



## **Report on Feb 7, 2015 Emergency Town Hall “Black Homes Do Matter” Who is Devaluing our Property?**

We had a successful event with over 200 attendees from across the County. Attendees included: People for Change Coalition members, Fairwood Community, Civic Organizations and Community Leaders, Home owners, Businesses, Nonprofits, Elected Officials and Representatives, Attorneys, Banks, Real Estate Professionals and the Media.

It was evident from the town hall that many home owners are very concerned about the value of their homes and their neighborhoods. They are also concerned that Prince George’s County continues to have the highest foreclosure rate in the state of Maryland. And, due to this foreclosure crisis, home owners and communities have become victims to a host of other problems that need to be addressed.

So this town hall was an opportunity to discuss those concerns, look at how we can increase demand for our properties, and stabilize our communities.

### **Our panel included:**

- Former State’s Attorney - Glenn Ivey
- Former Delegate - Attorney Aisha Braveboy
- Real Estate Broker - Ruth Wright
- Executive Director of the PFC Coalition - Sandy Pruitt
- Delegate Darryl Barnes, Dist 25 - Facility Host who provided greetings

### **Issues of Concern (We grouped them into 5 categories)**

#### **1. Homes Values**

- Homes in Prince George’s County not appreciating at the rate of neighboring jurisdictions. Average home sale’s price in Prince George’s County as of 12/2014 is \$227,000, DC - \$513,250, Montgomery County - \$397,000, Howard County - \$373,700, and Anne Arundel County - \$309,000.
- [Too many foreclosures](#) and short sales bringing down value of other homes
- In many new communities, homes are under water and home owners have lost large down payments
- No demand to purchase existing homes; it’s hard to compete against new homes being built
- Loss of equity and value--people need to stay in homes longer to build wealth
- Investors taking over-- locking out 1st time home buyers and bringing cash to the table
- Assessments and appraisals - is the process in Prince George’s County fair?

#### **2. Financial Institutions, Investing, Funding**

- Mortgage Companies/Banks targeted the black community with inferior loan products and are now refusing to modify properties in Prince George’s County
- Banks need to be engaged more on the financial education side --not just marketing their products.
- Millions of County dollars going to outside banks -- such as churches and money collected from HOAs. How do we change this trend?
- We need to identify funding sources to buy distressed properties and clean up our own communities.

### **3. Abandoned and/or Bank Owned Properties**

- Bank-owned properties or (REOs) are not being maintained timely or not at all
- Distressed properties left by home owners (zombie homes) not being maintained
- Squatters moving into vacant homes
- Mold build up in homes left on market too long so banks will not finance them
- Property damage, break-in, theft of appliances, copper, air conditioning units, plumbing fixtures, etc.

### **4. Government, Elected officials, Housing Counseling Agencies**

- Elected officials need to take a more active approach and make this a number 1 priority issue in Prince George's County
- Director of Housing and Community Development is out of touch with the community
- Millions of dollars were awarded to the [Dept. of Housing](#) and [Housing Counseling Agencies](#) -- yet the foreclosure crisis is not getting any better. Just the last quarter in 2014, foreclosure activity in Prince George's County increased 6.3% above the previous quarter, and last year by 28.8%.
- When funds come to the County to deal with Housing and Home Owner issues, decisions were made to invest more in helping new buyers vs. distressed home owners
- Perception Issues in Prince George's County (trash on roads and arteries leading to county, poor performing schools, crime, homes boarded up, businesses closing down, etc.)
- Poor customer service from our county government officials and agencies
- Cuts in the Governor's Budget -- what is impact on educational system in Prince George's county?

### **5. Community Engagement and Outreach**

- Disconnect between Housing and County officials with the concerns of the community
- Need for more community engagement and involvement when decisions are being made in reference to housing and home ownership issues in the County and allocation of funds
- Funds should not only go to housing counseling agencies, but also to community and civic organizations who do outreach and education on housing and home ownership issues

### **Collateral Consequences of loss of wealth, equity, and or loss of home**

- (1) Credit may be destroyed making it difficult to get any type of loan
- (2) Not able to retire early
- (3) Not able to tap into equity in home to send kids to private schools or college
- (4) Not able to use equity from home as start-up capital for a business
- (5) Not being able to build up generational wealth

## **Recommended Solutions** - It's time to take action now!

- Form an advisory group comprised of Community and Civic leaders who have a better pulse on their communities to provide advice on housing and home ownership issues to the County
- Do everything we can to keep the original home owner in the home to avoid squatters moving in, vacant properties, and increase of bank-owned properties; this may include having a fund to buy down the mortgage to what the house is actually worth and encouraging existing mortgage companies to reduce principals based on actual value of homes
- Reach out to Federal/State/Local Officials re: legislation that addresses homeowner issues
- Institute a moratorium on building new homes so we create a demand for existing homes
- Build better relationships with Community Banks and our two black banks in the area to provide home and business loans and beef up financial education to the residents of Prince George's County
- Work on County reputation by improving schools, crime, and cleaning arteries coming into the County
- Set-up a fund to bridge the gap for 1st time home buyers and those entering back into home market-- right now private investors have an upper hand when they purchase with cash
- Offer vouchers for private schools as an incentive to buy a home in Prince George's County
- Set-up welcome back fund for people who have lost their homes and are entering back into the market
- Use tithes and offerings from churches as leverage to encourage banks to work with home modification and business loans in Prince George's County
- Set up Community Investment Groups to assist with the purchase of short sales and REO properties
- Look at other pots of money that can be used to invest locally in communities such as Pension Funds
- Set up a state bank ([look at North Dakota](#)) - the state bank could offer lower interest rates to state residents, give out business loans and modify and refinance existing loans
- File class action suits against banks and investors on behalf of Prince George's County home owners
- Educate home owners on property management and dealing with Home Owner Associations (HOA)

## **Helpful Links**

- (1) Report on [Property Foreclosures in the State of Maryland](#) - Fourth Quarter 2014
- (2) Who received the money? [Millions of dollars came to state of Maryland](#) to address the foreclosure crisis -- but there is still a lot more to be done
- (3) Real Estate Owned (REO) - properties now owned by the bank after an unsuccessful foreclosure auction.
- (4) Zombie Properties - distressed homeowner vacates the property and the bank has not taken control of the property ([view video](#))
- (5) View [list of Prince George's County Legislators who serve in Annapolis](#).