

**NCSHA 2010 Awards  
The HOPE Initiative**

**Category:** Special Achievement  
**Entry Name:** The HOPE Initiative

*"You're definitely not going to get any help just sitting there being depressed about it."*  
- Homeowner Yvonne Brown

### **Sweeping Reforms**

When the national foreclosure and subprime lending crisis began to affect households in Maryland, state officials responded with what the Washington Post described as some of the most sweeping reforms in the country, enacting emergency legislation that made the state's foreclosure process more transparent and fair; implementing new protections against predatory lenders and fraud and reaching agreements with six mortgage servicing companies that hold 23 percent of home loans in Maryland to create a streamlined and transparent loss mitigation process.

The state assembled an army of more than 700 volunteer lawyers to help at-risk homeowners understand and explore their legal options, and forged partnerships with faith-based and non-profit organizations to make the services of foreclosure prevention counselors available to thousands of financially beleaguered families. The state invested significant dollars into a multimedia advertising campaign urging homeowners to seek help through the slogan "Mortgage Late? Don't Wait."

Maryland also launched its Homeowners Preserving Equity (HOPE) initiative, a comprehensive, multipronged approach to helping both families and neighborhoods address the problems created by foreclosure through a statewide counseling network so that beleaguered families could receive up-to-date, reliable information and advice about their options at no cost and no risk. Through a multitude of radio and billboard ads, promotional flyers and articles, and public forums in schools, churches and community centers, the State of Maryland and the Department of Housing and Community Development reached out to Maryland's citizens. In addition to legal services, housing counseling services, and town forums with lenders present to begin the modification process, DHCD's HOPE initiative provided a call center and internet-based resource center to refer homeowners and renters to financial counselors, to legal advice, to community resources and to lenders for mortgage modifications with community.

As a result of this rapid response, the state has been recognized for its efforts to reach out to, inform and assist distressed homeowners. For example, NeighborWorks ranked Maryland among the top five states in serving clients through the National Foreclosure Mitigation Counseling program. More than 35,000 people have reached out for help through the state's HOPE Hotline and counselors have helped more than 10,199 homeowners avoid foreclosure.

Just as importantly, the program's success created all-important credibility with Maryland's legislators who are leery, even in the best of times, of tossing good money after bad. Instead, Maryland's HOPE Campaign has such credibility that it continues to enjoy bipartisan support. This year, for example, the legislature enacted into law Governor O'Malley's foreclosure mediation program, allowing homeowners in danger of losing their homes an additional opportunity to find a sustainable alternative to foreclosure.

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## Reaching Out

One of the most effective elements of the HOPE initiative has been the volume of public meetings set up, not just to inform distressed homeowners, but also to offer on-the-spot assistance. DHCD has organized or participated in hundreds of community foreclosure-prevention events, many of which have provided homeowners an opportunity to interact directly with their lending institution, to apply for a mortgage modification *and to dialogue with the lender regarding approval or denial* at the event itself. Working alongside elected officials, such as Maryland Seventh District Congressman Elijah Cummings, mortgage companies were encouraged to provide personnel authorized to approve loan modifications at the event. Mortgage companies sent flyers to their customers in the area who were behind on their mortgages, and customers were instructed to bring all documentation with them and to pre-register. Many HUD approved housing counseling agencies also attended and were available to counsel mortgage customers who needed additional assistance with their budget and bills and other debts. At these events it has not been uncommon for customers in foreclosure to receive modifications, forbearances of payment or other repayment plans that cancel the foreclosure sale and allow the homeowner and their family to remain in their home.

Furthering these efforts to preserve equity and foster stability for distressed homeowners in Maryland is DHCD's collaboration on recently-passed foreclosure mediation legislation, sponsored by Maryland Governor Martin O'Malley alongside other Maryland law-makers. DHCD worked closely with lawmakers and the Maryland Department of Labor, Licensing and Regulation to craft legislation that would require mortgage lenders and servicers to be much more responsive to homeowners facing foreclosure. The goal of the law is to help homeowners get relief through a loan modification if they qualify or to find an alternative to foreclosure. Taking effect on July 1, 2010, the law gives homeowners a new opportunity to meet with their lenders and independent parties to ensure that alternatives to foreclosure have been considered and evaluated.

## Remembering Renters

DHCD also focused its attention on rental families, who are a lesser-known part of the population affected by foreclosure. Working alongside the Maryland Department of Labor, Licensing and Regulation, DHCD provided assistance during the 2009 legislative session in creating legislation to ensure that tenants, in addition to property-owners, receive notice when their home is entering foreclosure. As a result of this legislation, DHCD created a hotline similar to the HOPE hotline that provides individual assistance to renters who may be evicted due to their landlord's foreclosure. Call-center operators provide referrals to free legal services, housing finders, social services, rental assistance and other services. Furthermore, since data regarding renter eviction as a result of landlord foreclosure is for the most part not tracked by any of the research services monitoring foreclosures, DHCD has utilized demographic data from the call center to monitor the volume of rental foreclosures across the state. This information has been used to drive outreach efforts, and to assist partnering non-profit counselors and legal services in determining areas with the greatest need across the state and targeting efforts to those areas.