

Housing Initiative Partnership

Revitalizing Neighborhoods for 25 Years



Single & Multi-Family
Housing Development



Homebuyer
Education



Foreclosure Prevention
& Financial Capability



25 Years of Success Stories & Counting

“It all began one hot, muggy August evening in a church basement in 1988.” That’s how Housing Initiative Partnership’s founding director Mosi Harrington describes the birth of the organization, which has served thousands of lower-income families in Prince George’s County and throughout the DC Metro area since then.

The following interview with Mosi looks back on HIP’s impact in the community over the last 25 years:

Q: Are you surprised at how far the organization has come since that muggy evening in 1988?

A: I am amazed with our accomplishments, but I am also amazed at the need that is still there for affordable housing.

Q: The mantra “more mission for the money” has been one of the drivers of HIP’s success. Can you explain its origin?

A: It’s not original with me – it came from a book about nonprofits. But it really resonated with me. I always used to say, “The work we do has to be greater than the value of the dollars, otherwise we might just as well hand it out to poor people and improve their lives that way.”

Q: Everything that HIP does focuses on helping low-income families secure a long-term housing solution. Why is housing so important?

A: It’s our belief that housing is a civil right. You



have to put a floor under people, where they have a safe place to come home to, before you can expect them to fix themselves. They cannot fix themselves or get fixed until they have that much stability in life. It’s just the only way to level the playing field. There has to be a surface to stand on. It’s just so basic that people have to have a home to go home to.

“It’s our belief that housing is a civil right.”

Q: Which of HIP’s many success stories are you most proud of?

A: I’m proudest of the thousands of people who did not lose their homes in the housing crisis due to HIP’s efforts. I like to think of how many dozens of school buses those families would fill.



HIP: Innovator in the Gateway Arts District

HIP has long “pushed the envelope” to promote green features in its buildings.

Back in 2003, we constructed the first residential green roof in Prince George’s County at our Mount Rainier Artist Apartments, which was transformed from a neighborhood eyesore to 12 beautiful energy-efficient apartments for very low-income artists. In 2008, we constructed the 44-unit Renaissance Square, creating a vibrant community for low-income artists – the first of its kind in the Hyattsville section of the Gateway Arts District. Renaissance Square was built to meet cutting-edge LEED Silver environmental standards, including green roofs, solar hot water heating, white reflective roofs, and superior insulation. (The artwork of artist-resident Tim Sebian-Lander, on right, is featured on the back cover.)

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From the Executive Director

Dear Friends,



When I stepped into Mosi Harrington’s shoes a little over two years ago, I knew I was walking into an organization with a storied history and a great reputation... but I didn’t know the half of it!

I didn’t know just how passionate HIP was about making a difference for the most vulnerable among us... those who can’t afford a decent place to live and those at risk of losing that which is most fundamental... their homes. I didn’t realize how much HIP valued being on the cutting edge of green building technologies. I didn’t see how excellence in design permeates each aspect of a HIP home, be it a unique door knocker, a striking entry door, or a welcoming front porch.

Most of all, I didn’t appreciate the all-around excellence and commitment of HIP’s staff to always go the extra mile to help that family get into the home of their dreams, to pay attention to the little details that make our homes so special, and to coach that family away from foreclosure and into financial security. It is such an honor to be at the helm of this storied organization, that grew from a dream of committed activists 25 years ago into a powerhouse today that really lives its mission to revitalize neighborhoods by creating housing and economic opportunities... and by providing services that improve the quality of life in the communities we serve.

Sincerely,
Maryann Dillon
Executive Director

From the Chair of the Board

Dear Friends,



As Chair of the Board, I am proud to present HIP’s 25-Year report... 25 years of making a real difference for families with low to moderate incomes.

HIP is about more than just providing high-quality affordable homes. HIP is a committed member of the communities that we serve. As a long-time resident of Prince George’s County and an architect, I know the importance that good design can make for the residents of HIP’s homes... be they struggling artists in the Gateway Arts District, senior citizens on limited incomes, or young families buying their first home. I know how important a well-maintained home is to making a community feel safe and inviting. And I understand how energy efficiency can make all the difference in helping a family afford a home, be it rental or homeownership, for the long term.

I have seen HIP grow over the years, always on the cutting edge of design, always ready to step in no matter what the crisis. Our performance during the recent financial crisis says it all about the compassion of HIP. We have helped almost 4,000 families facing foreclosure since 2009. I know I speak for all of our Board when I say that we couldn’t be prouder of the excellent work our staff performs every single day.

Sincerely,
Mel Thompson
Chair, Board of Directors

More Mission for the Money

This mantra from HIP's early days has continued to drive program development. Below, you will find HIP's consolidated 2013-2014 financials.

Balance Sheet

ASSETS	
<i>Current Assets</i>	
Cash	\$1,115,679
Accounts Receivable	\$62,980
Grants Receivable	\$448,277
Due from	<u>\$67,996</u>
TOTAL CURRENT ASSETS	\$1,694,932
<i>Property and Equipment</i>	
Furniture and Equipment	\$40,391
Construction in progress	\$1,103,056
less: accum. depreciation	<u>\$(28,798)</u>
TOTAL PROP. & EQUIP.	\$1,114,649
<i>Other Assets</i>	
Cash - restricted	\$52,799
Security Deposits	\$2,125
Notes Receivable	<u>\$284,988</u>
TOTAL OTHER ASSETS	\$339,912
Other Assets	<u>\$3,149,493</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts Payable	
& accrued expenses	\$149,763
Line of Credit obligations	\$119,000
Notes payable, current	<u>\$10,272</u>
TOTAL CURRENT LIABILITIES	\$279,035
<i>Other Liabilities</i>	
Investment in Mt. Rainier LLP	<u>\$1,033,398</u>
TOTAL OTHER LIABILITIES	\$1,033,398
<i>Long Term Liabilities</i>	
Notes Payable, net of current	<u>\$288,325</u>
TOTAL LONG TERM LIABILITIES	\$288,325
TOTAL LIABILITIES	\$1,600,758
NET ASSETS	
Unrestricted	\$1,104,835
Temporarily Restricted	<u>\$443,900</u>
TOTAL NET ASSETS	\$1,548,735
TOTAL LIABILITIES AND NET ASSETS	<u>\$3,149,493</u>

Income Statement

REVENUE AND SUPPORT	Unrestricted	Temp. Restr.	Total
Grants & Contributions	\$2,008,419	\$743,000	\$2,751,419
Capital Grants	\$185,809		\$185,809
Sales of Homes	\$1,032,063		\$1,032,063
Development Fees	\$196,024		\$196,024
Management Fees	\$37,500		\$37,500
Program Income	\$31,431		\$31,431
Interest Income	\$149		\$149
Net Assets released from restrictions	<u>\$847,214</u>	<u>\$(847,214)</u>	<u>\$-</u>
TOTAL REVENUE AND SUPPORT	<u>\$4,338,609</u>	<u>\$(104,214)</u>	<u>\$4,234,395</u>
EXPENSES			
<i>Program Services</i>			
HIP Homes single family development	\$1,892,920		\$1,892,920
Multi-family development	\$123,557		\$123,557
Housing Counseling	\$895,000		\$895,000
Resident Services	\$27,685		\$27,685
Construction management	<u>\$46,351</u>		<u>\$46,351</u>
TOTAL PROGRAM SERVICES	\$2,985,513	\$-	\$2,985,513
<i>Supporting Services</i>			
General and Administrative	<u>\$389,811</u>		<u>\$389,811</u>
TOTAL EXPENSES	<u>\$3,375,324</u>	<u>\$-</u>	<u>\$3,375,324</u>
CHANGE IN NET ASSETS	\$963,285	\$(104,214)	\$859,071
NET ASSETS			
Beginning of Year	<u>\$240,327</u>	<u>\$548,114</u>	<u>\$788,441</u>
End of Year	<u>\$1,104,835</u>	<u>\$443,900</u>	<u>\$1,548,735</u>

These government agencies, foundations, corporations and individuals have made HIP's impact in the Greater DC Metro Area possible over the last three years. Thank you!

GOVERNMENT	Crescent City Jaycees	Frank Demarais and Barbara Shuttlesworth
State of Maryland	Foundation	Glenn Riley and Robalee Chapin
Prince George's County	United Way of National Capital Area	Goldman/Demarco Family Fund
Montgomery County	Caldwell Community	James Dillon & Martha Wiske
Cecil County		Jamesen Goodman
City of Gaithersburg		Janice Romanosky
U.S. Dept. Housing & Urban Development		Jerome & Deena Kaplan
CORPORATIONS		Judith Appelbaum and Elizabeth Cohn
Fannie Mae		Kenneth & Martha Mathews
Freddie Mac		Laura Yeomans & Richard Renner
E*Trade		Linda M Mellgren and John H. Payne
BB&T Bank		Maryann Dillon
Capital One Bank		Mosi Harrington
Wells Fargo Bank		Lowell & Marge Owens
PNC Bank		Peter & Martha Seitel
TD Bank		Peter Curtis
M&T Bank		Polly Pettit and Peter Dowling
Hamel Builders		Raymond Lane
The Bozzuto Group		Reuben Snipper
Cerrito Realty		Richard & Jane Griffin
Rutkove Building Consultants		Adrian Bishop & Rosalie Dance
INDIVIDUALS (\$200 and over)		Samuel J Parker, Jr.
Alaine Duncan		Stowell W. Davison
Ann Marie Moriarty		Thomas & Alice Blair
Anne Balcer		
Antonia Chambers		
Ari Schnitzer		
Brian & Lise Tracey		
Catherine Kyle		
David and Lisa Jones		
Elizabeth Taylor		
Francis and Barbara Hall		



HIP Homes Supports Local and Minority/Women-Owned Businesses

In the last three years, HIP has awarded almost \$2 million in contracts for development of its single family homes; 100% of these contracts went to locally-based businesses in Prince George's or Montgomery Counties, and 62% went to certified minority/women-owned businesses.

Building Community

HIP has played a role in the development of over 490 units of affordable rental housing in the Greater Washington DC area. These beautiful apartments are not only affordable for low-income families – they also feature green construction and resident services that help to strengthen community.



BLADENSBURG COMMONS

In February 2014, HIP, in partnership with lead developer The Shelter Group, received an award of 9% Low Income Housing Tax Credits issued by the State of Maryland in order to construct this 100-unit new affordable family community in Bladensburg. The property is planned as a single-elevator building with ample community space, access to mass transit and superior community amenities. Construction is expected to begin in 2015.



PARKLANDS AT CECILTON

HIP, in partnership with The Ingerman Group, has begun construction of this 62-unit affordable family housing development in Cecilton, Maryland. Parklands at Cecilton will include community space for residents as well as a meeting room for the Town of Cecilton. HIP will provide on-site resident services. With an eye toward environmentally-friendly development, Parklands at Cecilton will meet Green Community and Energy Star 3 standards.



NEW EAST CROSSING, NORTHEAST

HIP, in partnership with The Ingerman Group, completed construction and lease-up in Fall 2013 of this 72-unit, affordable, family housing development in North East, Maryland. New East Crossing received the highest score in the 9% Low Income Housing Tax Credit round. Extensive family support services are provided by The Boys and Girls Club and HIP in a state-of-the-art community facility.



ELKTON SENIOR APARTMENTS, ELKTON

HIP, in partnership with The Ingerman Group, completed in July 2011 a 60-unit independent senior apartment building in the heart of downtown Elkton, Maryland. Within walking distance of the library, the community hospital, and shopping, this development is ideally suited to active seniors. The building has touches of local art and a soaring two-story lobby. HIP provides supportive services through an on-site resident services coordinator.



NEWTON GREEN SENIOR APARTMENTS, BLADENSBURG

HIP partnered with The Ingerman Group on a 78-unit independent senior building in the Bladensburg/Landover Hills area. This development, completed in 2009, has units that serve residents earning 30%, 40%, and 50% of Area Median Income. Development was funded with 9% Low Income Housing Tax Credits, HOME, and state RHPP funds. Located in a park-like setting, Newton Green has brought new investment to an area of the county which has seen little.



RENAISSANCE SQUARE, HYATTSVILLE

Housing Initiative Partnership developed this 44-unit new construction, green apartment building for low-income artists. Located in the heart of downtown Hyattsville, HIP's Renaissance Square, completed in 2008, is the first artists' residence in the Hyattsville portion of the Gateway Arts District. HIP received Low-Income Housing Tax Credits as well as Federal Economic Development funds, HOME, Maryland Community Legacy, and the MD bond program grant funds.



MT. RAINIER ARTIST APARTMENTS, MT. RAINIER

Completed in August 2003, HIP, in partnership with the City of Mount Rainier, acquired and substantially renovated this vacant, boarded-up 12-unit building. Located in the Mount Rainier National Historic District, this building is affordable to artists earning 50% or less of the state median income. The building underwent a "green" renovation featuring a green roof, bioretention landscaping, tankless hot water heaters, and bathroom tiles made of recycled windshields.



SUTLAND MANOR, SUTLAND

HIP acquired and completely rehabilitated five vacant apartment buildings in Suitland Manor, leveraging over \$1.4 million in public and private funds. HIP owned and managed these buildings, which provided affordable housing for very low-income families. Rents ranged from \$282 for an efficiency to \$404 for a three-bedroom apartment. In 2006, Prince George's County purchased these buildings to make way for a larger revitalization of the Suitland Manor community.



Ruby White
Resident Profile

If the community room at Newton Green Senior Apartments is the control center of the beautiful 78-room apartment building, then Ruby White sits in the captain's chair.

The 76-year-old became one of Newton Green's first residents in December 2009. She had moved from California in order to be close to her mom, who is 91 and lives just three doors down the hallway.

A self-described people-person, Ruby has thrived at Newton Green, and served both as a president of the tenants council and as a board member for Housing Initiative Partnership (HIP).

She's also the keeper of the dominoes and has a key to the cabinet where the Wii controllers are kept for Thursday night Wii Bowling.

"We have people who never could bowl and now they're bowling over 200," she said, adding that the Wii bowlers sometimes take on other folks from nearby apartments.

As for life at Newton Green, Ruby calls it "a beautiful facility," citing the building's earth-friendly construction – the low-energy light bulbs, the recycled materials that went into the building's construction, and the tables decorated by artists living at another of HIP's properties, Renaissance Square Artists' Apartments. These tables, Ruby said, are the envy of all their guests: "No two are alike."



Resident Services

HIP ensures that our apartment communities are more than bricks and mortar – that they are also "home" and an integral part of the larger neighborhood. HIP provides on-site resident services at all its multifamily properties. Resident Services Coordinators organize events, speakers, trips, and activities as well as provide one-on-one assistance designed to support the social, emotional, spiritual, physical and intellectual needs of our residents.

Making Home Sweet, Again

HIP launched its "HIP Homes" homeownership program in the spring of 1998. HIP's program consists of two components: single-family rehab and homebuyer education. Under the single-family rehab component, HIP acquires dilapidated, vacant single-family homes in distressed communities. Working closely with the community, HIP substantially rehabilitates these homes. HIP focuses its rehab program in the inner beltway communities of Palmer Park, Suitland, District Heights, and Temple Hills.



Before & After



Before & After

HIP receives HOME funds from the County to help write down the purchase price of these homes. In addition, HIP has utilized CDBG funds and state Community Legacy funds. Currently, HIP is a subrecipient of the Redevelopment Authority's NSP/NCI Suitland Green program. Homes are affordable to families earning 80% or less of the area median income. All purchasers must complete HIP's homebuyer education program. HIP has completed the following homes:

- Adelphi**
1828 Metzert Road, #208
9250 Edward's Way, #304A
1702 Hannon Street, #203
- Capitol Heights**
1202 Benning Road – Rehab
- Cottage City**
3702 43rd Avenue – Rehab
3709 38th Avenue, Cottage City – New Con.
- College Park**
4805 Hollywood Rd – Energy Star New Con.
- District Heights**
3624 Key Turn St – Rehab
3201 Prince Ranier Pl – Rehab
6805 Keystone Manor Court, District Heights – Rehab
5259 Davenport Terrace, District Heights – Rehab
- Edmonston**
4903 52nd Avenue – New Const.
- Greater Fairmont Heights**
4728 Mann Street – New Const.

- Hyattsville**
3805 Powhatan Road – New Const.
- Mount Rainier**
3718 37th Street – Rehab
3619 Eastern Avenue – Rehab
- Palmer Park**
7511 Allendale Drive – Rehab
7627 Allendale Drive – Rehab
7639 Allendale Drive – Rehab
7805 Allendale Drive – Rehab
7817 Allendale Drive – Rehab
8124 Allendale Drive – Rehab
8143 Allendale Drive – Rehab
2000 Barlowe Place – Rehab
7609 Barlowe Road – Rehab
7745 Burnside Road, Rehab
7521 Greenleaf Road – Rehab
7605 Greenleaf Road – Rehab
7801 Greenleaf Road – Rehab
7711 Greymont Road – Rehab
2202 Matthew Henson Road – Rehab
7635 Muncy Road – Rehab
7700 Normandy Road – Rehab
2005 Palmer Park Road – Rehab
8005 Ray Leonard Court – Rehab
2024 Ray Leonard Road – Rehab
2026 Ray Leonard Road – Rehab
2019 Ray Leonard Road – Rehab

- 7907 Roxbury Court – Rehab
- 8128 Sheriff Road – Rehab
- 2308 Tuemmler Road – Rehab
- 2309 Tuemmler Road – Rehab
- 7629 Barlowe Rd, Palmer Park – Rehab
- 8150 Allendale Dr, Palmer Park – Rehab
- Riverdale**
6204 Carters Lane – Rehab
- Seat Pleasant**
600 Birchleaf Avenue – Rehab
408 69th Place – Energy Star New Construction
410 69th Place – Rehab
7243 Hylton Street – Rehab
7241 Hylton Street – Rehab
- Suitland**
4631 Dowell Lane – Rehab
3409 Navy Day Dr – Rehab
- Temple Hills**
4108 Holly Tree Road – Rehab
4122 Atmore Place, Temple Hills – Rehab



Demetrius Jones
Homebuyer Profile

Demetrius Jones knew she would one day become a homeowner. It just took a little longer than she first thought.

"I had always said, 'When I am 25 I am going to have my own home,'" she recalled. "Unfortunately, I made some bad credit decisions and that wasn't attainable because I wasn't financially stable." So Demetrius used her late 20s and early 30s to improve her financial situation. One day, sitting in her apartment – the last, she vowed, she would ever live in – she decided it was time.

She began attending workshops for first-time homebuyers and viewing properties, which eventually led Demetrius to a home that Housing Initiative Partnership had bought, refurbished and put back on the market for families just like hers.

Demetrius put in a contract and by February of 2014, "[with] HIP fighting for me," she closed on the house, an experience that she recalls as "probably one of the most positive I've ever gone through. [The people at HIP were] just so happy for me."

As for the house itself, Demetrius feels like it was built just for her, her husband Elbert Ray and their baby Dejanae. "The kitchen opens right into the living room, so it's just one big open area," she said. "We love to cook and that kitchen is just made for us. It's our favorite place to be. In the apartment, we had the smallest kitchen – and no counter space, and no storage. They built us an island that has storage built into it. It's a beautiful, beautiful kitchen." She adds: "And we love our porch. We're actually the only house in this whole neighborhood that has a porch."

And it's not just Demetrius who is in love with the place. "My husband truly loves being the caretaker of our home," she said. "This summer he put a garden out back. We had fresh tomatoes, we had watermelons, we had basil. It was great to go out there in the summer and pick some fresh basil and add it to whatever I was cooking."



Before & After



Before & After

Hope for Homeowners in MD

HIP is one of the largest housing counseling agencies in Maryland, with offices in both Prince George's and Montgomery Counties. Since 1998, HIP has been a leading provider of bi-lingual homebuyer education and foreclosure intervention services to families facing mortgage default.

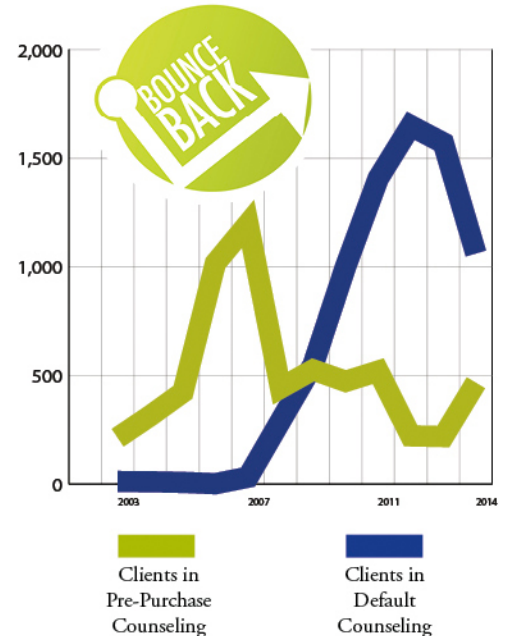


When the financial markets collapsed and foreclosures surged in the aftermath of the Great Recession, HIP was ready. Already an experienced provider of foreclosure prevention services, HIP increased its counseling staff and set new systems in place to deal with the unprecedented crisis, which grew from a handful of clients served in 2006 to 1,649 in 2012, the high point of the foreclosure crisis.

All of our counselors are certified by Neighborworks as Foreclosure Prevention Counselors. Given our excellent reputation for results, Montgomery County invited HIP to expand our housing counseling services there in 2009. With offices in Germantown, Gaithersburg, and our home office in Hyattsville, HIP has helped over 7,500 families since the start of the foreclosure crisis. HIP is centrally located in areas considered foreclosure "hot spots."

In 2013 and 2014, HIP provided one-on-one counseling to 2,636 homeowners, an average workload of 188 homeowners per counselor. HIP has been especially successful in helping homeowners obtain loan modifications that significantly lower their effective monthly mortgage payments and allow them to stay in their homes. In fact, over the past two years, HIP clients reduced their collective annual mortgage payments by \$4.9 million!

How HIP Served Clients During Housing Crisis



Success Story

New start gives family a reason to smile

Jose and his wife, both native Spanish speakers, came to Housing Initiative Partnership for help because they were afraid they would lose their home. Jose had worked for years in construction but had been laid off.

HIP was able to educate and develop a foreclosure prevention strategy with the Sanchez's in Spanish. HIP helped explain the terms and conditions of the Sanchez's first and second mortgages – with combined monthly mortgage payments of \$2,442. HIP worked with the loan servicer and helped the family secure a loan forbearance, a temporary reduction in monthly mortgage payments. During the forbearance period, the Sanchez's monthly payment was reduced to \$903.

Jose was able to secure a new job. With new income

coming in, HIP worked with the Sanchez's to complete a realistic budget that served as the basis for a loan modification application.

Initially, the servicer denied the application, stating that the forbearance payments had not been received. HIP helped the Sanchez's submit copies of the cancelled forbearance checks.

Just as it seemed as if progress was being made, the servicer notified the Sanchez's that the loan was transferred to another servicer. Because servicers often want information submitted in different ways, the Sanchez's and HIP had to start the process all over again. Many months and mountains of paper work later, the Sanchez's received a modification. The new interest rate was reduced to 2% for 5 years and capped at 4.62%.



Testimonials

I will recommend you to friends and relatives since the work that you do in the community is great. Thank you again and I hope you continue helping people that were in need like I was.

- A. Garcia, DC Metro Area

I am retired with a limited amount of income and could not afford my payments. Your counselor spent an enormous amount of time in securing this modification. I cannot express to you what being able to get a modification means to me; it has enabled me to stay in my home of almost 20 years....I am forever grateful.

- Cynthia of Mitchellville, MD

HIP had more faith in my progress than I did. The loan modification has made my life easier. I feel like I can breathe again.

- Marilynn of Capitol Heights, MD

Preparing for the Future with Financial Education



HIP's homebuyer courses prepare individuals to achieve long-term, sustainable housing solutions. Bounce Back workshops serve homeowners who have received a loan modification.

Serving First-Time Homebuyers

HIP provides HUD-certified eight-hour first time homebuyer classes in English and in Spanish between two and four times per month, as well as in-depth individual counseling to hundreds of homebuyers. HIP helps future homeowners obtain downpayment and closing cost assistance by sharing information on available state and county programs.

Our homebuyer courses have a strong emphasis on preparing homebuyers to identify and therefore avoid predatory loans. Our goal is to prepare individuals to achieve long-term and sustainable housing solutions.

Helping Homeowners Bounce Back

Many organizations consider their services complete when they help their clients secure a loan modification. HIP's commitment to long-term sustainability led the organization to create the Bounce Back Program for homeowners who have received loan modifications. This intensive, long-term financial coaching program provides monthly financial peer-support groups and intensive financial coaching.

The Bounce Back program worked with 165 homeowners in 2014; 124 Bounce Back clients received intensive personal counseling. One hundred percent of the clients counseled through Bounce Back are current on their mortgage payments (as compared with a 49% re-default rate nationwide).

5,805
people have participated in homebuyer education workshops since 2003

3,860
homeowners participated in default workshops between 2009-2013

\$4.9m
amount by which HIP clients collectively reduced their mortgage payments in 2013-2014

Serving the Community

Predatory lenders and a continuing housing crisis keep HIP busy

As the suburban Maryland housing market improves, HIP is preparing for additional pre-purchase clients. Recent increases in median home sales prices in Prince George's County are one sign of market improvements, up 11.6% from a year earlier, although the county is still the most affordable in the Washington metropolitan region.

HIP believes that its pre-purchase services will be particularly important in a market that has significant all-cash purchases, typically a sign of investor activity. Approximately one-third of the homes purchased in Prince George's County in 2012 were all-cash purchases.

Foreclosure Prevention Counseling Needs Continue

Although some policy-makers and funders are experiencing foreclosure fatigue, the truth is that in many parts of Prince George's County and some targeted areas of Montgomery County the crisis continues. RealtyTrac reported that in the fourth quarter of 2014, total foreclosure events increased 3.2% over the year before, when they had increased 42% over 2012. Prince George's County continues to have the highest foreclosure rate in the state with over 1,000 homes under notice of foreclosure at the end of 2014.



While the overall foreclosure rate in Montgomery County was much lower – one in every 667, the rate is higher in targeted neighborhoods such as Montgomery Village, where HIP is active. HIP recognizes that achieving a loan modification should signify a new phase of counseling rather than being an ending. Homeowners who have received loan modifications are still at risk. Numerous studies indicate a high redefault rate for homeowners that receive loan modifications. For instance, almost half (49%) of loan modification are now delinquent, according to a 2012 study released by the Office of the Comptroller of the Currency.

Minorities Targeted for Subprime Loans

The foreclosure crisis impacted Prince George's County most severely in part because of the County's racial diversity. During the initial phase of the foreclosure crisis, and continuing today, HIP has seen a disproportionate share of African American and Latino clients who received subprime loans that they no longer could afford. According to statistics from the National Community Reinvestment Coalition's June 18, 2010 study, Latinos are 70% more likely, and African Americans are 80% more likely, to receive subprime mortgages, even after controlling for other factors. Looking toward the future, having Spanish and English-speaking counselors will continue to be important.



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Valeka Holt, *Resident Services Coordinator*

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