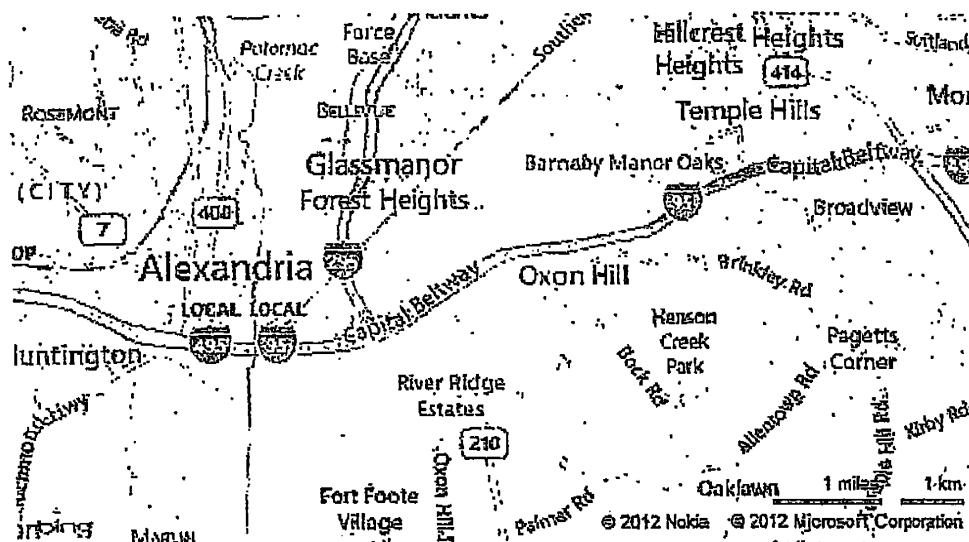
There are 5633 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$4594 in 2011 to \$5427 in 2012. The median days past due increased for 67 days in 2011 to 104 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 46. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$135,314; the average days on the market was 96 days and the number of homes sold was 15.

**20706 (Lanham)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2102 had a foreclosure index of 221 and a foreclosure rate of 163. The map below depicts the boundaries of the zip code.



There are 8777 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$5312 in 2011 to \$6704 in 2012. The median days past due increased from 66 days in 2011 to 87 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 57. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$187,055; the average days on the market was 82 days and the number of homes sold was 28.

**20745 (Oxon Hill)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2102 had a foreclosure index of 214 and a foreclosure rate of 168. The map below depicts the boundaries of the zip code.



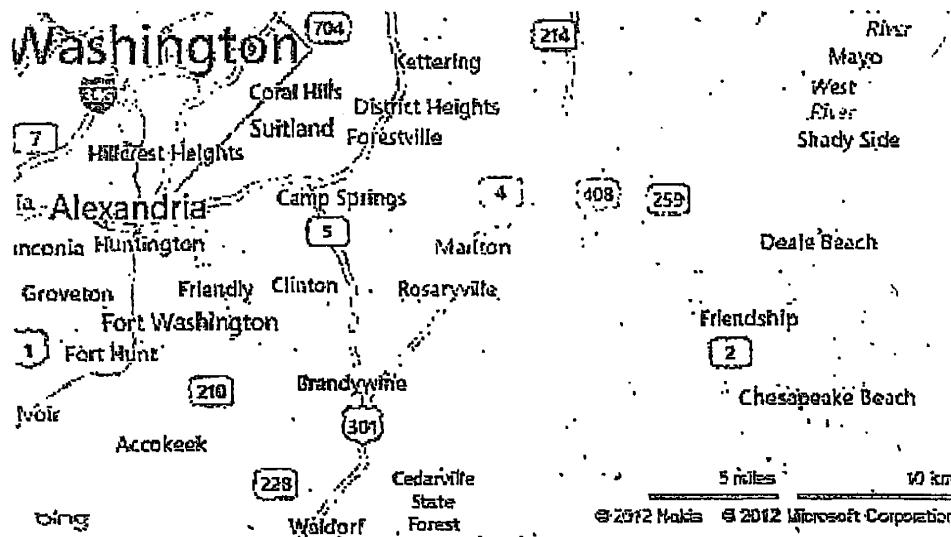
There are 6433 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$5192 in 2011 to \$6323 in 2012. The median days past due increased from 78 days in 2011 to 99 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 29. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$127,963; the average days on the market was 57 days and the number of homes sold was 26.

**20747 (District Heights)** is designated as a severe foreclosure hot spot. The zip codes as of the third quarter of 2012 had a foreclosure index of 331 and a foreclosure rate of 109. The map below depicts the boundaries of the zip code.



There are 7035 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$4425 in 2011 to \$5711 in 2012. The median days past due increased from 63 days in 2011 to 85 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 73. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$93,202; the average days on the market was 43 days and the number of homes sold was 28.

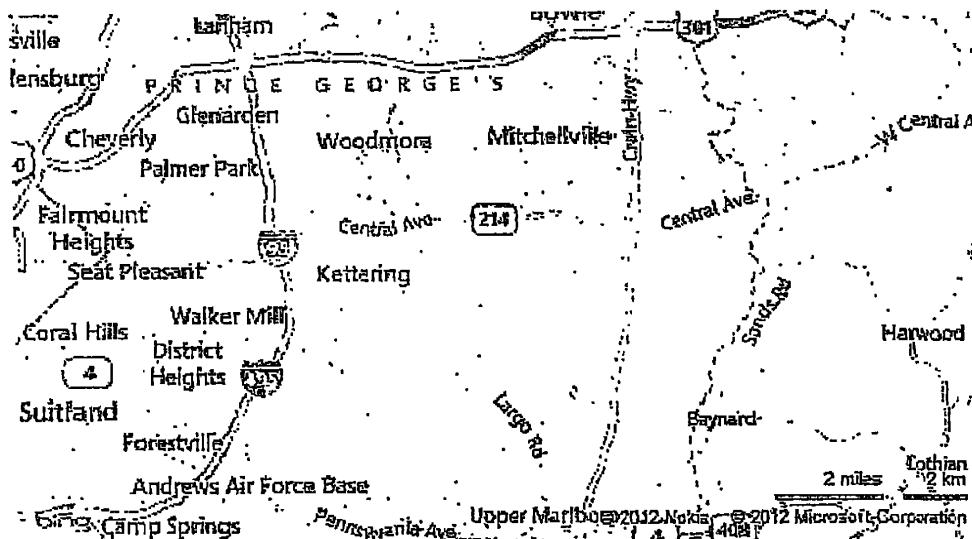
**20772 (Upper Marlboro)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2102 had a foreclosure index of 257 and a foreclosure rate of 140. The map below depicts the boundaries of the zip code.



There are 14,617 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$5864 in 2011 to \$7399 in 2012. The median days past due increased from 63 days in 2011 to 85 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 94. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$243,742; the average days on the market was 91 days and the number of homes sold was 46.

**20774 (Upper Marlboro)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2102 had a foreclosure index of 272 and a foreclosure rate of 133.

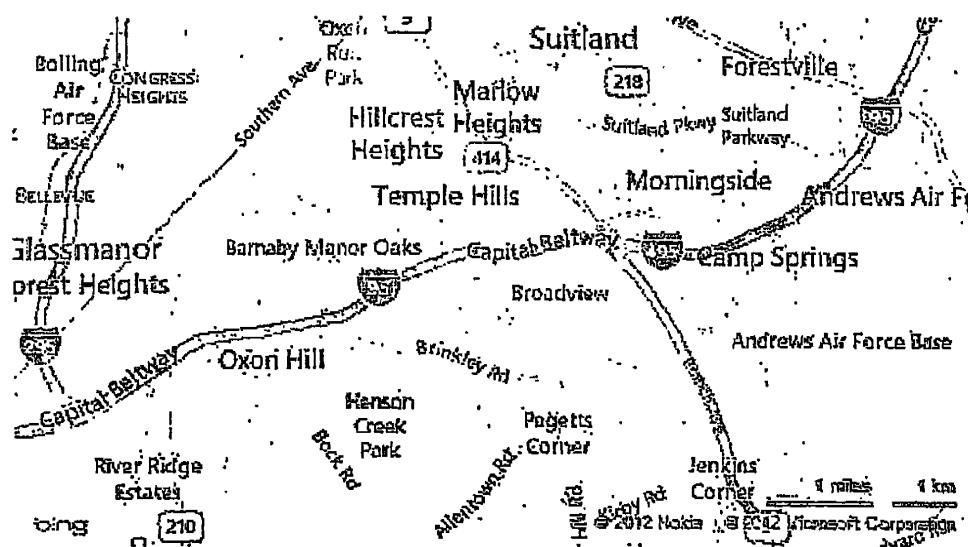
The map below depicts the boundaries of the zip code.



There are 14128 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$6254 in 2011 to \$7042 in 2012. The median days past due increased from 65 days in 2011 to 85 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 92. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$231,224; the average days on the market was 52 days and the number of homes sold was 38.

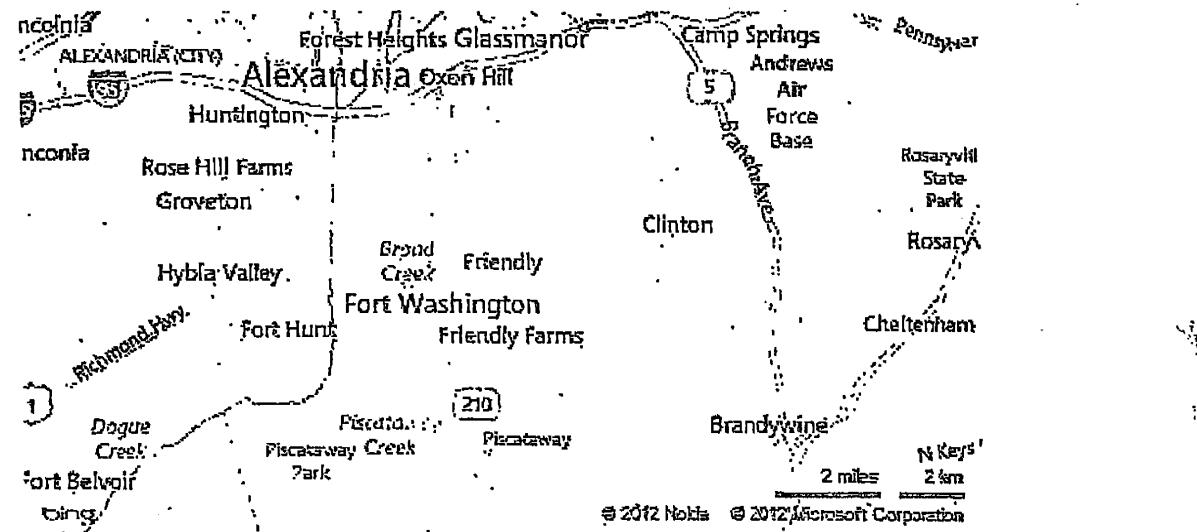
**20748 (Temple Hills)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2012 had a foreclosure rate of 286 and a foreclosure index of 126.

The map below depicts the boundaries of the zip code.



There are 10557 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$4511 in 2011 to \$4913 in 2012. The median days past due increased from 65 days in 2011 to 90 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 71. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$144,403; the average days on the market was 75 days and the number of homes sold was 23.

**20744 (Fort Washington)** is designated as a very high foreclosure hot spot. The zip codes as of the third quarter of 2102 had a foreclosure index of 249 and a foreclosure index of 145. The map below depicts the boundaries of the zip code.



There are 17,804 residences in the zip code. Between the thirds quarter of 2011 and the third quarter of 2012, the median amount to cure default rose from \$5517 in 2011 to \$6974 in 2012. The median days past due increased from 63 days in 2011 to 87 day in 2012. The Maryland DHCD third quarter report reveals that the number of foreclosure in this zip code was 105. Real Estate Business Intelligence report for the month of October 2012 reveals that the average sales price for the month was \$200,492; the average days on the market was 87 days and the number of homes sold was 38.

## **Project Description**

No one benefits from a foreclosure and with the Attorney General's Mortgage Settlement Funds, Prince George's County can help borrowers who want to stay in their homes through education and resource assistance as well as provide neighborhood stabilization to those areas in the County that have suffered a high number of foreclosures. The County proposes to use the Attorney General Settlement Funds to address foreclosure in a comprehensive manner focusing on prevention, intervention and stabilization.

### **Prevention**

The County's approach to foreclosure prevention is to identify the families at the earliest possible point. This will be done using a myriad of approaches including homeownership education, financial literacy training and extensive marketing and community outreach.

Homeownership education will be specifically linked to the County's Down Payment Assistance and closing cost program. The program require that any family receiving down payment assistance and closing cost attend 8 hours of homebuyer education training conducted by a certified housing counseling agency.

Financial literacy will involve a series of seminars conducted in partnership with the faith based community and the community college. The County proposed to conduct 2 seminars per year for each of the three years of the program.

Marketing and outreach is a crucial component of prevention. This is especially true in the African American and immigrant communities. Outreach will involve a myriad of approaches including foreclosure outreach events, electronic media (i.e. radio and television), print media (i.e. newspapers, bus shelters billboards, bus backs, magazines) and social media (i.e. Facebook, twitter).

To effectively target and coordinate a consistent and efficient marketing effort, the County will utilize its media and communications staff resources. The County will seek grants from regional and national foundations to cover the cost associated with

marketing material and advertising. To the greatest extent feasible the County will partner with Maryland DHCD, financial institutions and community based groups on outreach efforts.

USES OF FUNDS BY ACTIVITY	SOURCES OF FUNDS			TOTALS BY ACTIVITY	STATUS OF OTHER FUNDING *		
	AG Settlement	Applicant's Contribution	Identify Other Sources		Amount	Amount from other sources	Funding Status (C, R, or I)
Prevention							
Financial Literacy Seminars <i>Two per year for three years (\$40,000/year)</i>	\$ 0	\$120,000 two per for three years  (\$40,000/year)		\$	\$		
Homeownership education	\$	\$		\$	\$		
Marketing and outreach County Staff  PIO :\$100,000 X45% X 3 yrs  Outreach Spec. \$80,000X75% X 3yrs		\$135,000  \$180,000					
<b>TOTALS - BY SOURCES OF FUNDS</b>	<b>\$0</b>	<b>\$435,000</b>		<b>\$0</b>	<b>\$0</b>		

## Intervention

The County's intervention approach includes direct intervention at the earliest possible point. The County proposes to identify those families that have received a Notice of Intent (NOI). The NOI is the preliminary step to foreclosure. According to the Maryland Department of Labor, Licensing and Regulations', in July, 2012, twenty two percent (22%) of the families receiving NOIs were located in Prince George's County. Those families receiving the NOIs were an average of 201 days past due on their mortgage.

After identifying those families receiving a NOI, the County proposes, through its marketing and outreach efforts, to: (1) advise the families of assistance resources including housing counselors, pro bono attorneys, etc; (2) inform the families of pre-file mediation option and the opportunities for financial literacy education opportunities and (3) provide translation services, if needed.

Recent DLLR data has revealed that in Prince George's County Bank of America and GMAC had the highest median mortgage delinquency of 156 and 155 delinquency days respectively. The median amount to cure as of the third quarter was GMAC and Bank of America mortgage holders was \$11,182 and \$9343 respectively. Data from DLLR suggest that in the targeted zip codes, the median days delinquent range from 85 days to 106 days while the median amount to cure range from less than \$5000 to approximately \$7100. It is the County's belief that near term assistance in the form of emergency mortgage assistance could have measurable impact and potentially intervene in circumstance that could have a positive outcome for the family and the County. The County proposes to utilize \$2,000,000 of the settlement funds to assist 200 families in the target area. The emergency assistance would not exceed \$10,000.

The Emergency Mortgage Assistance would be made available to homeowner's living in target areas that are delinquent on their mortgage or anticipate becoming delinquent due to a temporary financial hardship beyond their control. The Emergency Mortgage Assistance loan will be a onetime payment to bring the homeowner's delinquent mortgage current. As a condition of the loan, the homeowner would be required keep the County informed of their financial status and recertify their income annually. Repayment will not begin until finances permit. Interest will not accrue on the loan until it is scheduled for repayment. The loan is to be repaid as a 30 year fixed rate mortgage.

The terms and conditions of the Emergency Mortgage Assistance would include the following

- Temp and financial hardship.
- The property amount the owner occupied.
- Emergency Mortgage Assistance must be secured by a homeowner's primary residence.

- Homeowner must not have sufficient assets at their disposal to alleviate the financial hardship.
- Homeowner's inability to make the mortgage must be due to either a financial hardship resulting in a reduction of income or an increase in expenses or significant increase in the monthly mortgage payment amount required by the lenders.
- Homeowner must be 60 day delinquent or be in receipt of delinquency notice from current mortgage lender which indicates intent to initiate foreclosure proceedings.
- Homeowner's that have contacted lenders in an effort to correct delinquency but were unsuccessful or were unable to honor a negotiated repayment plan due to unforeseen financial hardship.
- Except for the current delinquency, the Homeowner must have a favorable mortgage credit history for previous two years.
- There must be a reasonable expectation that homeowners will be able to reinstate mortgage and repay Emergency Mortgage Assistance.

USES OF FUNDS BY ACTIVITY	SOURCES OF FUNDS			TOTALS BY ACTIVITY	STATUS OF OTHER FUNDING *	
	AG Settlement	Applicant's Contribution	Identify Other Sources		Amount	Amount from other sources
Emergency Mortgage Assistance 200 families @ a maximum of \$10,000	\$ 2,000,000			\$2,000,000	\$	
	\$	\$		\$	\$	
<b>TOTALS - BY SOURCES OF FUNDS</b>	<b>\$2,000,000</b>	<b>\$</b>		<b>\$2,000,000</b>	<b>\$</b>	

## Stabilization

The County stabilization efforts will focus on the acquisition, rehabilitation, sale and/or rental of vacant and abandoned foreclosed properties and REOs and providing Down Payment Assistance and Closing Cost in those zip codes identified by the Maryland Department of Housing and Community Development (MD DHCD) as severe or very high hot spots. Those zip codes include: (See Attachment A for Map)

- 20743 (Capitol Heights)
- 20746 (Suitland)
- 20706 (Lanham)
- 20745 (Oxon Hill)
- 20747 (District Heights)
- 20772/74 (Upper Marlboro)
- 20748 (Temple Hills)
- 20744 (Fort Washington)

The Attorney General's Mortgage Settlement Fund will enable the County to build on a successful model whereby the County was able to purchase and rehabilitate and sell 26 foreclosed properties in over thirty zip codes as well as provide Down Payment Assistance and Closing Cost to approximately 700 families. It is believed that the more targeted efforts will be much more impactful. The County proposes to utilize the Attorney General's Mortgage Settlement Fund to acquisition, rehabilitation and resale of 49 foreclosed properties in the targeted zip codes. In addition, the County proposes to use the funds to provide down payment assistance and closing cost to 600 families in the targeted zip codes. To achieve these targets, the settlement funds will be used in tandem with other County resources that target stabilization of neighborhoods including but not limited to NSP 3 and Buy Suitland funds.

## Acquisition Rehab

The property acquisition process will involve the identification of foreclosed properties in the targeted areas. The properties are identified through a variety of sources, financial institution's REO, RealtyTrac, local realtors. The identified properties are evaluated by a team consisting of construction specialist, program managers, and underwriters. The team evaluates the properties location, market conditions in the location, condition of the property, cost to rehab the property to the County's established standards, and potential resale price after rehab, sale prices in the areas, average days on the market.

Based on the team's evaluation a decision is made to acquire the property and rehabilitate. The proceeds from the sale of homes using settlement funds will be placed in the Housing Investment Trust Fund and used to acquire additional property for rehab and resale.

#### Down Payment Acquisition and Closing Cost

The County has operated a very successful Down-payment Assistance Program for a number of years. Through this program the County has assisted over 700 families. The requirements for the program are as follows:

- First-time homebuyer
- Pre-approved for a first mortgage
- Attend 8 hours housing counseling course conducted by a HUD certified Housing counselor.
- Debt to income ratio does not exceed 45%
- Income up to 80% Area Median
- Income up to 120% Area Median (in targeted zip codes and using settlement funds)

The current program provides a loan up to 5% of final purchase price. The recipient must contribute 1.75% of the final purchase price or 50% of liquid assets over \$3000 whichever is greater. The loans term is for 10 years. The interest rate will be 0% with deferred payment. However in the event of default the outstanding balance, will accrue an interest rate of 5.75%.

USES OF FUNDS BY ACTIVITY	SOURCES OF FUNDS			TOTALS BY ACTIVITY	STATUS OF OTHER FUNDING *	
	AG Settlement	Applicant's Contribution	Identify Other Sources		Amount from other sources	Funding Status (C, R, or I)
Acquisition, Rehabilitation, resale (49 homes)	\$ 3,000,000	\$1,500,000		\$4,500,000	\$	
Down Payment Assistance and Closing Cost for 600 families	\$5,000,000	\$2,000,000		\$7,000,000	\$	
<b>TOTALS - BY SOURCES OF FUNDS</b>	<b>\$8,000,000</b>	<b>\$3,500,000</b>		<b>\$11,500,000</b>	<b>\$</b>	

## BUDGET SUMMARY

USES OF FUNDS BY ACTIVITY	SOURCES OF FUNDS			TOTALS BY ACTIVITY	STATUS OF OTHER FUNDING *	
	AG Settlement	Applicant's Contribution	Identify Other Sources	Amount	Amount from other sources	Funding Status (C, R, or I)
Prevention	\$	\$435,000		\$435,000	\$	
Intervention	\$2,000,000	\$0		\$2,000,000	\$	
Stabilization	\$8,000,000	\$3,500,000		\$11,500,000		
<b>TOTALS - BY SOURCES OF FUNDS</b>	<b>\$10,000,000</b>	<b>\$3,935,000</b>		<b>\$13,935,000</b>	<b>\$</b>	

## Performance Measures

The following are the performance measures that will be used for each component of the project:

### Preventions

- Attendance per outreach event to include: financial literacy training; homeownership training; and specific outreach events for immigrant populations

### Intervention

- Number of families counseled
- Number of counseled families with positive outcomes
- Reduction in average number of days past due in targeted zip codes

### Stabilization

- Reduction of foreclosed properties in targeted zip codes
- Increase in median sales price of homes in the targeted zip codes
- Reduction in the number of days a house is on market in the targeted zip codes
- Reduction in vacancy rate in the targeted zip codes
- Reduction in Part I and Part II crime in the targeted zip codes

## **Mortgage Settlement Funds Property Selection Criteria**

The following are Guiding Principles for Selection of Mortgage Settlement Funds Properties:

### **THRESHOLD CRITERIA**

1. Property is a vacant foreclosure or owner occupied short sale.
2. Property is located in one of targeted Mortgage Settlement Fund zip codes

### **OTHER THRESHOLD CONSIDERATIONS**

1. Property is located in close proximity to bus line or metro station.
2. Property is three or more bedrooms.
3. Property is the cause of or contributes to blight on a street with well maintained homes.
4. Property is situated on corner lot or neighborhood gateway.
5. There is an opportunity to acquire several houses for rehabilitation on same street with near other houses rehabbed by the County or partner.
6. Staff assessment of property deficiencies and estimated rehab costs indicate that property's rehabilitation costs will not exceed \$80,000.
7. The most recent six month historical sales trends in neighborhood indicate that property can be sold at least for acquisition and estimated rehab costs.
8. Property has "good bones" or no major structural defects.
9. If property meets the threshold and has structural defects, a determination will be made as whether the property can be sold for at least for estimated acquisition and rehab costs, including correcting structural defects (i.e., foundations). If not, a determination will be made as to other compelling County interests necessitate proceeding.

### **PROPERTY SELECTION PROCESS**

Each Project Construction Manager identifying a property for potential acquisition shall:

1. Complete Rehabilitation Needs Check list.
2. Develop an estimated rehabilitation budget, using approved estimating tool. The staff is currently using RS Means estimating software.
3. Research neighborhood sale trends.
4. Address Criteria above & make presentation to Property Selection Committee.

Property Selection Committee consists of all Project Construction Managers, the Homeownership Inspector and Program Manager. The Property Selection Committee must agree on a recommendation for acquisition and make recommendation to the Director.

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### Emergency Mortgage Assistance Selection Criteria

- Temporary financial hardship beyond homeowner's control.
- Emergency Mortgage Assistance must be secured by a homeowner's primary residence
- Homeowner must be occupying the home
- The property must be a single family home, condominium or townhouse
- Homeowner must not have sufficient assets at their disposal to alleviate the financial hardship.
- Homeowner's inability to make the mortgage must be due to either a financial hardship resulting in a reduction of income or an increase in expenses or significant increase in the monthly mortgage payment amount required by the lenders.
- Homeowner must be 60 day delinquent or be in receipt of delinquency notice from current mortgage lender which indicates intent to initiate foreclosure proceedings.
- Homeowner's that have contacted lenders in an effort to correct delinquency but were unsuccessful or were unable to honor a negotiated repayment plan due to unforeseen financial hardship.
- Except for the current delinquency, the Homeowner must have a favorable mortgage credit history for previous two years.
- There must be a reasonable expectation that homeowners will be able to reinstate mortgage and repay Emergency Mortgage Assistance.

**F. 2011 URBAN INSTITUTE STUDIES ON  
FORECLOSURES IN PRINCE GEORGE'S COUNTY**

# Foreclosure Indicators by Servicer in Prince George's County

This is an overview of the Notices of Intent to Foreclose (NOIs) issued between July 1, 2011 and June 30, 2012 by the top six servicers (as determined by the volume of NOIs issued) in Prince George's County, compiled by NeighborhoodInfo DC. The data are derived from NOIs, which are filed by mortgage servicers before initiating the foreclosure proceedings against a delinquent homeowner. (See below for definitions and sources.)

## Notices of Intent to Foreclose for the Top Six Servicers in Prince George's County

Indicator	Bank of America	Wells Fargo	JPMorgan Chase	Citi	IndyMac Bank	GMAC
Median Amount to Cure	\$9,343	\$4,363	\$6,306	\$4,801	\$7,645	\$11,182
Median Days Delinquent	155	47	83	57	94	156
Share of all Notices	35.5%	14.8%	14.0%	6.9%	2.9%	2.9%

### Share of All Notices of Intent to Foreclose

- Bank of America had the greatest share (35.5%) of all NOIs issued in Prince George's County from July 1, 2011 through June 30, 2012. Wells Fargo had the second greatest share (14.8%) and JPMorgan Chase had the third greatest share (14.0%). Citi (6.9%), IndyMac Bank (2.9%), and GMAC (2.9%) rounded out the top six servicers with NOIs issued in Prince George's County.
- From July 1, 2011 through June 30, 2012, Bank of America had the greatest share of NOIs in all ZIP codes in Prince George's County.

### Geographic Concentration of Servicer's Notices of Intent to Foreclose

- The geographic distribution of NOIs issued by a given servicer is similar across all servicers.
- All servicers show a concentration of NOIs in the central part of the county.

### Median Amount to Cure

- From July 1, 2011 through June 30, 2012, the median homeowner receiving a NOI serviced by GMAC owed \$11,182 in late mortgage payments, fees, and penalties at the time of the notice – the highest amount of all servicers.
- From July 1, 2011 through June 30, 2012, the median homeowner receiving a NOI serviced by Wells Fargo owed the lowest amount to cure (\$4,363) and homeowners receiving a NOI serviced by Citi owed the next lowest amount to cure (\$4,801).

### Median Days Delinquent

- From July 1, 2011 through June 30, 2012, the median NOI issued by GMAC was 156 days delinquent – the highest of all servicers – followed closely by Bank of America whose median NOI was 155 days delinquent.
- From July 1, 2011 through June 30, 2012, the median NOI issued by Wells Fargo was 47 days delinquent – the lowest of the top six servicers.
- Median amounts to cure were correlated with median days delinquent. Servicers with higher median days delinquent also had larger median amounts to cure; servicers with lower median days delinquent had smaller median amounts to cure. This could indicate that banks with higher median days delinquent and median amounts to cure, such as GMAC and Bank of America, initiated foreclosure proceedings later than other banks.

### *About the Data*

The data consist of Notices of Intent to Foreclose (NOIs), the stage of the foreclosure process in which mortgage-servicing banks notify homeowners of the initiation of foreclosure proceedings. Maryland statute requires mortgage servicers to report all NOIs to the Department of Labor, Licensing and Regulation (DLLR), which provides NeighborhoodInfo DC with access to the data.

All Cure Amounts and Days Delinquent are median numbers, as of the time the NOI was sent to the homeowner.

#### *Median Amount to Cure by Servicer*

The median dollar amount by which loans are behind current at the time the notice is received, for the given time period.

#### *Median Days Delinquent*

The median number of days by which loans are behind on payments at the time the notice is received, for the given time period.

#### *Share of All Notices of Intent to Foreclose*

The number of NOIs issued by a given servicer as a share of all NOIs issued, for the given time period.

#### *Geographic Concentration of Servicer's Notices of Intent to Foreclose*

The number of NOIs issued by a given servicer as a share of all NOIs issued by the given servicer, for the given time period.

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Since the start of the national foreclosure crisis, Neighborhood Info DC has monitored the activity and health of the Washington, DC, region's housing market. Its analysis extended in 2011 into Prince George's County, Maryland, an inner-ring suburb. NeighborhoodInfo DC receives funding from local and national sources, who provide general support and fund specific projects and products. Current and previous funders include the Annie E. Casey Foundation, DC Action for Children, Fannie Mae, the Meyer Foundation, the Morris & Gwendolyn Cafritz Foundation, the Washington Area Women's Foundation, and the World Bank.

For more data, maps, and other information, visit <http://www.NeighborhoodInfoDC.org/PrinceGeorges>.

Rebecca Grace, Graham MacDonald, Tim Meko, and Peter A. Tatian contributed to this piece.

PRINCE GEORGE'S COUNTY, MARYLAND

# Share of all Notices of Intent to Foreclose

For notices of intent to foreclose issued between July 1, 2011 and June 30, 2012

5% 10% 15% 20% 25% 30% 35%

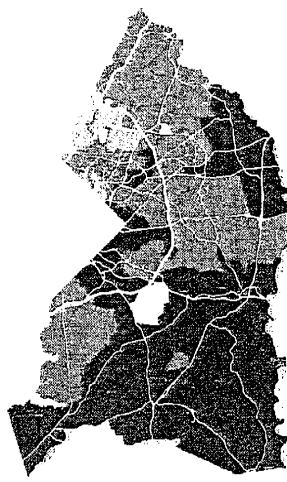
Fewer than 10 observations

## Bank of America



Share of All County Notices of Intent: 35.5%  
11,467 notices

## Wells Fargo



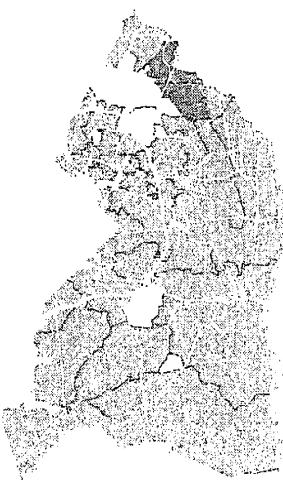
Share of All County Notices of Intent: 14.8%  
4,772 notices

## JPMorgan Chase



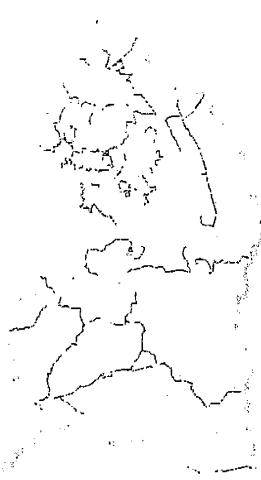
Share of All County Notices of Intent: 14.0%  
4,524 notices

## Citi



Share of All County Notices of Intent: 6.9%  
2,234 notices

## IndyMac Bank



Share of All County Notices of Intent: 2.9%  
932 notices

## GMAC



Share of All County Notices of Intent: 2.9%  
924 notices

PRINCE GEORGE'S COUNTY, MARYLAND

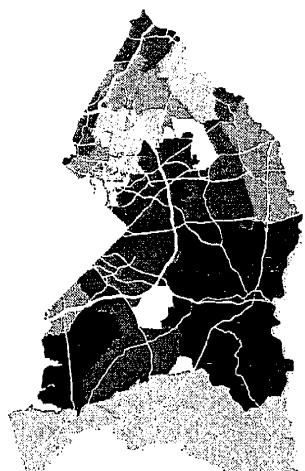
# Geographic Concentration of Servicer's Notices to Foreclose

*For notices of intent to foreclose issued between July 1, 2011 and June 30, 2012*

1% 2% 3% 4% 5% 6% 7%

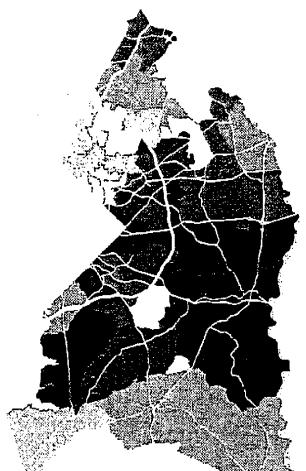
Fewer than 10 observations

**Bank of America**



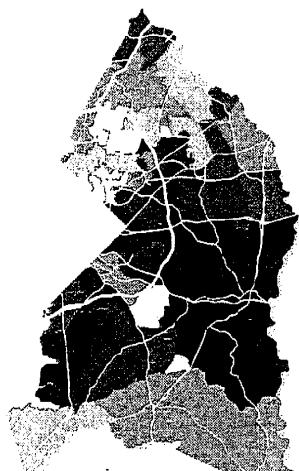
11,467 notices

**Wells Fargo**



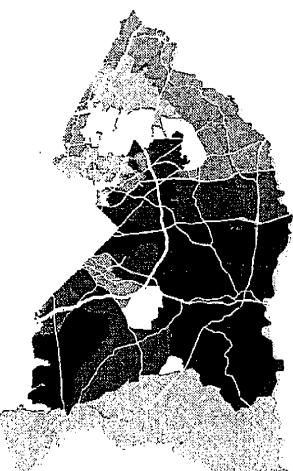
4,772 notices

**JPMorgan Chase**



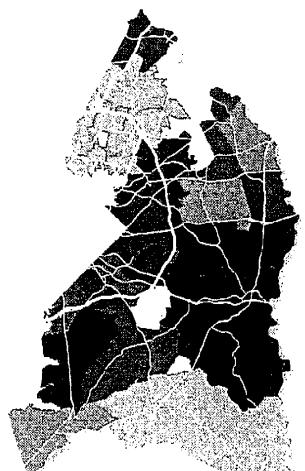
4,524 notices

**Citi**



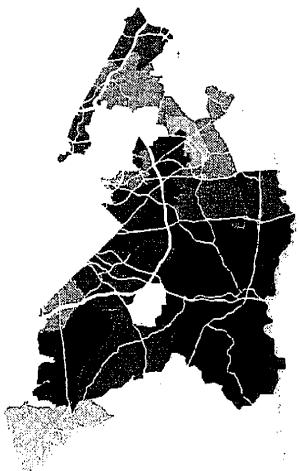
2,234 notices

**IndyMac Bank**



932 notices

**GMAC**



924 notices

PRINCE GEORGE'S COUNTY, MARYLAND

# Median Days Delinquent

For notices of intent to foreclose issued between July 1, 2011 and June 30, 2012

60 80 100 120 140 160 180

Fewer than 10 observations

## Bank of America



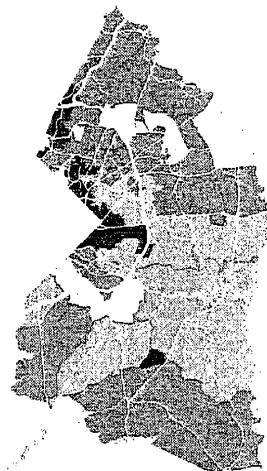
County Median: 155 days  
11,467 notices

## Wells Fargo



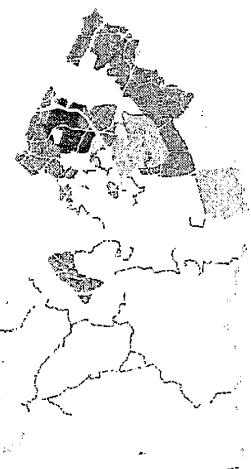
County Median: 47 days  
4,772 notices

## JPMorgan Chase



County Median: 83 days  
4,524 notices

## Citi



County Median: 57 days  
2,234 notices

## IndyMac Bank



County Median: 94 days  
932 notices

## GMAC



County Median: 156 days  
924 notices

PRINCE GEORGE'S COUNTY, MARYLAND

# Median Amount to Cure

For notices of intent to foreclose issued between July 1, 2011 and June 30, 2012

\$4,250 \$5,500 \$6,750 \$8,000 \$9,250 \$10,500 \$11,750

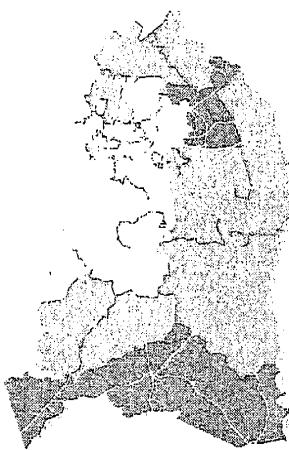
Fewer than 10 observations

## Bank of America



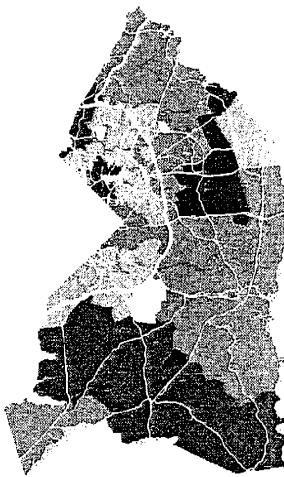
County Median: \$9,343  
11,467 notices

## Wells Fargo



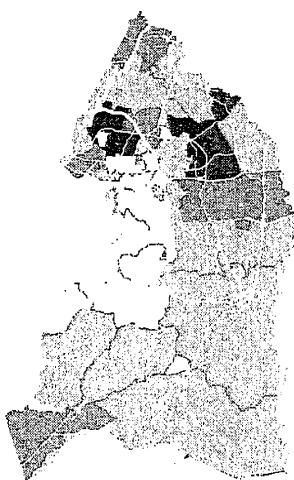
County Median: \$4,363  
4,772 notices

## JPMorgan Chase



County Median: \$6,306  
4,524 notices

## Citi



County Median: \$4,801  
2,234 notices

## IndyMac Bank



County Median: \$7,645  
932 notices

## GMAC



County Median: \$11,182  
924 notices

## Foreclosures in Prince George's County: 2011

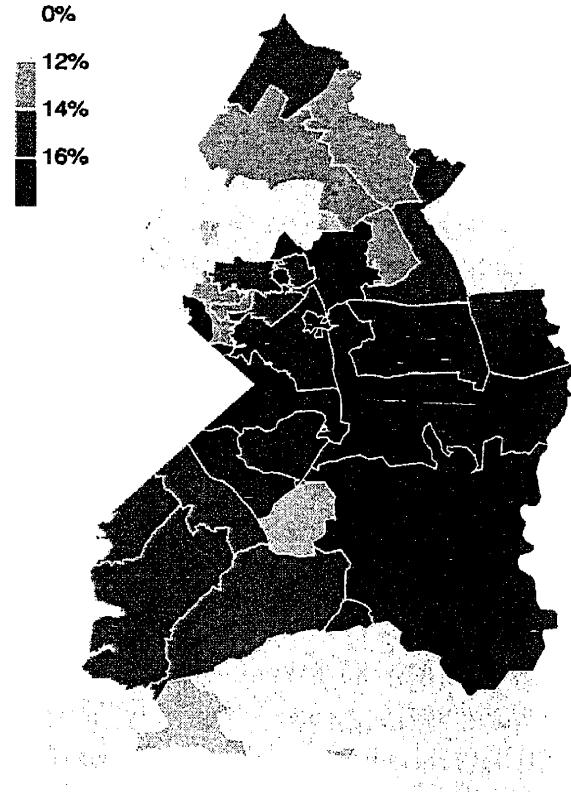
The housing crisis hit Prince George's County hard compared to the nation overall, and Prince George's was the most affected county in the Washington, DC, region. By 2011, two years after the official end of the recession, the Prince George's foreclosure rate, at 5.3 percent, was nearly twice the rate for the region overall and nearly 7 times higher than that of Arlington, Virginia (the lowest in the region).<sup>1</sup> The crisis's persistence received new attention in the spring of 2012 when the attorneys general of 49 states and the District of Columbia reached a \$26 billion settlement with the nation's five largest mortgage-servicing institutions. The settlement allocated nearly \$1 billion to Maryland, much of which will be used for mortgage modifications, foreclosure counseling, and educational outreach.

Making sure that these new funds are used effectively to assist struggling homeowners will be a challenge, and it will be important to target and deploy the settlement resources carefully. This is no less crucial in Prince George's County, a diverse community with areas of relative poverty, relative wealth, and different local housing markets. Some parts of the county will require solutions that would not be suitable in others, and residents will be best served if elected officials, community organizations, and housing counselors coordinate their efforts for the greatest impact. The data in this brief and on NeighborhoodInfo DC's web site, <http://www.NeighborhoodInfoDC.org/>, provide useful tools for the targeting necessary to bring the settlement money where it is most needed.

### Summary of Findings

- In 2011 in Prince George's County, 33,439 single-family detached, townhome, and condominium residences out of 219,873 (approximately 15 percent) received notices of intent to foreclose (NOIs) from mortgage servicers.
- Countywide, the median borrower receiving a NOI in 2011 was 79 days delinquent on mortgage payments at the time the notice was issued.
- The median borrower in the county receiving a NOI in 2011 owed \$6,400 in late mortgage payments, fees, and penalties at the time of the notice.
- The majority of NOIs (67 percent) came from five mortgage servicers: Bank of America, Wells Fargo, Citi, JPMorgan Chase, and Ally/GMAC.

**Figure 1. Notices of Intent to Foreclose as Percentage of Residences by ZIP Code, Prince George's County, 2011**



Grey indicates no data are available for that ZIP code.

Source: Maryland Department of Labor, Licensing, and Regulation (DLLR) data compiled by NeighborhoodInfo DC.

## Notice of Intent to Foreclose

This brief utilizes notice of intent to foreclose (NOI) data gathered from Maryland's Department of Labor, Licensing, and Regulation (DLLR). NOIs result when mortgage-servicing banks notify delinquent homeowners that foreclosure proceedings are being initiated.<sup>2</sup> Maryland statute requires mortgage servicers to report all NOIs to DLLR. In 2011, DLLR agreed to share the NOI data with NeighborhoodInfo DC to facilitate reporting of the information and to allow local jurisdictions use of these data to promote better county and local responses to the foreclosure crisis.

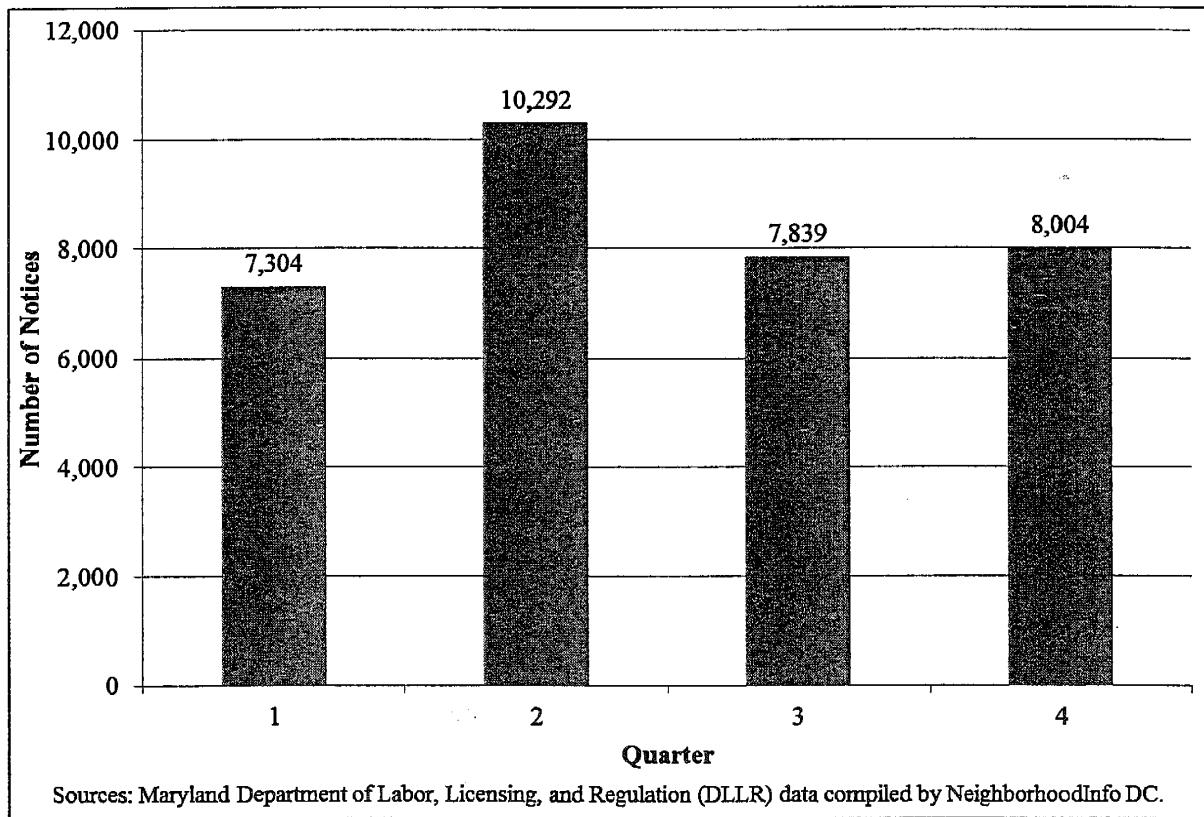
The NOI data received by NeighborhoodInfo DC include the ZIP code where the affected property is located, the date the notice was received, the number of days the loan is delinquent at the time of the notice, the total dollar amount of overdue payments along with penalties and fees the servicer has assessed, and the names of the entities that originated and currently service the loan. NeighborhoodInfo DC has started processing these data on a quarterly basis to create indicators of foreclosure activity for Prince George's County; this brief is our first public presentation of these data.

The NOI data do not include information about foreclosure sales or completions, so we do not know how many homeowners receiving a NOI will eventually lose their homes. It is entirely possible (indeed very likely) those homes receiving a NOI will remain in the foreclosure process for several months before reaching a resolution. The average time a residential property in Maryland remained in the foreclosure process was 634 days in the fourth quarter of 2011,<sup>3</sup> which is currently among the longest foreclosure timelines in the country.

In 2011, 33,439 single-family detached, townhome, and condominium residences in Prince George's County received a NOI from a mortgage servicer. More than 1 in 7 (15 percent) of the county's 219,873 residences entered foreclosure proceedings last year (figure 1). NeighborhoodInfo DC's most recent *Foreclosure Monitor* previously reported that the Prince George's foreclosure crisis was the most acute in the region.<sup>4</sup>

During 2011 NOI volumes (figure 2) and rates—NOIs per 100 residences—did not vary much by quarter. Countywide, there were approximately 8,000 NOIs in each quarter, with the exception of the second, which saw 10,292.

**Figure 2. Notices of Intent to Foreclose, Prince George's County, 2011**



The story changes significantly however when considering differences by ZIP code (figure 1 and table 1; map of ZIP codes is provided in figure 8). ZIP codes in the southern beltway region and the less-populated eastern part of the county experienced particularly high NOI rates (the percentage of all residences in the ZIP code who received a NOI). For example, ZIP code 20747 (in Forestville) had the highest NOI rate at 25.7 percent, that is, one in every four residences in that ZIP code received a NOI in 2011 (table 1). ZIP code 20716 (in Bowie) ranked second with a rate of 21.8 percent.

**Table 1. Top and Bottom 10 Zip Codes by Notices of Intent to Foreclose as Percentage of Residences, Prince George's County, 2011**

Top 10 Zip Codes by Notices of Intent to Foreclose per 100 Residences, 2011			Bottom 10 Zip Codes by Notices of Intent to Foreclose per 100 Residences, 2011		
ZIP CITY	ZIP	NOI Rate	ZIP CITY	ZIP	NOI Rate
FORESTVILLE	20747	25.7	AQUASCO	20608	6.0
BOWIE	20716	21.8	COLLEGE PARK	20740	6.9
LANDOVER	20785	21.4	BOWIE	20715	8.5
CAPITOL HEIGHTS	20743	19.2	HYATTSVILLE	20782	9.7
BOWIE	20721	19.0	GREENBELT	20770	10.5
UPPER MARLBORO	20772	18.7	BRANDYWINE	20613	10.5
LANHAM	20706	17.6	ACCOKEEK	20607	10.7
CHELTENHAM	20623	17.4	MOUNT RAINIER	20712	11.7
SUITLAND	20746	17.3	HYATTSVILLE	20783	11.8
BRENTWOOD	20722	17.0	LAUREL	20708	12.2

Some ZIP codes like 20623 (in Cheltenham) had high rates (17.4 percent) with very few residences (992 total residences). In contrast, ZIP codes like 20772 (in Upper Marlboro) had both high rates (18.7 percent) and many residences receiving a notice (14,579 total residences).

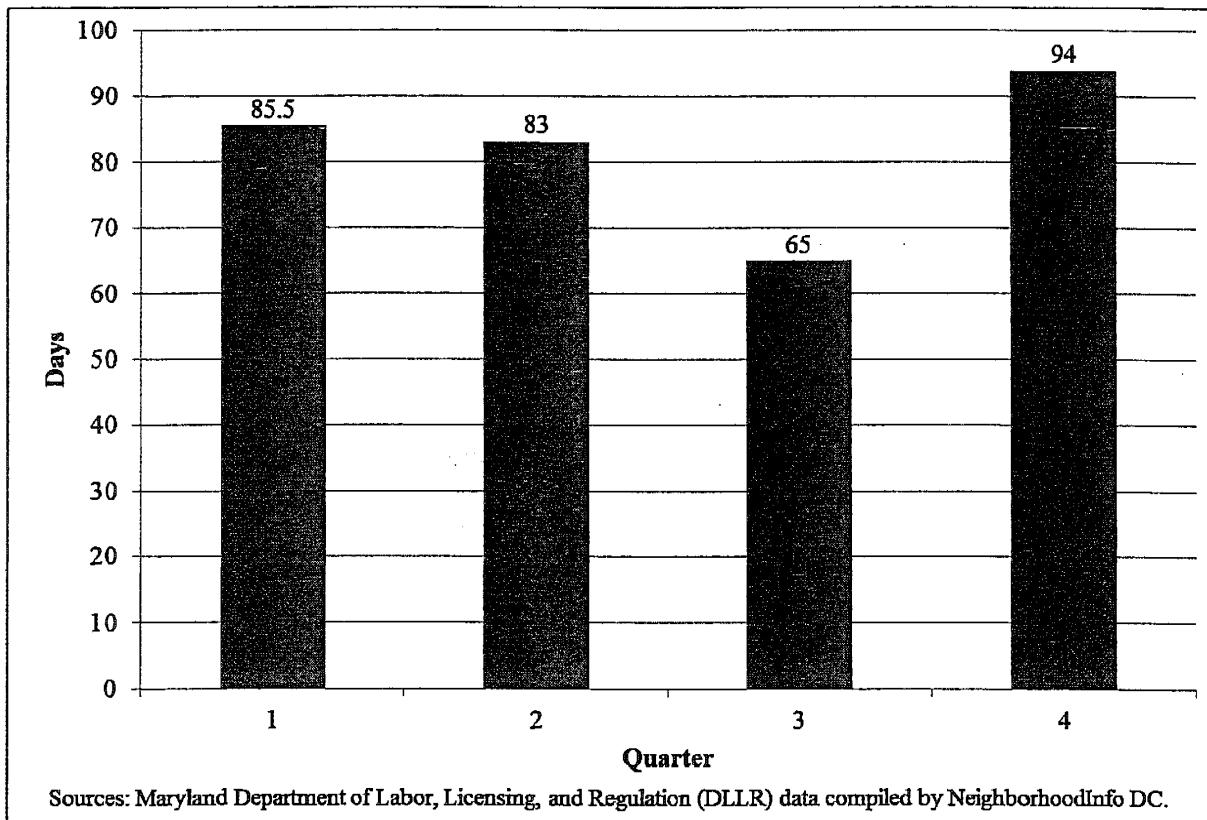
Other ZIP codes, mostly in the northern part of the county, remained relatively unscathed (figure 1). For example, ZIP code 20608 (in Aquasco) had a NOI rate of just 6.0 percent and in 20740 (in College Park), 6.9 percent of residences received a NOI (table 1).

## Median Days Delinquent

Although a NOI can be filed as soon as a borrower misses a single mortgage payment, servicers typically wait until a loan falls further behind before initiating a foreclosure process. How far behind a homeowner is on his/her mortgage payments can be an important factor in whether that homeowner can find a solution to avoid losing the home to foreclosure. ZIP codes that had borrowers who were more delinquent on their payments at the time the notice was issued were not necessarily the same as those with the highest rates of NOI activity.

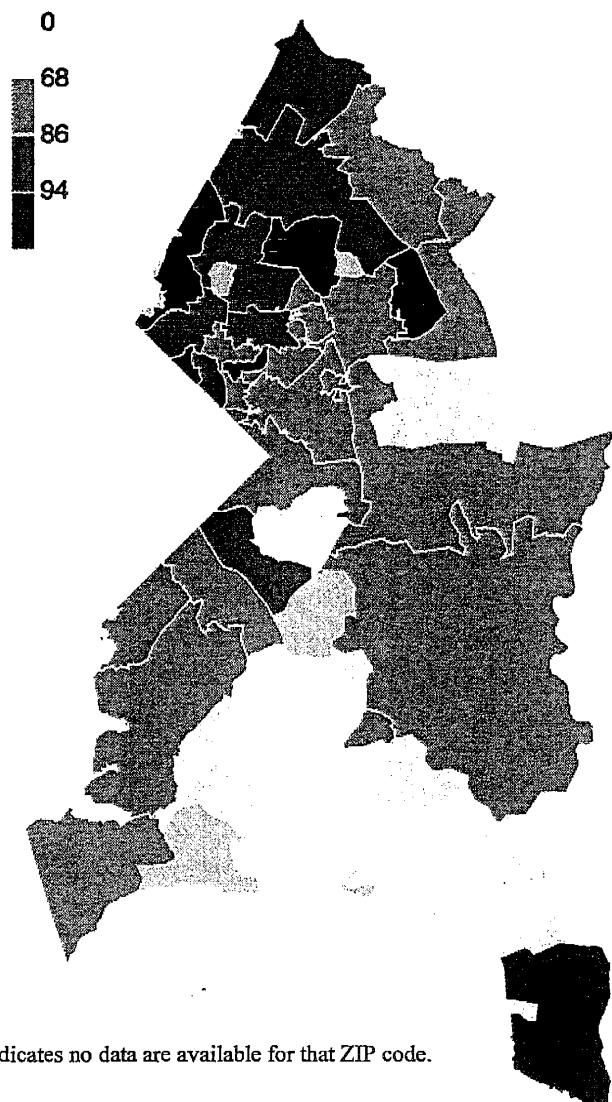
Countywide, the median borrower receiving a NOI in 2011 was two-and-a-half months (79 days) behind on monthly loan payments (figure 3).

**Figure 3. Median Days Delinquent, Prince George's County, 2011**



But, as with NOI rates, this number varied widely across ZIP codes (figure 4). For example, ZIP code 20783 (in Adelphi) had a median delinquency of 148 days—or nearly six months behind—while ZIP code 20712 (in Mount Rainier) had a median delinquency of 115 days. In contrast, in ZIP code 20613 (in Brandywine) the median borrower receiving a NOI was only 67 days behind and in ZIP code 20715 (in Bowie) the median NOI borrower was 68 days delinquent.

**Figure 4. Median Days Delinquent by ZIP Code, Prince George's County, 2011**



Source: Maryland Department of Labor, Licensing, and Regulation (DLLR)  
data compiled by NeighborhoodInfo DC.

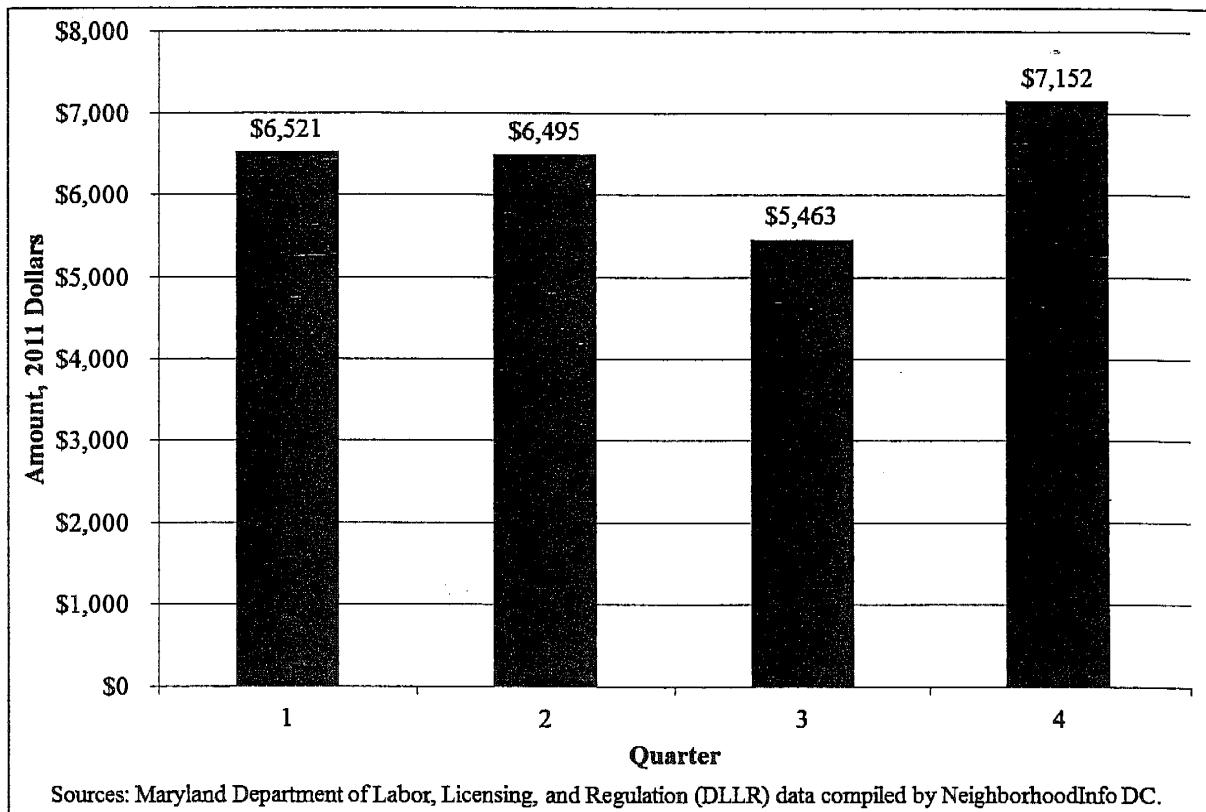
Interestingly, the ZIP codes that experienced the lowest rates of NOI activity largely coincided with the ones that were the furthest behind. These areas were generally north of the District of Columbia, both inside and outside the beltway. In contrast, the areas with the highest NOI rates had mortgages that were fewer days behind and included ZIP codes in the eastern and southern parts of the county.

One possible explanation for this pattern is that some servicers might initiate foreclosure proceedings sooner than others; those same servicers might have loans that are clustered in certain ZIP codes. Indeed, the number of days behind varies by servicer. Among the top 10 mortgage servicers in the county, the lowest was Wells Fargo, issuing NOIs with a median of 46 days' delinquency in 2011, while the highest was Ally/GMAC, with a median NOI that was 226 days delinquent. Nonetheless, NOI activity by servicer was distributed evenly throughout the county, and so it would seem that variation in NOI days delinquent by ZIP code cannot be explained simply by general servicer behavior. Other mechanisms, which cannot be discerned from these data, may be at work to produce these differences.

## Median Cure Amount

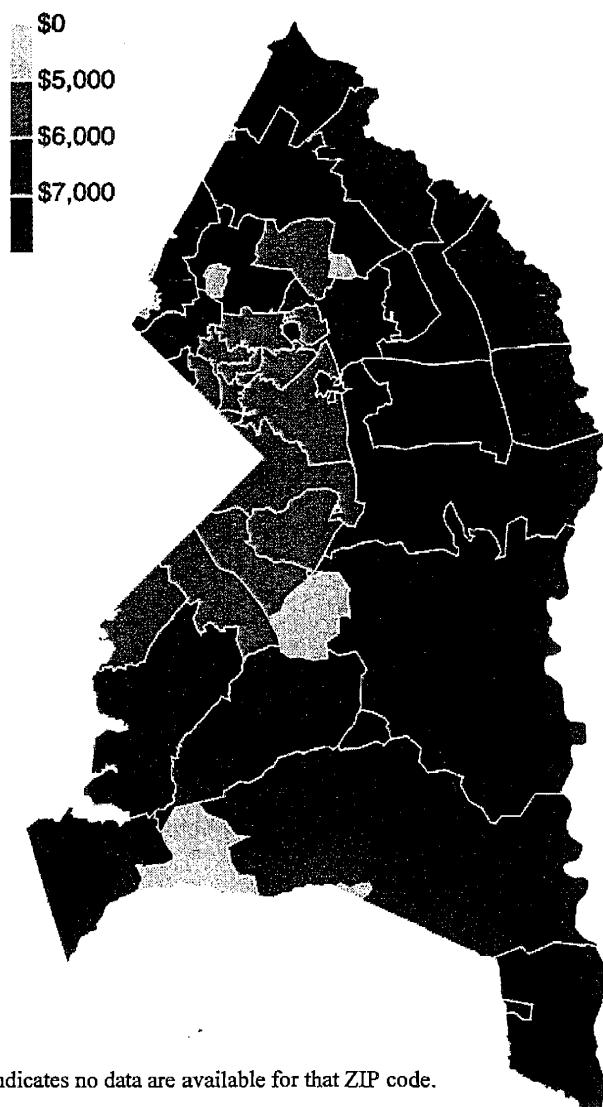
The cure amount—the total dollar value of late payments, penalties, and fees listed on the NOI—provides yet more evidence that areas with relatively low rates of issuing NOIs might nevertheless be home to borrowers who face more serious delinquency problems. In the county overall, borrowers who received a NOI in 2011 owed the mortgage servicer a median cure amount of \$6,400 (figure 5).

**Figure 5. Median Cure Amount, Prince George's County, 2011**



In some ZIP codes, however, borrowers tended to be further behind than others (figure 6). In ZIP code 20769 (in Glenn Dale), for example, the median borrower receiving a NOI owed over \$10,400, while nearby ZIP code 20720 (in Bowie) had a median cure amount of over \$8,000. In contrast, ZIP code 20743 (in Capitol Heights) had a relatively low median cure amount of \$5,000.

**Figure 6. Median Cure Amount by ZIP Code,  
Prince George's County, 2011**



The ZIP codes with highest median cure amounts generally coincided with the ZIP codes that had more days delinquent and lower NOI rates. These ZIP codes were largely outside the beltway and in the northern third of the county. For example, the median cure amount for ZIP code 20769 (in Glenn Dale) was over \$10,400, coupled with a median delinquency of 100 days. With a notice rate of 13 percent, 20769 fell in the middle of the pack. In contrast, ZIP code 20747 (in Forestville) had median cure amounts and days delinquent of \$5,300 and 68, but a notice rate of over 25 percent.

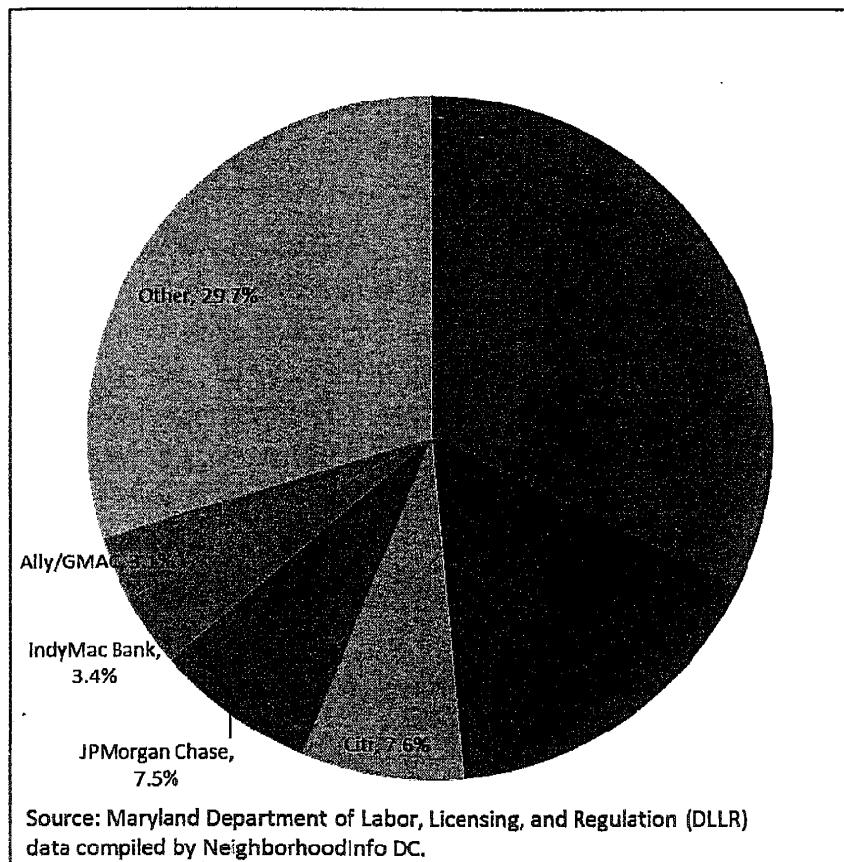
Two ZIP codes in the extreme south of the county exhibited the same pattern. ZIP code 20608 (in Aquasco), for example, had NOIs with median cure amounts of nearly \$9,300 and median delinquencies of 113 days. The ZIP code's overall NOI rate was just 6 percent, however: despite the severity of delinquency for individual borrowers, relatively few homeowners in the ZIP code were, in fact, affected by foreclosure. ZIP code 20607 (in Accokeek) displayed a similar trend.



## Special Focus: The Attorneys General Settlement and Mortgage Servicers in Prince George's County

The recent revelation of so-called robo-signing and other irregularities in foreclosure initiation practices by nationwide mortgage servicing institutions resulted in a \$26 billion settlement geared toward addressing the still-pervasive foreclosure crisis. The 49 states and the District of Columbia that were parties to the settlement will each receive funds from five national mortgage servicers. Much of the money will be earmarked for borrowers in need of loan modifications, borrowers current with their loan payments but owing more than their home is worth, homeowners who lost their homes to foreclosure, and nonprofit organizations dedicated to addressing the crisis. Maryland's share of the settlement will reach nearly \$1 billion; Prince George's county will likely be best served by a focused and coordinated approach by the county's nine district council members, the county executive, and its nonprofit housing counseling organizations.<sup>5</sup>

**Figure 7. Percentage of Notice of Intent to Foreclose by Servicer, Prince George's County, 2011**



The data show that the five banks involved in the settlement, Bank of America, Wells Fargo, Citi, JPMorgan Chase, and Ally/GMAC, were five of the six largest mortgage servicers issuing NOIs in Prince George's County in 2011 (figure 7). Together, these servicers accounted for 22,728 NOIs, two-thirds of the total, and countywide the settlement servicers initiated NOIs for 1 of every 10 residences. Bank of America alone issued 32 percent (11,135) of NOIs in the county in 2011, and Wells Fargo issued 16 percent (5,485). Ally/GMAC, the smallest presence of the five settlement banks, serviced 1,045 NOI-receiving mortgages, 3 percent of the total. There was no discernible geographic pattern to the incidence of NOIs by servicer; loans from the five settlement servicers were evenly distributed throughout the county.

The median delinquency for NOIs issued by the five servicers was 76 days, and the median cure amount was \$6,200. Both were similar to, but somewhat lower than, the county's overall median delinquency of 79 days and cure amount of \$6,400. Ally/GMAC's loans were by far the most delinquent at the time the notice was issued, with the median borrower 226 days and \$15,000 behind. Bank of America was second, with 125 days and \$8,000. Wells Fargo and Citi initiated foreclosure proceedings relatively quickly after loans fell into delinquency, however. Their median days delinquent were 46 and 57 and their median cure amounts were \$4,300 and \$4,700, respectively.

The settlement funds apply only to loans serviced by the five banks and, in some cases, only those mortgages both serviced *and* owned by the banks. While not all loans by the settlement servicers are eligible under the settlement (and some mortgages that went into foreclosure before 2011 or that may not yet be in foreclosure are eligible), many recent NOI recipients could receive relief. The NOI data presented in this brief, therefore, provide one means of determining how to target outreach and assistance.

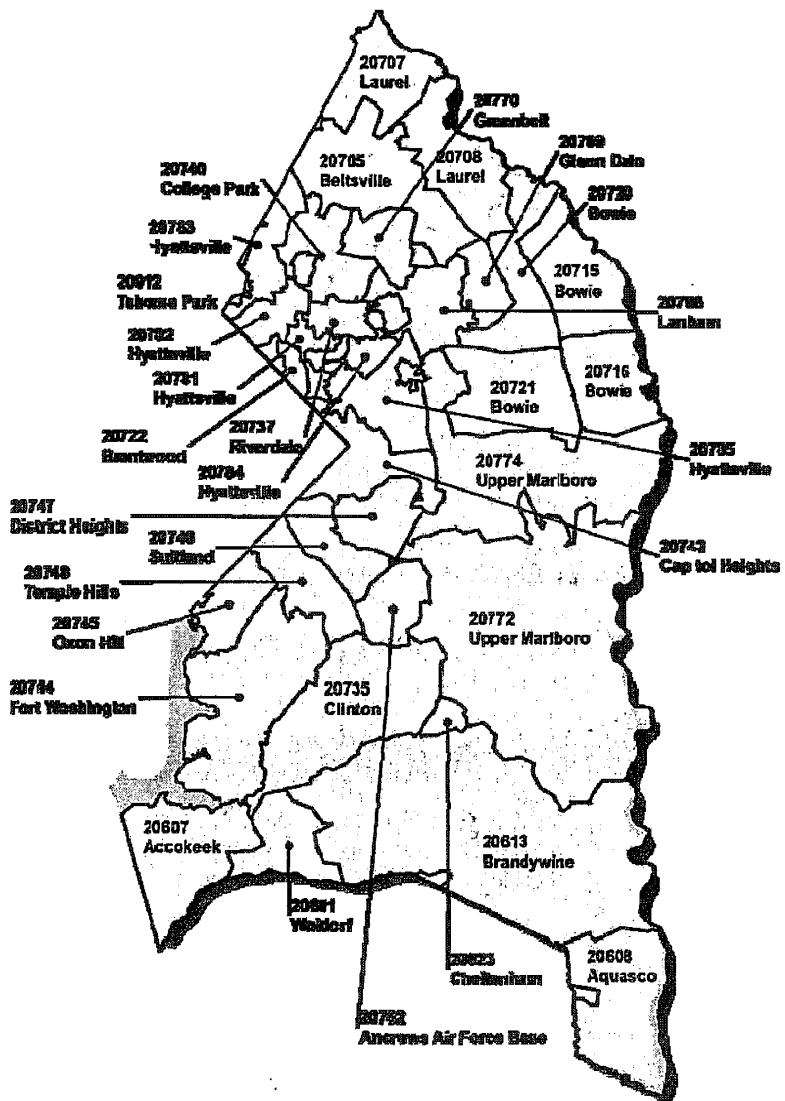
For example, a portion of the funding will be available in the form of neighborhood stabilization grants, allocated through a competitive RFP.<sup>6</sup> Prince George's County has already expressed desire to target these proposals to foreclosure "hot spots." As discussed, the crisis did not affect all parts of the county equally, and therefore a "one size fits all" countywide plan for targeting relief, outreach, and stabilization may not be the most effective. For example, large rural ZIP codes in and near Upper Marlboro received nearly one-third of all NOIs in 2011; efficient outreach and targeting mechanisms will be necessary to reach all affected homeowners in those areas. This part of the county is not where the deepest delinquencies were found, however. It is possible, therefore, that loan modification and financial counseling strategies could have a greater impact.

In contrast, ZIP codes like 20743 (in Capitol Heights) and 20785 (in Landover)—populous and inside the beltway—had the highest rates of NOI activity (above 18 percent). Those areas may benefit more than others from neighborhood stabilization and housing transformation resources.

## Conclusion

As Prince George's County continues to work through issues created by the foreclosure crisis, the data presented in this brief, and on NeighborhoodInfoDC.org, can facilitate developing effective strategies and responses to help affected homeowners and neighborhoods. The data may further assist in writing effective proposals that demonstrate an understanding of local conditions and need, and thus gain funding from the national mortgage settlement and other sources. NeighborhoodInfo DC will publish updates of these data, as they are available, to help track progress on addressing the foreclosure crisis.

**Figure 8. ZIP Codes in Prince George's County, 2011**



Since the start of the national foreclosure crisis, Neighborhood Info DC has monitored the activity and health of the Washington, DC, region's housing market. Its analysis extended in 2011 into Prince George's County, Maryland, an inner-ring suburb. This brief is the second in a three-part series about Prince George's. The first brief provided a wide-angle demographics analysis; who lives in Prince George's County currently, and how has the population changed in the last decade? The third brief will detail the state and composition of the Prince George's housing market, including sales price and volume trends, and how they compare to other jurisdictions in the region. This brief addresses the persistent effects of the national foreclosure and credit crisis of 2008 by summarizing foreclosure activity in Prince George's County throughout 2011 using the latest loan-level Notice of Intent to Foreclose data. We provide countywide averages, as well as the individual changes in the county's ZIP codes. The entire series, along with interactive maps and other data on Prince George's County, can be found at <http://www.NeighborhoodInfoDC.org/PrinceGeorges>.

Zach McDade, Rebecca Grace, Graham MacDonald, Peter A. Tatian, and Jennifer Comey contributed to this brief.

<sup>1</sup>NeighborhoodInfo DC. 2011. *Washington D.C. Metropolitan Area Foreclosure Monitor: County Profiles Arlington County*. Washington, DC: The Urban Institute.

<sup>2</sup>An overview of the foreclosure process can be found on the DLLR web site: <http://www.dllr.state.md.us/finance/consumers/mortforeinfo.shtml>.

<sup>3</sup>*Washington Post*. 2012. "A Slow Housing Rebound for Prince George's County." [http://www.washingtonpost.com/local/2012/03/03/gIQAYpcipR\\_graphic.html](http://www.washingtonpost.com/local/2012/03/03/gIQAYpcipR_graphic.html).

<sup>4</sup>Neighborhood Info DC. 2011. *Washington, D.C., Metropolitan Area Foreclosure Monitor—Summer 2011*. Washington, DC: The Urban Institute. <http://www.urban.org/url.cfm?ID=412383>.

<sup>5</sup>Office of the Maryland Attorney General. 2012. "Mortgage Servicing Settlement: Allocation of Settlement Funds for Housing Counselors, Legal Services and Other Housing Initiatives." <http://www.oag.state.md.us/mortgageSettlement/AllocationSettlementFunds.pdf>.

<sup>6</sup>Office of the Maryland Attorney General. 2012. "Attorney General Douglas F. Gansler and Governor Martin O'Malley Outline Funding for Homeowners and Communities Affected by Housing Crisis." <http://www.oag.state.md.us/Press/2012/053012.html>.

NeighborhoodInfo DC—a project of the Urban Institute and the Washington D.C. Local Initiatives Support Corporation (LISC).

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NeighborhoodInfo DC works to support community organizations, neighborhood residents, and government as they work to improve the quality of life for people throughout the District of Columbia.

NeighborhoodInfo DC receives funding from local and national sources, who provide general support and fund specific projects and products. Current and previous funders include the Annie E. Casey Foundation, DC Action for Children, Fannie Mae, the Meyer Foundation, the Morris & Gwendolyn Cafritz Foundation, the Washington Area Women's Foundation, and the World Bank.

**G. COUNTYSTATS' NEIGHBORHOOD REVITALIZATION  
AND FORECLOSURES PRESENTATION**



## Foreclosures Task Force: CountyStat Presentation

November 28, 2012

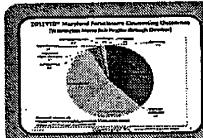
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## Foreclosures

Over the past year, CountyStat has held three sessions specifically related to foreclosures and neighborhood stabilization. These sessions have resulted in extensive follow-up work conducted in conjunction with relevant departments as well as outside partners.

### 12/13/11: Foreclosures – Overview (Session)



- Overview of foreclosure data, foreclosure process, and existing County initiatives for "Prevention," "Intervention," and "Stabilization"
- Focus on "Intervention" Counseling, Outreach, and Education

### 04/06/12: Foreclosures – Stabilization (Session)



### 07/26/12: Residential Code Enforcement (Session)



November 28, 2012



## Foreclosures-Overview

A comprehensive solution to the foreclosure crisis requires "prevention," "intervention," and "stabilization." The initial foreclosures CountyStat session focused on strategies to enhance intervention, including using data on foreclosures to target outreach and funding.

### Prevention

#### Existing Strategies

### Intervention

#### Counseling

- Tracking Outcomes
- Targeting Funding

#### Education and Outreach

- Targeting Outreach

### Stabilization

#### Strategic Land Use

#### Real Estate Development

#### Code Enforcement

November 28, 2012

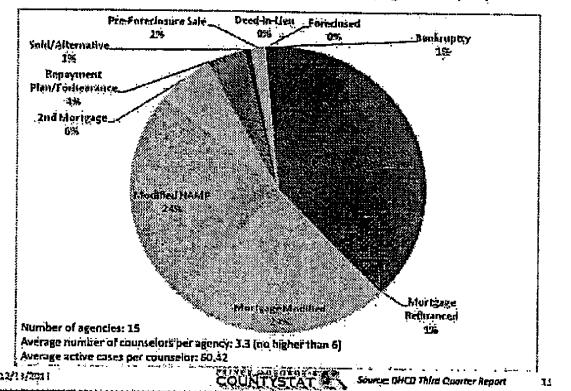
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COUNTYSTAT

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## Foreclosures-Overview

Data from the Maryland Department of Housing and Community Development indicated high success rates for local residents in 2011. CountyStat emphasized that encouraging citizens to take advantage of counseling services should be a priority.

2011YTD\* Maryland Foreclosure Counseling Outcomes  
(Washington Metro Sub-Region through October)



November 28, 2012

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## Foreclosures-Overview

Historically the County did not do targeted outreach on foreclosures. Today, the Department of Housing and Community Development (DHCD) is building the capacity to use Notices of Intent data to target foreclosure outreach. This data is most appropriate because it captures residents at the beginning of the foreclosure process.

## Targeted Outreach Efforts

### Current Efforts:

- No current targeted outreach is performed.

### Potential Resources:

- Department of Environmental Resources foreclosure registry database
- Maryland Department of Labor, Licensing, and Regulation data (pending MOU)

**Example:**

2010-2011 学年第一学期期中考试高二物理试题

12/13/2011

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## Foreclosures-Overview

## Counseling

- Tracking Outcomes

- Requiring CDBG-funded counseling agencies to report counseling volumes and outcomes.
- **Targeting Funding**
  - Incorporating volume and outcome data into CDBG funding.

## Education and Outreach

- Targeting Outreach

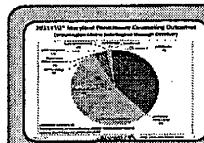
- Complete MOU with the Department of Labor, Licensing and Regulation (DLLR) to gain access to Notice of Intent (NOI) data.
- Use NOI data to target foreclosure outreach.

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## Foreclosures-Stabilization



### 12/13/11: Foreclosures – Overview (Session)

Overview of foreclosures, the foreclosure process, and existing County initiatives to prevent or reduce foreclosures and stabilize neighborhoods. Presenters: County, Suburban, Suburban Subdivision, and Education.



### 04/06/12: Foreclosures – Stabilization (Session)

- Focus on "Stabilization." Strategic land use, code enforcement, real estate development.
- Emphasis on differentiating strategies based on neighborhood characteristics.



### 07/16/12: Residential Code Enforcement (Session)

November 28, 2012



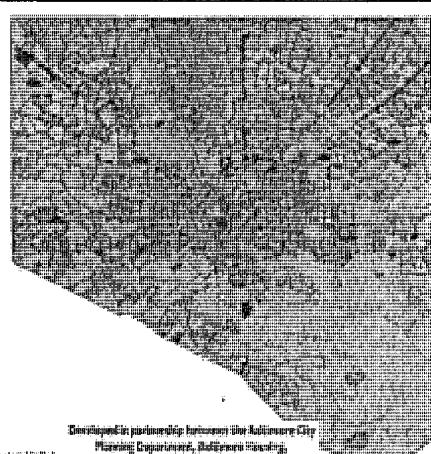
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## Foreclosures-Stabilization

A housing market typology maps the relative strength of the residential market and can be used to help direct stabilization efforts, including code enforcement and land banking.

### Baltimore City's 2011 Housing Market Typology

- Regional Choice
- Middle Market Choice
- Middle Market
- Middle Market Stressed
- Distressed
- Non-Residential (other)
- City/Public/Private
- Commercial
- Green Space
- Non-residential (<50 residential lots)
- >50 residential lots, >40 % vacant lots
- < 5 Sales 2009-2010
- < 5 Sales & Multi-Family (>05% of Housing Units)



Developed in partnership between the Baltimore City  
Planning Department, Baltimore Housing  
Development Fund, and the Neighborhood Fund.

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## Foreclosures-Stabilization

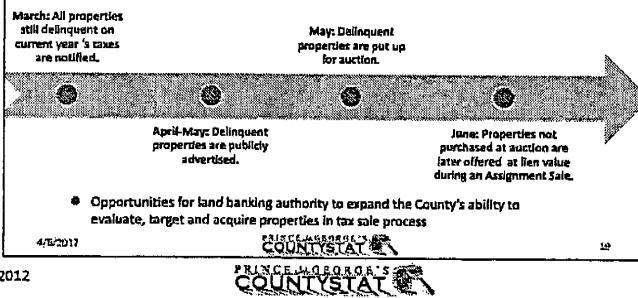
The ability to acquire, hold, and dispose of property is an important stabilization tool. That tool can be strengthened through reforming the tax sale foreclosure process, enhancing real estate capacity in the County and pursuing more innovative land use strategies (i.e. side lot transfers, urban agriculture, deconstruction).

### Real Estate Development

#### Land Banking Overview

- Land banking is a strategy for the long-term acquisition, holding and disposition of property, particularly in places with low market demand.
- Land bank authority also provides a legal and policy framework for overcoming common barriers to the conversion of public land into assets.

#### Tax Sale Foreclosure Process



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## Foreclosures-Stabilization

It is important to maximize the time and resources dedicated to code enforcement. Using data to target operations and maintaining accurate information on the ownership and condition of property are essential to effective operations.

### Code Enforcement

#### Protect Property Values by Targeting Blight

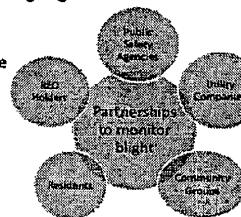
##### Monitor and Prevent Blight

- Form partnerships to monitor blight
- Clarify owner identity and responsibilities after foreclosure

##### Target "Tipping" Neighborhoods

- Increase the impact of code enforcement by focusing on compliance in neighborhoods with few vacant properties and relatively healthy housing markets.

*-Foreclosure-Response.org, a project by the Urban Institute, Local Initiatives Support Coalition, and the Center for Housing Policy*



##### Hold Institutions Accountable

- A 2011 report by the National Fair Housing Alliance (NFHA) found that REO properties in Montgomery County scored an average of 13% higher than properties in Prince George's using a points-based code enforcement system

Category	Point Value
Curb Appeal Trash Mail Accumulated Overgrown Grass and Leaves	20

4/6/2012

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## Foreclosures-Stabilization

### Strategic Land Use

- Obtain a housing market typology for Prince George's County.

### Real Estate Development

- Pursue Tax Sale process reform.
- Evaluate capacity for alternative land uses (e.g. urban farming).

### Code Enforcement

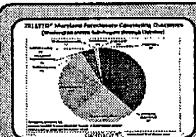
- Establish a functional database of vacant/abandoned property.
- Enhance data on the ownership of foreclosed properties by relying on State/Court information; reconcile DER database with the Court's.
- Research best practices in code enforcement (legal and operational frameworks).

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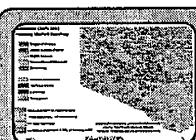
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## Residential Code Enforcement



### 2413-11 Foreclosures – Overview (Session)

- Overview of Prince George's County Foreclosure process and a discussion on how to prevent foreclosures through early stabilization
- Focus on improvements in existing laws and best practices



### 04-06-12 Foreclosures – Stabilization (Session)

- Foreclosure Stabilization: Strategic Land use, code enforcement, real estate development
- Overview of the current process based approach to how the process is handled



### 07/26/12 Residential Code Enforcement (Session)

- Operational overview of the Department of Environmental Resources' Property Standards Division
- Suggested reforms to case intake, tracking, management, escalation and closing

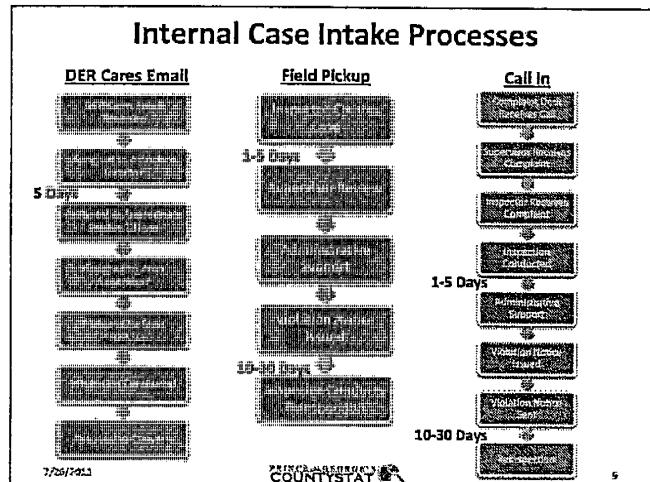
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## Residential Code Enforcement

A review of the Property Standards division within the Department of Environmental Resources revealed a number of opportunities for streamlining. CountyStat highlighted reforms to case intake processes as well as to case monitoring and tracking.

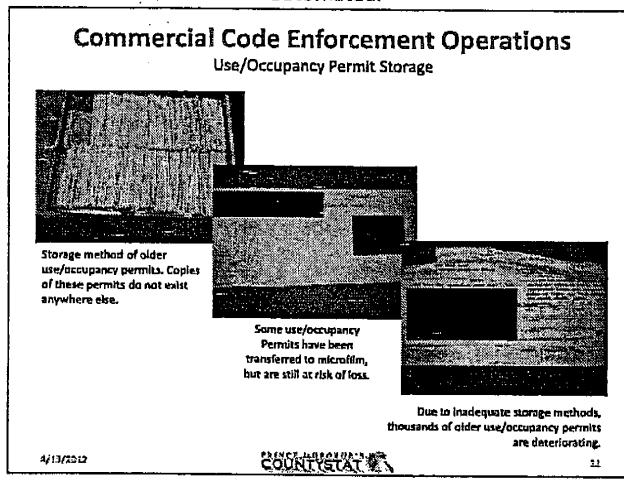


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## Residential Code Enforcement

In both commercial and residential code enforcement, the Property Standards division does not use technology effectively. Records and cases are managed and stored on paper, existing data on property management is hard to access, and business processes are not automated.



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## Residential Code Enforcement

### Business Process Reform

- Reengineer business processes for intake and disposition as part of the development of the new Department of Permitting, Inspections and Enforcement.

### Process Enhancements

- Utilize new technology to streamline and provide accountability to the County's code inspections and enforcement divisions.

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CountyStat presentations are available for download at  
[www.princegeorgescountymd.gov/countystat](http://www.princegeorgescountymd.gov/countystat)

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# Foreclosures

Department of Housing and Community Development  
Prince George's County Circuit Court  
Department of Environmental Resources  
Office of Information Technology  
Prince George's County Office of the Sheriff



# Framing a Comprehensive Solution

- Increasing foreclosure prevention through pre-purchase education and consumer protection.
- Developing intervention strategies and identifying resources to aid homeowners in the foreclosure process.
- Crafting and implementing appropriate responses to drive the stabilization of neighborhoods impacted by abandoned and foreclosed homes.

*\*from the Milwaukee Foreclosure Partnership Initiative*



# Stabilization

## Current County Government agency response:

- Redevelopment Authority
  - Neighborhood Stabilization Programs I and II
    - Revitalization of foreclosed properties
- Department of Environmental Resources
  - Property Standards Division
    - Responsible for monitoring foreclosed homes for blight

# Findings and Recommendations

**Finding:** The County has limited internal data sources to assess foreclosure situation within the County.

- **Recommendation A:** The County's DHCD should continue to work on the development of the Memorandum of Understanding with the Department of Labor, Licensing and Regulations which will give access to data on a more timely basis.
- **Recommendation B:** It is suggested that the Circuit Court share monthly figures on foreclosure filings and orders.
- **Recommendation C:** Active use of the database in the Department of Environmental Resources is recommended.
- **Recommendation D:** Circuit Court, Department of Environmental Resources, Office of the Sheriff, and the Department of Housing and Community Development should streamline information.

**Finding:** The County is limited in its prevention and stabilization efforts.

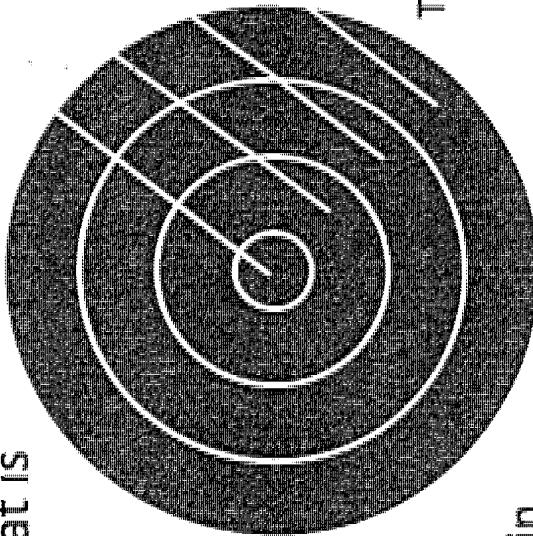
- **Recommendation A:** Agency and CountyStat team should work together to explore other prevention and stabilization options.



# Discussion

# Stabilization Strategy: Creating a Land Bank

- Land banks are designed to facilitate the acquisition, mitigation, and long-term redevelopment of property that is abandoned by market forces
  - Approach differs from traditional redevelopment authorities through the absence of tax-exempt financing and eminent domain
  - Best executed in concert with a legislative effort to pursue tax/code lien reform
- Operations are typically funded through profits from the sale/redevelopment of the authority's portfolio and general government operating support
- Long-term horizon can allow a land bank to be a vehicle for preserving community benefits (affordable housing, green space, etc.) as property values rise



Vacant Property  
150 Feet from Vacant Property  
(\$7,627 decline in value)  
300 Feet from Vacant Property  
(\$6,819 decline in value)  
450 Feet from Vacant Property  
(\$3,542 decline in value)

Temple University Center for Public Policy & Eastern Pennsylvania Organizing Project.  
"Blight Free Philadelphia: A Public Private  
Strategy to Create and Enhance  
Neighborhood Value."  
Philadelphia (2001)

# Boston Community Capital (BCC) Model

## Non-Profit Community Development Financial Institution

- 1) BCC buys property at market value (usually less than half of what is owed on the home)
- 2) BCC sells the property back to the homeowner with a 30-year, 6% fixed rate mortgage
- 3) BCC marks up the purchase price by 25% to insure against default

### Pre-screening of homeowners:

- Very thorough (less than half of homeowners qualify).
- Payments are tied to income (automatic deductions from paychecks every two weeks)

### Shared Appreciation:

- If property values rebound, the homeowner splits the profits of a property sale with BCC



Source: PBS News Hour (October 2010)

# Foreclosure Process in Maryland

## Before Foreclosure Sale

- Substitute Trustee must wait 45 days after the defendant was served.
- Once the Substitute Trustee schedules the sale, the Notice of Sale must be published in a local newspaper for three consecutive weeks
- Certificate of Publication is filed with the Circuit Court

## Foreclosure Sale

- Public auction held
- Report of Sale package to Circuit Court
- Circuit Court publishes that the property is sold in newspaper for three consecutive weeks
- Defendant can file an exception- 30 day window
- Order ratifying the sale of the property is signed by the court
- The Suggested Account is filed with the Auditor
- The Auditor mails the report to all parties
- Purchaser will file motion for possession with Circuit Court
- Purchaser can request a WRIT of Possession to be sent to the Office of the Sheriff to conduct eviction

**H. COUNTY DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT PRESENTATION**

## Foreclosure Task Force Meeting

PRINCE GEORGE'S COUNTY

OCTOBER 31, 2012



RUSSELL L. BAKER, III  
COUNTY EXECUTIVE



ERIC C. BROWN  
DIRECTOR

## Cause of the Problem

- The foreclosure problem disproportionately involve subprime loans and mortgage brokers.
- The spike in foreclosure is directly related to the surge in subprime lending.
- Subprime loans were frequently offered to borrowers with credit challenges.
- Subprime loans typically had higher interest rates or had adjustable rates that reset after a set period of time or steep prepayment or required no requirement for proof of income.
- The subprime market share in Maryland increased 10 fold between 2000 and early 2007 mirroring the rapid rise in housing values.
- By second quarter of 2007, subprime loans accounted for 60% of all foreclosures

## Cause of the Problem

- By 2007, almost 70% of all home owners obtained their residential mortgages from brokers.
- Brokers were paid a commission and was incentivized to steer customers to higher cost products or subprime loans.
- The desire to increase volume and certain incentives lead to predatory lending practices which adversely impacted minorities.
- Minorities were like to have a subprime loan or to have refinanced their using a subprime lender.

Source: Maryland DHCD

## Cost of the Problem

- Foreclosures have a devastating effect of homeowners and the communities.
- When a homeowner loses his/her home they also loses their equity in the home
- For every foreclosure on a single family home, the value of homes within an eighth of a mile declines 9/10<sup>th</sup> on a percent.
- Foreclosures have a impact on the level of crime in the community.
- High concentration of foreclosure can move a neighborhood from a community to one dominated by investors.

Source: Maryland DHCD

## Strategy

- Prevention
- Intervention
- Stabilization

## Prevention

- Homebuyer Education
  - MY HOME
  - BUY SUITLAND
- Marketing & Outreach
  - Housing Fair
  - Community Meetings & Events
  - Financial Literacy
- Working on Access to DLLR Notice of Intent Data

### Intervention

- Housing Counseling Agencies
  - CDBG
- Marketing & Outreach
  - Housing Fair
  - Community Meetings & Events (At least 3 a month)

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### Stabilization

- NSP
  - Revitalization
  - Down Payment and Closing Cost Assistance
  - Acquisition, Rehab & Resale

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### Foreclosure Hot Spots by Zip Codes 3<sup>rd</sup> qtr 2012 (Severe)

Zip Code	City	Number of Foreclosure Listings
20769	Glenview	20
20743	Capitol Heights	100
20746	Suiland	46
20747	District Heights	73
20785	Cheverly	64
20737	Riverdale	28

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Foreclosure Hot Spots by Zip Codes 3<sup>rd</sup> qtr 2012 (Very High)

Zip Code	Community	Number of Foreclosures
20748	Takoma Park	73
20774	Upper Newboro	92
20784	Clarendon	40
20772	Upper Marlboro	84
20617	Adelphi	20
20705	Bethesda	35
20744	Fort Washington	105
20737	Laurel	47
20719	Mitchellsville	30
20735	Clinton	59
20708	Chevy Chase	57
20721	Mitchellsville	92
20745	Overside	29
20813	Brandywine	19

Foreclosure Hot Spots by Zip Codes 3<sup>rd</sup> qtr 2012 (High)

Zip Code	Community	Number of Foreclosures
20708	Laurel	21
20770	Greenbelt	22
20720	Bowie	29
20783	Adelphi	31
20715	Bowling Green	31

## NOIs by Servicer in Prince George's County

REBECCA GRACE  
URBAN INSTITUTEPRINCE GEORGE'S COUNTY FORECLOSURE  
TASK FORCE  
OCTOBER 31, 2012

URBAN INSTITUTE

## Who Is NeighborhoodInfo DC?

- NeighborhoodInfo DC is a community information resource for the District of Columbia and surrounding communities maintained by the Urban Institute
- Democratize data for use as a tool in civic engagement

## NeighborhoodInfo DC & Foreclosures

## NOIs in Prince George's County

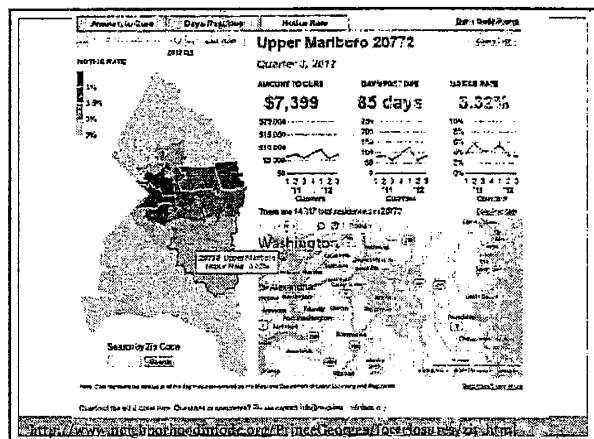
- Beginning in 2010, NeighborhoodInfo DC expanded its foreclosure research to Prince George's County
- Notices of Intent to Foreclose (NOI) data from Maryland Department of Labor, Licensing, and Regulation (DLLR)
  - Date of notice, amount to cure, days past due, servicer, type of property
  - Records have been stripped of all identifying information
  - Smallest geography is ZIP code level
  - 2011 to present
- Using these data we produce:
  - Quarterly updates on NOIs
  - Brief "*Foreclosures in Prince George's County: 2011*"  
(<http://www.urban.org/publications/412625.html>)

## Quarterly Update on NOIs

- Developed interactive maps to display NOI data
  - Amount to cure
  - Days past due
  - Notice rate
- ZIP code and county level
- Updated quarterly
- Data available for download

<http://www.neighborhoodinfodc.org/PrinceGeorges/foreclosures/zip.html>

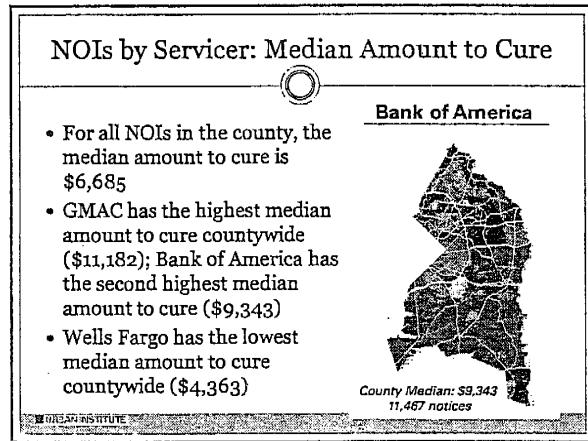
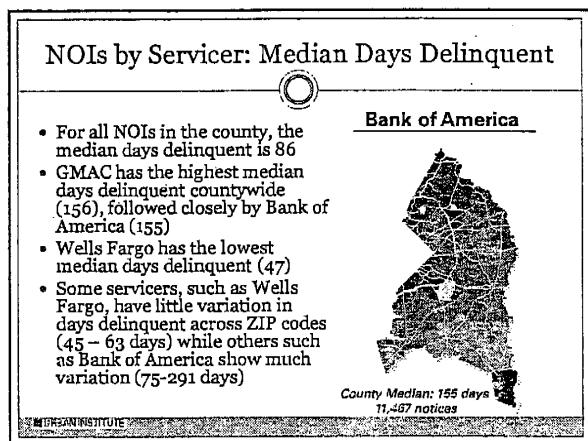
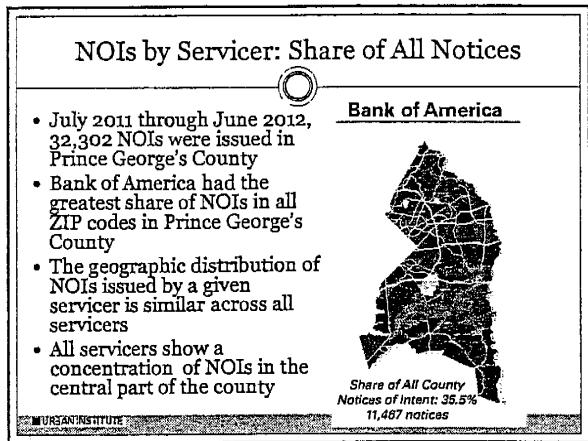
URBAN INSTITUTE



## NOIs by Servicer

- Top 6 servicers (share of all NOIs issued in Prince George's County from July 1, 2011 through June 30, 2012):
  - Bank of America\* (35.5%)
  - Wells Fargo\* (14.8%)
  - JPMorgan Chase\* (14.0%)
  - Citi\* (6.9%)
  - IndyMac Bank (2.9%)
  - GMAC\* (2.9%)
- \*part of the mortgage servicing settlement
- Issued 78% of all NOIs (July 2011–June 2012)

URBAN INSTITUTE



## Limitations of ZIP-code Level Data

- These data are a great start for telling the story of foreclosures in Prince George's County, but they are not at a small enough geographic level to help with outreach efforts
- NOIs are just the initiation of the foreclosure process
  - To determine foreclosure completion, we need to link NOIs to the MDProperty View database that we already work with

URBAN INSTITUTE

## Questions & Contact

- Thank you!
- Questions?

- Interactive maps, briefs, and data:  
<http://www.neighborhoodinfofdc.org/PrinceGeorges/index.html>
- NeighborhoodInfo DC: [info@neighborhoodinfofdc.org](mailto:info@neighborhoodinfofdc.org)
- Rebecca Grace: [rgrace@urban.org](mailto:rgrace@urban.org)
- Jenn Comey: [jcomey@urban.org](mailto:jcomey@urban.org)

URBAN INSTITUTE

**I. COUNTY DEPARTMENT OF ENVIRONMENTAL  
RESOURCES PROPERTY STANDARDS REFORM  
PLAN AND FEE & FINE REVIEW**

## RESOURCES FOR ADDRESSING ABANDONED AND BLIGHTED HOMES: Property Standards – Fines and Fees Review

Several factors have contributed to the need for the review fees for services provided to County residents and other members of the public. These include but are not limited to the fact that:

- Fees collected from customers are *not sufficient to cover the cost of providing and administering property standards programs.* The essence of a fee structure is that costs are borne by those utilizing the services provided for by the fee. With regard to the provision of property standards services, this equilibrium is not reached.
- Fees currently charged for various services by the County are substantially lower in most cases than those charged for the same service by some municipalities within the County as well as neighboring jurisdictions which can be read as a reflection in the imbalance between the cost of providing these services relative to the fees that are meant to cover their cost
- The absence of fines for the late payment of fees, in many cases, has impaired fee collection efforts.
- In addition, any new revenue realized by a fee increase could theoretically be devoted to technology improvements that could provide enhanced service for and the consumers of the given services as well as County residents.

### Fee Comparison between Prince George's and Neighboring Counties

Table C below provides a comparison between Prince George's County and other neighboring counties in terms of fees charged for various services. Prince George's County fees rank in most cases below fees charged by neighboring jurisdictions. Anne Arundel County is the only entity that does not require a license to rent a single family home. On the other hand, the District of Columbia charges hefty fines for renting Single Family and Multifamily Housing without licenses.

## FEE COMPARISON BETWEEN NEIGHBORING COUNTIES

Activity/Service	Prince George's	Montgomery	Howard	District of Columbia	Anne Arundel
1. Single Family Housing - Rental License	\$75 Every 2 yrs	\$98 annually	\$93.50 Every 2yrs.	\$190.30 Every 2 yrs.	No License required
2. Penalty for operating SFH without license	\$0	\$500-\$750	\$250 - \$500	\$5,000-\$10,000	N/A
3. Late Payment Penalty – SFH Rental License					
6. MFH Rental License per dwelling unit	\$0	\$500-\$750	\$25 per day	\$500	N/A
7. Penalty for operating MFH without license	\$0	\$500-\$750	\$93.50 Every 2 yrs.	\$430.10 Per 2 yrs.	1-4 units at \$40 p/unit 25+ \$120 per 2years
8. Late payment Penalty - MFH Rental License	\$250 or 20% of fee per month	\$500-\$750	\$25	\$500	\$125 per day
9. Citations for Property Violations	\$100-\$1000	\$500-\$750	\$250 - \$500 per day	\$100-\$2,000	Violators referred to OOL
11. Towing Abandoned Vehicles under 1 ton	\$125	\$240-\$379	Fee varies with tow	\$100	\$125
12. Towing Abandoned Vehicles over 1 ton	\$250	\$240-\$379	Fee varies with tow	\$275	\$125
13. Abandoned Vehicle Storage	\$25 per day	\$28 per day	Fee varies with tow	\$20 per day	\$25 per day
14. Flag Fee	\$300	-----	-----	-----	-----

## **Appendix 1**

### **Description of activities and services listed in Table**

- 1. Single Family Housing Rental License** – This entails the inspection and licensing of single family houses that are being rented in the County.
- 2. Penalty for operating SFH without License** – This penalty is imposed for operating without a valid license.
- 3. Late Payment Penalty – SFH Rental License** This is a flat rate fee for the late renewal of a license.
- 6. Multifamily Rental License per Unit**- This is a charge per unit for the inspection and issuance of a multifamily (apartment) rental license regardless of the number of rooms per unit.
- 7. Penalty for Operating MFH without a License** – This is a penalty that is imposed for not obtaining a rental license and operating without a valid license.
- 8. Late Payment Penalty MFH Rental License** – This would set a flat fee for late payments.
- 9. Citations for Property Violations** – Subtitle 28 of the Prince George's County Code - Civil Citations are utilized for repeat offenders, violations of a chronic nature or where immediate compliance is necessary. Zoning citation fee schedule is \$250, \$500, \$1000, whereas single family housing fees are \$100, \$250 and \$500. Of note, it is not clear why the fee schedules are different.
- 11. Towing of Abandoned vehicles** – A vehicle is considered abandoned when it is parked for more than 72 hours on the street or on private property without tags. If found in that position, it is ticketed after 3 days and towed away to the impound lot where it is stored.
- 12. Towing of abandoned vehicle over 1 ton** – same as above (#11); however, vehicle is a heavy tow and requires specialized tow services.
- 13. Abandoned Vehicles Storage** – fee charged for the daily storage of vehicles deemed abandoned and towed to the County's vehicle storage lot.

**15. Flag Fee** – a fee charged when an abandoned vehicle that has been towed and kept in storage is sent to auction. The fee covers all the paper work and employees' time in preparing the vehicle for auction. The vehicle can be put up for auction if it is not claimed by its owner within the specified time.

Draft Draft Draft

Department  
of  
Environmental Resources

Handwriting practice lines for the word 'apple'.

## A New Day

Key Reforms to Date:

- New Management Team at DER
- New Partners in Office of Law
- Best Practices Research by DER, CountyStat, and Center for Community Progress
- Breakthroughs in Enforcement:
  - Increased Demolitions
  - Unsafe Nightclub Shutdowns
  - Transforming Neighborhoods Initiative

## Draft Draft Draft Property Standards Reform Plan

## Policy Reforms

- 1. Use 30-Day Demolition Notices**
- 2. Use Civil Citations**
- 3. Use Padlocking More**
- 4. Establish an MOU with DOC to use their labor resources**

Draft      Draft      Draft  
**Property Standards Reform Plan**

## Operation Reforms

5. Create One Residential Property Inspection Section that Combines the Single Family and Multi-Family units.
6. Establish Special Operations Section
7. Establish a Quality Assurance and Training Unit
8. Better Utilize Beat System for Targeted and Proactive Enforcement
9. Adjust Shifts to Cover Weekends and Off Hours

# Draft Draft Draft Property Standards Reform Plan

## Management Reforms

- 10. Management Training Program**
- 11. Regular Management Accountability Meeting with Statistical Performance Review**
- 12. Get the right people in right places**

## Draft Draft Draft Property Standards Reform Plan

## Staff Reforms

- 13. Pay inspectors properly**
- 14. Reward staff appropriately**
- 15. Hold staff accountable**
- 16. Incentivize Certification**

## Draft Draft Draft Property Standards Reform Plan

## Technology and Equipment Reforms

- 17. Mobile Devices in the Field**
- 18. Implement Inspection Tracking Software**
- 19. Digitize Use & Occupancy Permits**

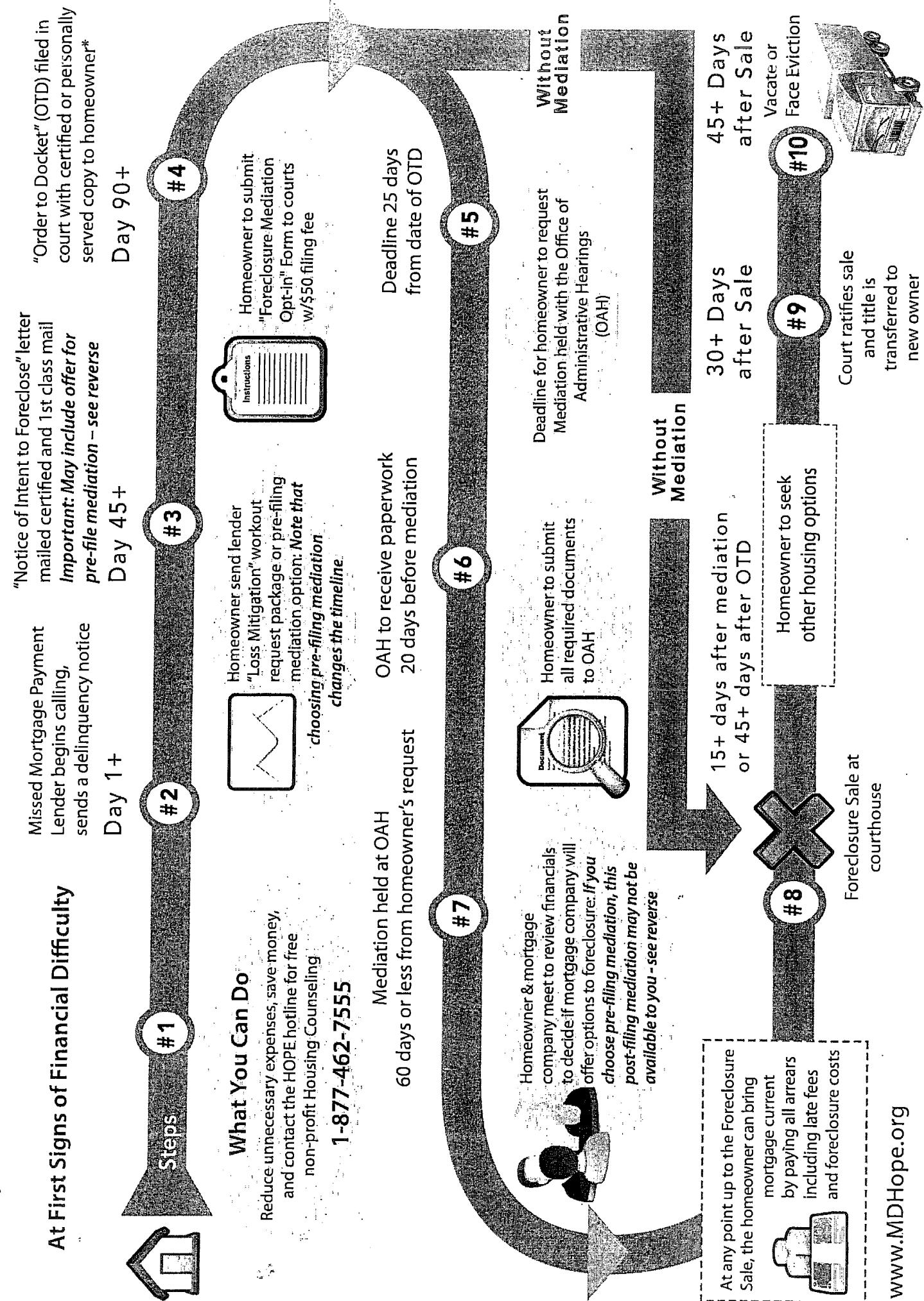
Draft      Draft      Draft  
**Property Standards Reform Plan**

### Potential Judicial/Legal Reform Under Examination:

**20. Use of An Administrative Hearing Rather than Court Docket**

**J. MARYLAND FORECLOSURE TIMELINE CHART**

# Marland Homeowner Foreclosure Timeline\*



**K. TAKE BACK YOUR HOME COALITION PROPOSAL**

## TAKE BACK YOUR HOME COALITION

### Rent-Back and Rent-to-Own Programs

September 11, 2013

#### Update:

Since the Take Back Your Home Coalition and member and partner organizations distributed the sign-on letter on July 29, 2013, Boston Community Capital has committed to bringing the Stabilizing Urban Neighborhoods ("SUN") Initiative to Prince George's County. The SUN Initiative buys homes in or at risk of foreclosure at discounted prices through short sales and post-foreclosure purchases and sells each home back to the original homeowner with a new mortgage loan, enabling the original homeowner to afford to keep his or her home. The SUN Initiative will be a valuable resource for preserving homeownership where the current homeowner has stable income but cannot afford his or her payments and requires the equivalent of principal reduction.

There are circumstances, however, in which the SUN Initiative will not be an option. For example, the SUN Initiative may not be able to help where the homeowner's income has fluctuated due to temporary unemployment or illness. In these circumstances, the homeowner may need to rent for a period of time before becoming eligible for financing to re-purchase his or her home or another home in Prince George's County.

#### Rent-Back and Rent-to-Own Program Overviews:

The Take Back Your Home Coalition recommends that the County support the development of rent-back and rent-to-own programs to serve homeowners at risk of foreclosure who are not eligible for the SUN Initiative. Through the rent-back program, a community development financial institution ("CDFI") will purchase homes in and at-risk of foreclosure and, to the maximum extent possible, rent the homes back to the original homeowners for a fixed period of time with the option for the homeowners to re-purchase the properties during the fixed period. If not possible to rent back to the original homeowner, the CDFI will purchase other foreclosed properties in Prince George's County and rent them to homeowners who recently lost their homes. In both programs, the homeowners will receive free housing and financial counseling to enable them to develop a financial plan and to re-build their credit so that they qualify for financing to re-purchase their original homes or the homes that they rented. The rent-back and rent-to-own programs will both stabilize communities and preserve the investment that so many long-term Prince George's County residents made when they became homeowners in the first place.

#### Implementation:

The Take Back Your Home Coalition has identified a non-profit CDFI willing to implement the rent-back and rent-to-own programs. The CDFI estimates that with an initial investment of \$5 million, it would be able to preserve approximately seventy-five homes. Moreover, because the CDFI would be able to leverage capital at a rate of 1 to 1.5%, it would be able to expend up to \$500,000 at a time rather than requiring immediate reimbursement.

## **Take Back Your Home Coalition Description**

### **Mission:**

The Take Back Your Home Coalition's goal is to empower citizens affected by foreclosure; to preserve their homes and communities through a combination of grassroots organizing, outreach, housing counseling, and legal education. We aim to bring together tenants and owners, students and neighbors, and individuals of all backgrounds to achieve this common purpose.

### **Meetings:**

The Take Back Your Home Coalition will host bi-weekly meetings for homeowners and tenants living in foreclosed properties. At the meetings, grassroots organizers will meet with homeowners and tenants as a group and work to build a collaborative movement to prevent foreclosures and foreclosure-related displacement in Prince George's County, Maryland. In the long-term, we aim for homeowner and tenant leaders to lead the bi-weekly meetings.

After the homeowners and tenants meet together as a group, on-site housing counselors and attorneys will talk with homeowners and tenants about their rights and explain the local services available to assist homeowners and tenants in keeping their homes. Homeowners and tenants will be immediately connected to ongoing services as much as possible.

### **Outreach:**

We will reach homeowners and tenants and encourage them to come to the meetings through door-to-door outreach. In particular, students at the American University Washington College of Law will continue their project to canvass foreclosed properties and will refer homeowners and tenants to the bi-weekly meetings. We will also work to recruit volunteer canvassers at other local schools and community organizations.

**Turner, Todd M.**

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**From:** Marielle Macher <Marielle\_Macher@washlaw.org>  
**Sent:** Monday, July 29, 2013 1:36 PM  
**To:** Watson, Ellis F.; Anglin, Shirley M.; Turner, Todd M.; Williams, Kenneth C.; Patterson, Obie  
**Subject:** Take Back Your Home Coalition Sign-On Letter to the Foreclosure Task Force  
**Attachments:** Sign on letter FINAL July 29 2013.pdf

Dear Foreclosure Task Force and Council Member Patterson:

Attached is a sign-on letter from the Take Back Your Home Coalition and fifteen additional organizations in response to the Foreclosure Task Force's invitation for public comment.

Sincerely,  
Marielle Macher

**MARIELLE MACHER | Skadden Fellow**  
**WASHINGTON LAWYERS' COMMITTEE FOR CIVIL RIGHTS AND URBAN AFFAIRS**  
11 Dupont Circle, NW, Suite 400 | Washington, DC 20036  
202-319-1000 x159 | Fax 202-319-1010

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Prince George's County Foreclosure Task Force  
c/o Council Member Obie Patterson  
County Administration Building  
14741 Gov. Oden Bowie Drive  
Upper Marlboro, MD 20772

July 29, 2013

The Take Back Your Home Coalition and the undersigned organizations write to encourage the Foreclosure Task Force to do more to help homeowners in and at risk of foreclosure in Prince George's County. The Take Back Your Home Coalition is a group of community organizations that address foreclosure issues in Prince George's County, including Housing Options & Planning Enterprises, Inc., the Public Justice Center, the Coalition for Homeownership Preservation of Prince George's County, the Washington Lawyers' Committee for Civil Rights and Urban Affairs, and Take Back Your Home of the American University Washington College of Law. The Take Back Your Home Coalition's goal is to empower citizens affected by foreclosure to preserve their homes and communities through a combination of grassroots organizing, outreach, housing counseling, and legal education.

As the Foreclosure Task Force knows, Prince George's County residents were heavily targeted for subprime loans before 2008. As a result, Prince George's County consistently has one of the highest foreclosure rates in the State of Maryland. In the first quarter of 2013 alone, Prince George's County had 1,422 foreclosure events, and foreclosures are showing no signs of diminishing. In fact, foreclosure sales were up by 89.6% in Prince George's County in the first quarter of 2013 compared to 2012, comprising 25.6% of foreclosure sales statewide.

As housing counseling agencies, legal services organizations, and members of the Prince George's County community, we know that behind these statistics are thousands of Prince George's County families about to lose their homes. These are long-time Prince George's County residents and neighbors who are active in their local churches, civic associations, and PTA organizations and who worked hard to achieve the dream of homeownership, but who fell behind on their mortgage payments due to predatory lending, lost jobs, and unexpected medical bills.

In light of the ongoing nature of the foreclosure crisis in Prince George's County, we are disheartened that the Foreclosure Task Force's current proposal includes almost no concrete programs, other than funding housing counseling, to assist homeowners at risk of foreclosure. The proposal instead prioritizes code enforcement and down payment assistance for first-time homebuyers—programs which will do nothing to stem the tide of long-term Prince George's County residents losing their homes or to help long-term residents remain in their communities.

We ask that rather than focusing on down payment assistance, the Foreclosure Task Force instead focus its proposal on developing concrete programs to help current homeowners at risk of foreclosure and designate more funding to housing counseling and other programs that benefit homeowners in and at risk of foreclosure directly. One such way is to assist local organizations in establishing a non-profit community banking program modeled after Boston Community

Capital's Stabilizing Urban Neighborhoods ("SUN") Initiative in Massachusetts. The SUN Initiative buys owner-occupied homes facing foreclosure at the current market value, either through short sales or post-foreclosure purchases. After purchasing the homes, the SUN Initiative sells the homes back to the former homeowners with a new mortgage. Because the new mortgage is based on the current market value of the home, rather than on the value at the time of the homeowner's original purchase, the homeowner receives the equivalent of principal reduction and is able to afford to keep the home. In Massachusetts, the SUN Initiative has saved the homes of hundreds of homeowners and has reduced monthly mortgage payments for participating homeowners by an average of more than 40%. Other communities have also developed successful programs similar to the SUN Initiative, such as New Jersey Community Capital, which has implemented the ReStart Home Preservation Program to purchase pools of mortgages in New Jersey and Florida.

The SUN Initiative is the type of program that we can and should have in Prince George's County, and the Foreclosure Task Force should ensure that there are adequate resources to establish it here. This program will help to stabilize communities in Prince George's County and ensure that long-term residents have an opportunity to remain in their neighborhoods as homeowners.

We thank you in advance for your consideration of our suggestions, and we hope that you will ensure that they are implemented before the Foreclosure Task Force finalizes its proposal.

Sincerely,

Asian-American Homeownership Counseling, Inc.  
Capital Area Foreclosure Network  
Coalition for Homeownership Preservation of Prince George's County  
District V Coffee Club  
HIP Services, Inc.  
HomeFree-USA  
Housing Options & Planning Enterprises, Inc.  
KAIROS Development Corporation, Inc.  
Mary Catherine Estates Civic Association  
OpenDoor Housing Fund  
Public Justice Center  
Roots of Mankind Corp.  
Sowing Empowerment & Economic Development, Inc.  
Take Back Your Home Coalition  
Take Back Your Home of the American University Washington College of Law  
Washington Lawyers' Committee for Civil Rights & Urban Affairs

**L. PUBLIC COMMENTS**

**Turner, Todd M.**

---

**From:** patricia washington <fibp6118@yahoo.com>  
**Sent:** Monday, September 23, 2013 1:15 PM  
**To:** Turner, Todd M.  
**Cc:** Saundra Shirley; sam.elamin@hotmail.com; Betty.HortonHodge@mail.house.gov; Anglin, Shirley M.; babanks1@gmail.com; dhurley@hopefinancial.org; Watson, Ellis F.; Williams, Kenneth C.  
**Subject:** Re: Recommendations from 9/19/13 Meeting  
**Attachments:** Recommendations - ltr to O Patterson 9-23-13.docx

Greetings,

Attached please find our collective responses to the recommendations in its current proposal. Letters to County Executive Rushern Baker and Congresswoman Donna F. Edwards will be forwarded under separate cover.

Best regards,

*Patricia R. Washington*  
240-764-6880

"Every calling is great when greatly pursued." Oliver Wendell Holmes.

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September 20, 2013

The Honorable Obie Patterson  
Chairman,  
Prince George's County Foreclosure Task Force

Dear Councilmember Patterson,

Re: Additions to Prince George's County Homeowner Recommendations to Task Force

Thank you for meeting with us Thursday, September 19, 2013 to consider our suggestions of the final recommendations of the Foreclosure Task Force.

As we testified Force meeting on June 19, 2013, we find the proposed recommendations inadequate and deeply lacking in the attempt to address the urgent tsunami of Homeowners facing wrongful foreclosures and the related problems.

The following are recommendations as discussed at our meeting

1. Implementing a Moratorium on foreclosures in Prince George's County to allow time for investigation of improprieties and illegal actions leading to foreclosure wrongful foreclosures.
2. Allocating funds to investigate monitor, research, data collection statistics, etc. the following:
  - a. accounting discrepancies by banks and mortgage servicers:
    1. reversal of payments in the last quarter of the year and crediting of payments in the first quarter of the year (IRS, stockholders and Fannie Mae impacts);
    2. foreclosure implications of reversal of payments issue;
    3. impact on pooling/change of loan servicer based on proper/improper payment accounting/credit; and
    4. collect Loan to Value (LTV) and default statistics, and data on the application/crediting of HAMP, EMA, HARP and other payment arrangements.
  - b. other policies and practices that lead to default, foreclosure and related problems, including:
    1. the offering trial modifications, but failure to execute loan modification agreements;
    2. the transfer/sale of mortgage from banks to predatory servicers; and
    3. the failure to accept properly made payments, improper/inaccurate posting of payments, and inaccurate reporting of mortgage interest paid by homeowners to the IRS.

Honorable Obis Patterson, Chairman

Prince Georges County Foreclosure Task Force

Homeowner's Recommendations

Page Two

- c. county judicial improprieties
  - 1. conflict of interest; and
  - 2. failure to follow state and federal laws in foreclosure matters.
- d. and funding the investigation and obtaining the assistance of the state Attorneys General Office to pursue a class action/state suit against banks and mortgage servicers regarding Fannie Mae/Freddie Mac mortgage loans, for civil and criminal violations of state and federal laws -- including the use of same basis and actions which led to the existing mortgage settlement.
- 3. Allocating funds to develop, staff and maintain an oversight (complaints) and legal assistance hotline; and for a Prince Georges County consumer protection office/bureau.
- 4. Allocating funds to provide legal assistance (Attorneys) needed by the homeowners in default/pre-foreclosure, in foreclosure and post foreclosure -- to prevent banks and mortgage servicers from fraudulently throwing families out of their homes daily.
- 5. Funding to ensure the effectiveness of Counseling Agencies by providing regular and ongoing training, up to date local, state and federal legal and program information regarding assistance for existing homeowners who are underwater, in default and/or facing foreclosure; and quarterly reporting services provided and outcomes.
- 6. Allocating funds to assist homeowners in retaining their homes.
- 7. Providing funding to research and identify options for special state legislation to change the property valuation assessment formula for Prince George's County to assist in abating underwater mortgages; and phasing in assessment value reductions as done with value increases, over a three year period.
- 8. Addressing property blight abatement for REO/foreclosed properties is the financial responsibility of the foreclosing entities. Therefore expenditures of any county or other funds to address the responsibilities of the banks and mortgage servicers should be recouped from the foreclosing entity and significant (daily) fees and fines imposed for their failure to abate blight conditions in a timely manner. For continuing and ongoing violations by the same foreclosing entity, the county should pursue legal action.
- 9. While blight is not desirable nor should it be tolerated in our communities, with respect to existing homeowners, rather than simply increasing enforcement (including increasing fines and fees), provide grants to financially distressed, low income and elderly homeowners to remedy the blight and substandard conditions of their property.
- 10. Eliminate all Task Force recommendations which have the outcome of further burdening existing homeowners (especially those in default or facing foreclosure) with additional or higher fines and fees which they will not be able to pay. Increased enforcement measures will have the likely consequence of creating another vehicle by which homeowners could lose their home by defaulting in the payment of county fines and fees and by not being able financially to make any required property improvements/corrections. Rather, provide grants options for these existing homeowners.

The Honorable Obis Patterson, Chairman  
Prince Georges County Foreclosure Task Force  
Homeowner's Recommendations  
Page Three

Again, we emphasize the clear lack of any recommendations (except counseling) in the Task Force's Report which directly addresses the needs of existing homeowners in default or facing pending foreclosure. Upon the basis of the MOU and the settlement to address wrongful actions against existing homeowners, some of whom have already been improperly. It is only fitting that any proposals for the expenditure of the majority of the settlement should directly benefit the parties for whom the settlement was reached hence comply with MOU

We thank you for your consideration and the opportunity to participate in this process and look forward to your full support.

Sincerely,

Prince George's County Homeowners

*Patricia Washington*

*Saundra L. Shirley*

*Sam El Amin*

*Beverly A. Banks*

cc:     Betty Horton-Hodges  
          Todd M. Turner  
          Ellis F. Watson  
          Donna B. Hurley

**Everlyn s. Myles-Fisher  
304 Nairn Court  
Upper Marlboro, MD 20774**

**Telephone: (301) 336-0088**

**September 25, 2013**

**To: The Members of the PGC Foreclosure Task Force  
Meeting of September 25<sup>th</sup>, 2013**

**Dear Ladies and Gentlemen**

**It is with great sadness that I address you today and even though I was not able to arrange time off from work and study to attend, I do send my concerns/my voice via this typewritten note.**

**I attended the meeting of June 19, 2013 and added my name to your email list to be notified of the next meetings, but unfortunately, I did not receive any communication from your offices.**

**That is really too bad because there are several families from my church community with very similar or exact housing/mortgage or near foreclosure problems that I am faced with who would have loved to attend today's meeting but could not make it today because of the short notice. I only learnt of today's meeting two days ago and to get the time off from work at 3:00 p.m. was not possible.**

**Thank you for the opportunity to participate in this valuable discussion re: The PGC Foreclosure Task Force Meeting. I am sure you all are saddened by the over whelming number of families losing their homes in this county because of income reduction, financial bust, homes underwater, illness and more. Some of you are elected officials and must be at a lost to find out exactly what to do to remedy the situations and bring some permanent or even temporary solutions to the suffering folks.**

**I know some individuals were foolish in buying homes with very little money down and unstable incomes but that is not the situation of everyone. Take my situation for example. I am a Registered Nurse with advance qualifications and years of service. I was charge nurse in the Intensive Care Unit, wages \$64.00/hour. Monthly take home pay over \$8,000.00.**

**I was able to save, pay my bills and help others. Then one day I had an accident at work helping a gravely ill patient who had stopped breathing. He was big, I could see that but what to do. If we did not help him, he would not have a chance to revive but if we help, I could hurt myself. These decisions are hard to make but as good nurses we all jumped in to revive this big dying man.**

**Oh great we revived him but two of us got injured. Because of my injuries, I could not work for over six years so I turned to my savings to supplement Workers' Compensation payments. Then my husband lost his job during the recession and we started to fall behind on bills..yes the mortgage too.**

**I did not have a lot of debts but I had one credit card with Bank of America of \$4,597.94 which they have a judgment in the Prince Georges Court against the title of my home. I paid this money back in January and the bank wrote me in April 2013 stating my account was settled in full but I cannot get them to update the**

court records so my home unfortunately is still active in foreclosure in the PG Courts even though I applied and receive a Making Home Affordable Modification approval. I have completed the three months trial successfully and am now about to lose this opportunity for help X 2 because I cannot get Bank of America to update the courts records. I have written since January 2013, faxed, over 20 calls and still no luck.

Today I have a different story. I am back at work also my husband. I work only \$39/hourly, regular floor nurse. I am very greatful at another chance to work after major illness, pain and suffering!!!

Tell me truly please members, what should I do? How can your committee help a struggling home member like me? I call the bank every day I am off trying to find who is responsible to update the courts records but still waiting. Can you imagine how frustrating this is?

If I was a fool like the gun bearing idiots I see shooting up people for little issues, I could have gone over to Bank of America and try some crazy stuff but evil does not resolve the evil being done to me right now. So I ask you dear committee members, send me some good news. How do I get the court records against my title updated to complete my loan modification before time runs out? I will be a witness to others that there is hope if they just persevere and fight on.

As women and men of this county working behind the scenes to improve the quality of life for the residents of the State of Maryland, it is time we the public hear your voices, see you faces on TV and not at only at election times. We are suffering under this economic and housing bust. We are targeted by the many and getting help from the minority.

#### HELP, HELP, HELP!!! DOES ANY BODY CARE?

Does anybody care that people are losing hope, giving up, getting sick from the unfair pressures and practices of the banks?

Help us please! Come sand by us, hold our hands; we are weak from fighting alone and getting nowhere. As politicians and Executives, you all have the clout, the power to make changes that work. Let it be known and said that you all stand with us, by us, behind closed doors and before the mikes and cameras in the public places. Show the big banks that are too big to fail, that the people are too little to stand alone so you will stand with them because you have the power and the will to do so.

Looking forward to bold actions from you all...

May God bless you all and thanks again for any help for me and my hurting community home owners.

**Everlyn S. Myles-Fisher, Home Owner in Prince Georges County**

**Absentee Today, Present via My Written Note and in Spirit**

**Tel: 301-336-0088**

**Fax: 301-336-5480**

**Email: [missdass@comcast.net](mailto:missdass@comcast.net)**

**Turner, Todd M.**

---

**From:** Shari Turner <tsharime@aol.com>  
**Sent:** Wednesday, October 02, 2013 4:38 AM  
**To:** Turner, Todd M.; dhurley@hopefinancial.org; BRANDON.BRITTINGHAM@Longandfoster.com; hrobin8276@aol.com; BowlesA@aol.com; Chute, Deborah L.; platinum1fg@yahoo.com; dolkart@mdhousing.org; Brown, Eric C.; Ortiz, Adam; Eubanks, Musa L.; Himler, Thomas; CHalsey@industrial-bank.com; Hijazi, Haitham A.; Watson, Ellis F.; anthony.muse@senate.state.md.us  
**Cc:** sam.elamin@hotmail.com; ruffnow1@aol.com; bmiller212@comcast.net; veronicatwin1@yahoo.com  
**Subject:** Re: News from Maryland Department of Housing and Community Development  
**Attachments:** PG\_Task\_Force\_Talking\_Points\_June\_19\_2013\_-1.doc

Good Morning Todd,

Please see talking points from the June hearing enclosed.i.e., copied and provided during the hearing.

FYI:

Also note there is chatter and comment referencing the lost notes from the previous meeting mimicking similar or same behavior of lost documentation from the banks. This is just one of the factors of processing paperwork during the foreclosure proceedings.

Respectfully yours,

Shari Turner,

Tsharime@AOL.Com

202-549-5616

-----Original Message-----

From: Turner, Todd M. <TMTurner@co.pg.md.us>  
To: 'dhurley@hopefinancial.org' <dhurley@hopefinancial.org>; 'BRANDON BRITTINGHAM' <BRANDON.BRITTINGHAM@Longandfoster.com>; 'Hazel Robinson' <hrobin8276@aol.com>; 'BowlesA@aol.com' <BowlesA@aol.com>; Clarke, Toni <TClarke@co.pg.md.us>; Chute, Deborah L. <DLChute@co.pg.md.us>; 'Robin Scales' <platinum1fg@yahoo.com>; 'dolkart@mdhousing.org' <dolkart@mdhousing.org>; Brown, Eric C. <ecbrown@co.pg.md.us>; Ortiz, Adam <AOritz@co.pg.md.us>; Eubanks, Musa L. <mleubanks@co.pg.md.us>; Himler, Thomas <THimler@co.pg.md.us>; 'CHalsey@industrial-bank.com' <CHalsey@industrial-bank.com>; Hijazi, Haitham A. <hahijazi@co.pg.md.us>  
Cc: Sanu, Hawi <HSanu@co.pg.md.us>; Stone, Howard W. <hwstone@co.pg.md.us>; Williams, Kenneth C. <KCWilliams@co.pg.md.us>; Middleton, Victoria M. <vmmiddleton@co.pg.md.us>; Watson, Ellis F. <efwatson@co.pg.md.us>; Alexander, Estella <ealexander@co.pg.md.us>; Garrett, Nicole G. <NGGarrett@co.pg.md.us>; Brown, Kisha <kbrown@oag.state.md.us>; Frome, Bradley W. <BWFrome@co.pg.md.us>; 'mary.dade@verizon.net' <mary.dade@verizon.net>; 'mwessels@ucappgc.org' <mwessels@ucappgc.org>; Nevin, Jennie F. <JFNevin@co.pg.md.us>; 'mikeg@pgcar.com' <mikeg@pgcar.com>; Campbell, Karen D. <kdcampbell@co.pg.md.us>; 'wpool@mymcat.org' <wpool@mymcat.org>; 'jhutchinson@iphomes.org' <jhutchinson@iphomes.org>; Hendricks, Amber <AHendricks@co.pg.md.us>; Alexander, Yvonne M. <YMCCarlton@co.pg.md.us>; 'cstreeter@dllr.state.md.us' <cstreeter@dllr.state.md.us>; 'mehu@md.housing.org' <mehu@md.housing.org>; Marielle Macher <Marielle\_Macher@washlaw.org>; tsharime <tsharime@aol.com>; lgantlaw <lgantlaw@aol.com>; Nannettejohnson94 <Nannettejohnson94@yahoo.com>; Lyles, Michael <MLyles@co.pg.md.us>;

**CFPB**  
**Consumer Financial Complaint Data**  
**TOP 5 States Per Capita**

**National Consumer Law Center reports that:**

**The top states per capita by mortgage complaints are:**

(1) New Hampshire (2) Maryland (3) the District of Columbia (4) Georgia and (5) Florida.

**The top states per capita by credit card complaints are:**

(1) the District of Columbia (2) Delaware (3) Maryland (4) New York, and (5) New Jersey.

**The top states per capita by bank account & service complaints are:**

(1) the District of Columbia (2) Delaware (3) New Jersey (4) Rhode Island and (5) Maryland.

**CFPB**  
**Consumer Financial Complaint Data:**  
**Maryland 10 top zip codes**

Complaints	Zip Code	Location
57	20774	Largo/Springdale
55	20744	Ft. Washington
39	20772	Upper Marlboro
39	20735	Clinton
36	20706	Lanham/Glenarden
34	20748	Hillcrest Heights/Temple Hills
31	20721	Bowie/Mitchellville
29	20743	Capitol Heights
29	20785	Landover/Hyattsville
27	20720	Bowie



Working for Justice in Housing Since 1959

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	Received	Unanswered Questions
Legal Assistance	5.7 Million	How is it determined what legal assistance is qualified to address the needs of homeowners or are they only prepared to complete a checklist of questions?
Pre-Trial Mediation	\$520,000.00	Retired Judges whom sit as mediators provide approximately a 10 day delay by law, knowing banks have already made up their mind the outcome in most cases. Homeowners recognizing the myth that banks don't want your home. The high foreclosure rate has proven a different aspect.
Outreach / Advertisement	\$600,000.00	How are the county meetings such as this publicized?
4> Programs and Funding		The County "FULLY" implement the approved plans for the Maryland Attorney General's allocation of 10 MM in funds allocated to Prince Georges County (as part of the National Mortgage Settlement Agreement) to address homeowners in foreclosure within Prince Georges County. Did the monies get to the level of homeowners to save their homes? If so where are the metrics? How many homes were actually saved compared to homes loss?

# Talking Points

- As of June - 2013 The State of Maryland has the 4th highest rate of Foreclosure in the Country
- 
- Prince Georges County is listed as 1st in the State of Maryland beside Baltimore County and Baltimore County
- 
- Prince Georges County has the Highest number of complaints to the Maryland Hope Hot Line
- 
- 9 out of 10 Highest Foreclosure Zip Codes are in Prince Georges County
- 
- On Page 3 of the Task Force Recommendations it state "Since 2009, the range of single family housing investors, has steadily and increasingly expanded buying.
- 
- What is the purpose of the Prince Georges County Task Force and what is the benefit to "The People of Prince Georges County? How much clout does the recommendations carry when recommendations are presented to the elected officials that "The People" of Prince Georges County put into office? Is the Task Force funded with the money intended for Foreclosure prevention?
- 
- There are lots of "Discussions" listed for instance - A fourth policy area of discussion: Was the effectiveness of housing counseling and the vast array of obstacles effects on foreclosure process such as home price decline, tighten consumer credit and tightening of FICO credit scores." after the economy took the people in our community to New Lows.
- 
- Attachments are not included in the Task Force Recommendations (Where can they be found?

	Received	Unanswered Questions
Housing Counseling	8 Million	Where are the metrics for how many homeowners were able to save their homes from such counseling?

## (Task Force) Conclusion

Finally, the Task Force thanks the County Executive and the County Council for an Opportunity to serve and participate in this process and county staff and other government and Not-For Profit organizations for their input and expertise.

**(Where is the input from “The People” of Prince Georges County whom are faced directly with this crisis? “The People” that voted our leadership into office to represent and stand for “The People” that built this community first and foremost?)**

	Received	Unanswered Questions
11> That the County creates, in partnership with community based financial institutions.... ???		Why must a financial institution be paid monies upfront if they are coming in to assist and ultimately gain profit?
		What action items are listed in this recommendation other than cutting lawns or helping with new ownership while persons whom built this county receive no bailout funding due to lost income, layoffs, sequesters, government, shutdowns, illness, death, etc... due to no fault of their own?
		What monies are being used to address the bank fraud alone in Prince Georges County?
		Why are we taking the money once again from the people of Prince Georges County when it was initially designated to prevent foreclosures? In particular WHY is The money being used for Blighted property that's been in existence for 10 to 20 years? Isn't that the responsibility of the banks that own the property?

	Received	Unanswered Questions
		When will this recommendation be submitted to the County Exec and what are the expectations of depleting the homeowners that built this community?
		How comfortable are persons in leadership and the justice system of Prince Georges County knowing the money that's due to homeowners to help them stay in their rightful homes has been spent on instances other than ensuring the majority of homeowners have been provided an opportunity to get back on their feet and continue to maintain what's in most cases is their life's commitment to Prince Georges County?
		How many persons in leadership, persons within the justice system that have the power to change the course of these wrongful acts hear these horror stories, sit in these hearings and know the facts of this targeted community yet continue to rule against the homeowners?