

Federal, State and Local Efforts Converge to Reduce Foreclosures in Prince Georges

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The good news is that interest rates on mortgages are near historic lows!

Competing forces include declining home values, insufficient home equity, insufficient credit scores, and more stringent lending requirements which have made it difficult for many homeowners to refinance their mortgages. Despite the best efforts of county, state and local governments to implement homeownership preservation and foreclosure prevention plans, results have been disappointing at best. The most celebrated to date, the Hope for Homeowners Plan, implemented by the Bush administration, was designed to assist over 400,000 homeowners but recent reports from HUD officials indicate that only 412 people had applied as of Dec 17, 2008.

Foreclosures in Prince Georges County are the highest in the state and we thought you should know about some of the efforts underway to reduce the rate of foreclosures and preserve homeownership in Prince Georges.

- The **Coalition for Homeownership Preservation in Prince Georges County** has been working closely with the Prince Georges County Department of Housing and Community Development to create and implement foreclosure prevention training for residents. The three-hour training, "Under a Shadow: Dealing with the Threat of Foreclosure" is conducted each Thursday at various locations.
- The Maryland Department of Housing and Community Development has developed three financing programs: the **Lifeline Refinance Program**, the **HomeSaver Refinance Program**, and the **Bridge to Hope Program**. They also have resources for landlords and tenants who are seeking rental housing.
- The State of Maryland has **modified its foreclosure laws** to offer increased protection for homeowners. The foreclosure process has been extended from 15 to 90 days.
- The Obama Administration recently announced their **Homeowner Affordability and Stability Plan**. The major components of the plan are: 1) Low-Cost Refinancing for Up to 4 to 5 million responsible homeowners to make their mortgages more affordable; 2) A \$75 billion Homeowner Stability Initiative to reach up to 3 to 4 million at-risk homeowners; and 3) Supporting low mortgage rates by strengthening confidence in Fannie Mae and Freddie Mac to ensure the strength and security of the mortgage market. Additional details will be released on March 4, 2009 but you can monitor progress at www.recovery.gov