



Prince George's County Foreclosure Impact Statement

Presented by
United Communities Against Poverty, Inc
“Preventing foreclosures in Prince George’s County”

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Prince George's County Housing Recovery Initiative



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- Annual Report



Prince George's County Housing Recovery Program

Executive Summary



Thank you for the opportunity to present Prince George's County Housing Recovery Program. UCAP was designated the official Community Action Agency for Prince George's County, Maryland in 1978. Our mission is to alleviate poverty, improve the awareness of the needs of low and moderate income residents and maximize the quality of life for Prince George's County residents through advocacy and quality services. UCAP is the only agency in Prince George's County that provides multi-level services that help families build a sustainable base of economic security for themselves, their children, and their neighborhoods. The goal of this initiative is to assist county residents in achieving a positive outcome with their distressed mortgages.

- This Housing Recovery Program will assist Prince George's County Residents by
 - Navigating the complex options available to residents for federal, state and local programs such as:
 - Life Line Program
 - Homesaver Refinance Mortgage
 - Bridge to Hope
 - Advocate for homeowners and mortgage companies for forbearances, forgiveness, loan modification or the sale of their property
 - Within 12 months reduce the number of foreclosures by 4%
- As a HUD Certified Housing Counseling Agency, our Housing Counselors are:
 - Certified Professional Comprehensive Housing Counselors
 - Certified Pre-Purchase Counselors
 - Certified Foreclosure Intervention and Default Counselors
 - Certified Financial Literacy Counselors
 - Certified Housing Counselors *Specializing* in Homeownership

As the stimulus bill is about to be distributed to the states and thus Prince Georges County know that our staff is always available to you for insight, focus groups, information, education, presentations and program designs. To access those services, please contact Sandra A. Gammons at 301-322-5700.

Sandra A. Gammons, MSW
President/CEO

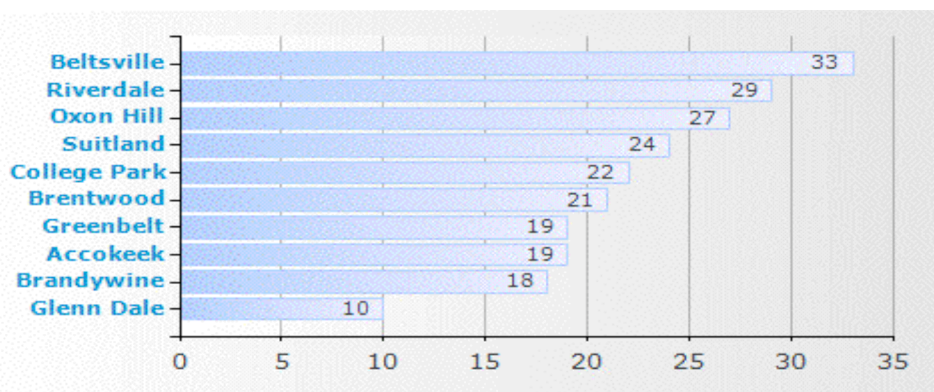
Arthur Turner
Board of Directors, Chairman



Problem Statement

Although communities nationwide have felt the effects of the housing crisis for months, foreclosures in the Washington region have been increasing at a surprisingly quick pace, surpassing those of most major metropolitan areas. The Washington Post's article titled "Many feeling affected by high interest loans"¹ that states that the Washington region now has one of the fastest-growing foreclosure rates in the nation, as 15,613 homes went into foreclosure during a one-year period ending in February 2009. It is a national phenomenon, and it was pretty much expected based on the kinds of loans and refinances people got into in the last few years," said Tommie Thompson, Director of the County's Department of Housing and Community Development.

Nationally this past year, the number of foreclosures per 10,000 homes jumped from 23 to 131 locally, while the national average increased from 58 to 87.² In the Washington metropolitan area, in January 2009 a total of 1,124 properties have foreclosure which equates to 1 in every 284 housing units. Homes located in Prince Georges County, in many price ranges, have been affected. Homes in Fort Washington, Maryland, zip code 20744, had the most foreclosures in the Washington area. According to Realtytrac, a real estate information firm, about 80 homes in that zip code received notices of pending foreclosures from January through May 2008, almost double the rate from the same period a year earlier. In the past five months, there have been 40 or more foreclosures each in the Clinton, Capitol Heights, District Heights and Temple Hills. The chart below illustrates the Prince Georges Communities and the number of foreclosures for January 2009.³



¹ Washington Post, June 30, 2007

² <http://www.highbeam.com/doc/1P2-16742575.html>

³ <http://www.realtytrac.com/states/Maryland/Prince-Georges-County.html?ChartPage=1>



For the past 7 years realtors and loan officers provided new mortgage products to sell houses. Adjustable rate mortgages, interest only mortgages, second mortgages are part of the game. Anybody who is looking for a mortgage will find on the Internet and in newspapers advertisements for potential predatory loans. These promotions include “1% Mortgages: Save thousands of dollars per year with our 1% (4.3%APR) option arm.” “This makes your first year savings \$6,660” [with a \$200,000 mortgage]. The promotions forget to mention the fact that at the end of the year you owe about \$6,660 more than at the beginning of the year. These promotions are accompanied with messages that include “we have No Documentation, Cash Out, and No Money Down Mortgages.” The temptation is great if you fall behind in your mortgage and receive an offer to refinance at one percent. They offer to come to your home for the closing; it couldn’t be any more convenient

UCAP conducted a Community Needs Assessment in Prince George’s County in July 2000. The purpose of the survey was to get first hand information on individual and community needs to be used to develop programs to meet and identify needs. Of the 1,426 respondents, from various districts within the County, almost half (46.6%) of the respondents said they had fallen behind in their rent or mortgage payments. From January 2009 – February 16, 2009, 818 mortgages had foreclosed.⁴ There are many causes behind foreclosures: banking and bankruptcy issues, loss of jobs, and non-traditional loans.

Foreclosures Events	Default	Notice of Sale	REO	Total	MD
	1,861	213	715	2,789	35%
% of increase from 2007	119.2%	72.2%	1275%	63.7%	

Foreclosure events in Prince George’s County and the increase from previous quarter⁵ The Chart on the next page shows foreclosure information for Prince George’s County including the zip code, house price, number of foreclosures, homeowners displaced, minority population and the median income.

⁴ <http://www.currentforeclosures.com%2FStats%2F>

⁵ www.maryland.gov Figures compiled from Maryland DHCD.



Insert chart here

STATEMENT OF SERVICES



The United Communities Against Poverty, Inc. operates a multi-service housing department designed to meet the needs of the residents of Prince George’s County. The housing department provides counseling and support services in the areas of Mortgage/Rental/Utility Assistance, First-Time Homebuyers Program, Service-Linked Housing Program, Transitional and Permanent Housing Programs. UCAP has a proven track record in assisting residents with mortgage assistance and foreclosure prevention.

HOUSING PROGRAM OUTCOMES

<u>Housing Services</u>	<u>CUSTOMERS SERVED FY08</u>	<u>YTD FY09</u>
Emergency Assistance		
Screened.....	1,971	1,374
Assessed and counseled.....	649	371
Eviction/FMR cases assessed and counseled.....	118	71
Mortgage cases assessed and counseled.....	196	163
Total approved for assistance.....	329	139

UCAP cares about the entire community, and dedicated to helping people help themselves and each other. We currently provide two types of services: mortgage assistance and foreclosure prevention.

Mortgage Assistance

The Emergency Assistance Program provides assistance to the residents of Prince George’s County through a comprehensive series of assessments and intensive case management. In the past fiscal year, the housing department has screened over 2,150 individuals and provided case management counseling and assessment services to more than 1,300.

The mortgage assistance program provided counseling to over 80 private homeowners in various forms of mortgage eviction prevention households. UCAP also granted financial assistance to many of those families as well as referrals to private and government agencies that assist with debt reconciliation; loss mitigation, refinancing, property equity, and predatory lending practice awareness.



Foreclosure Prevention activities include:

- Modify the loan rate
- Negotiate new principles
- Out of court resolutions
- Apply for Federal assistance through the varies programs
- Provide delinquency/default/foreclosure counseling
- Provide mortgage rescue funding
- Provide Reverse Mortgage Counseling for Seniors
- Provide Energy delinquency counseling
- Provide financial assistance for energy delinquency customers

Clients are tracked through several venues: individual case files, the agency’s PRO-2000 Tracking System and Fannie Mae’s Home Counselor On-Line. Prince George’s County Department of Community Services audits the files on an annual basis. Case files are then kept for five years according to regulation. Referrals to other resources are disbursed as needed, including: food banks, advance earned income tax credit, job training, unemployment insurance, job referrals, information about alternate housing and roommates, Office of Home Energy Program, Department of Social Services, and other organizations (non-profit and faith-based).

Program Staff Capability

UCAP provides five full time employees to provide housing counseling each with extensive knowledge in foreclosure prevention and mortgage assistance.

Mary Clark Dade, Housing Counseling Program Manager

Certified Professional Comprehensive Housing Counselor and a Certified Default & Intervention; Certified Identity Theft Risk Management Specialist. Master’s Degree in Counseling. Continued training in Counselor Tenancy, Mortgage Default & Delinquency Counseling, Reverse Mortgage Counseling, Credit Repair and Financial Literacy Counseling. Retired from the army after 20 years of service; she has been with UCAP since 2004. Ms. Clark currently supervises four certified housing counselors.

Caprise Coppedge, Housing Counselor:

Certified Pre-Purchase Counselor; Certified Mortgage Broker; Certified Financial Literacy Counseling; Certified Foreclosure Intervention & Default Counselor. Over 8 years of experience in the area of mortgage banking housing counseling, budget counseling, and loss mitigation assistance. Her advanced negotiation skills have been very beneficial to the organization’s mortgage workout success rate.

Mr. McDonald

Certified Professional Comprehensive Housing Counselor and a Certified Default & Intervention; Certified Financial Literacy Counseling; Certified Mortgage Broker. Bachelors of Arts, Strayer University. Over 12 years as a mortgage loan consultant for several mortgages and financial groups.



Deidra Deirdra Hailes, Housing Counselor

Certified Pre-Purchase Counselor who is currently pursuing Master's Degree. Over 20 years of experience assisting the displaced population.

Renee Carroll, Administrative Assistant

Certified Professional Housing Counselor.

Fiscal Accountability

Fiscal oversight will be provided by the finance department, which currently handles funds from over twenty sources which support the activities of UCAP. The fiscal manager is responsible for monthly financial statement preparation and annual audits. Payables are issued bi-weekly for all program expenditures and monthly in-house financial reports are produced for program staff. With a current budget of 2.7 million UCAP is subject to A-133 Audit. Our finance department is computerized, using Quick books and tracks all expenditures as indicated on the approved budget for the program.