

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