

Meeting Summary

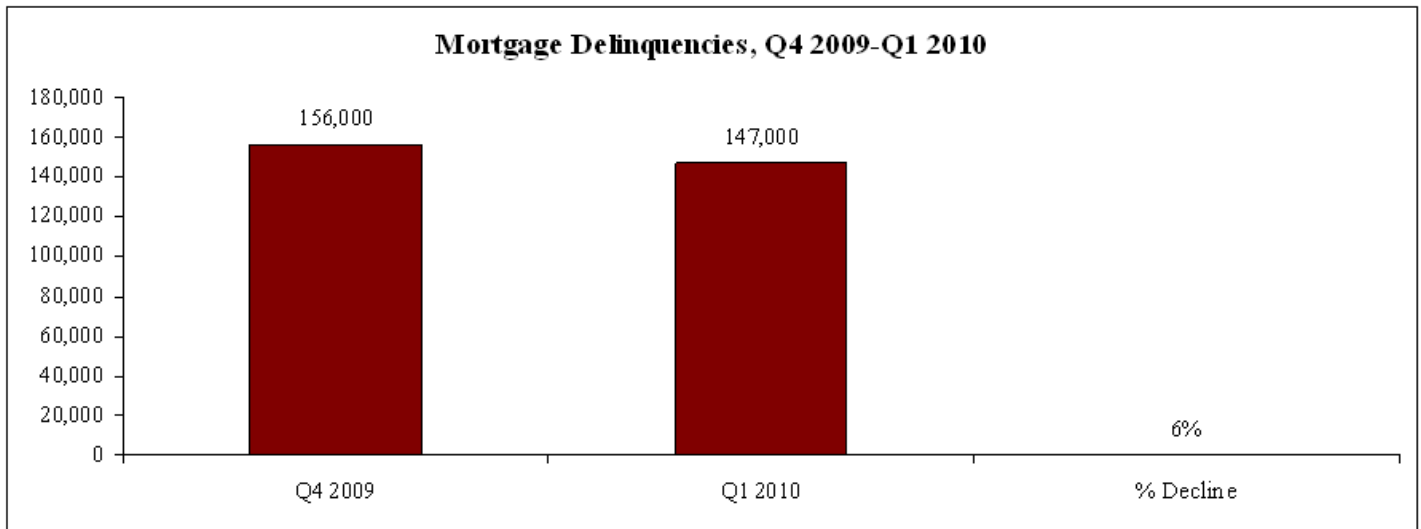
Agency: DHCD

Date of Meeting: May 25, 2010

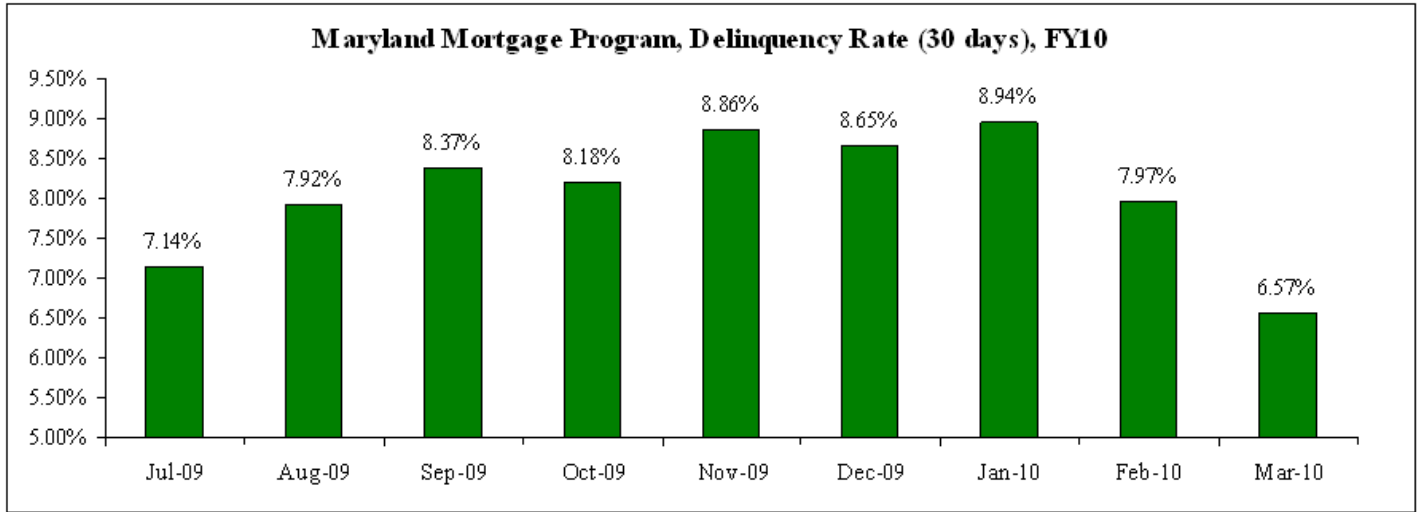
Following is a summary of issues discussed at the DHCD Stat on May 25, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

General Discussion

- **Mortgage Delinquency Reduction.** DHCD commented on the statewide decline in delinquencies through the first quarter of 2010. A recently released study by the Mortgage Bankers Association showed that delinquencies in Maryland dropped from 156,000 during the fourth quarter of 2009 to 147,000 through the first quarter of 2010. While there is generally a seasonal decline in delinquency between the fourth and first quarters of a given year, the agency commented that the 6% decline is larger than normal. The agency stated that it would continue to monitor statewide delinquencies and hoped that the decline in delinquencies could be a pre-cursor to a future decline in foreclosure events.

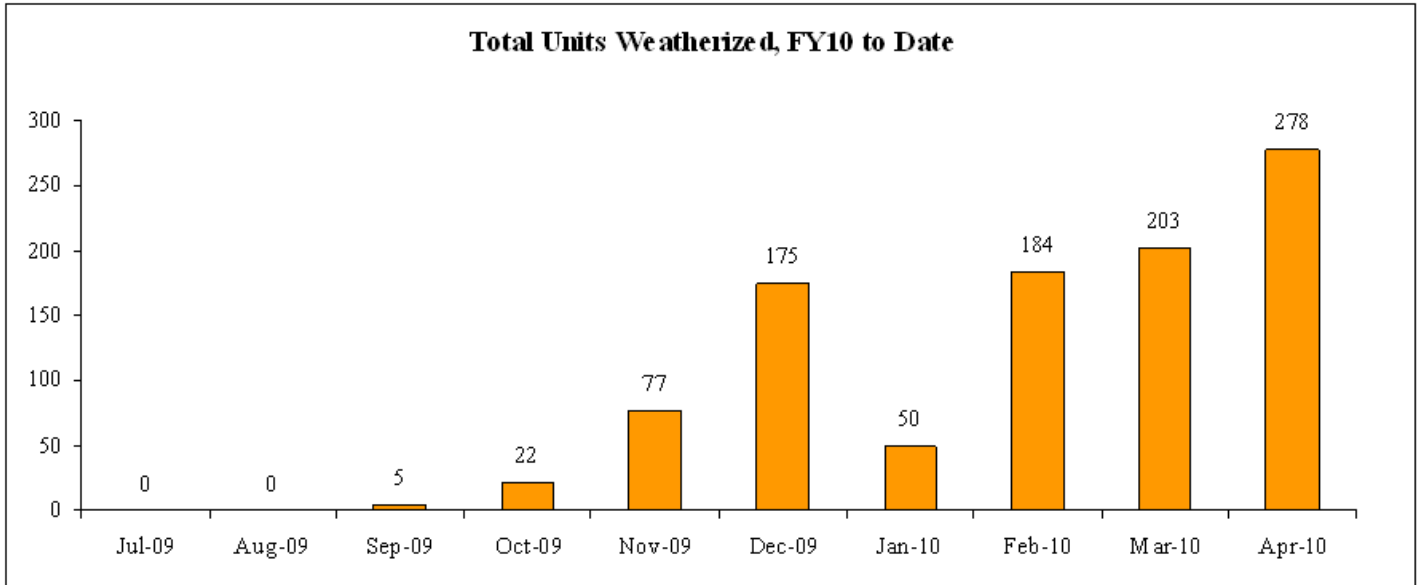


- **Maryland Mortgage Program.** Matching the national trend, the delinquency rate for the Maryland Mortgage Program declined from 8.65% at the end of December, to 6.57% at the end of March. The 2010 first quarter delinquency rate for the program was 24% lower than at the end of the fourth quarter of 2009. The agency also performed a study documenting the reasons for default under the Maryland Mortgage Program. A large portion of the delinquencies reviewed by the agency were caused by income related issues, either through unemployment or through a curtailed income.



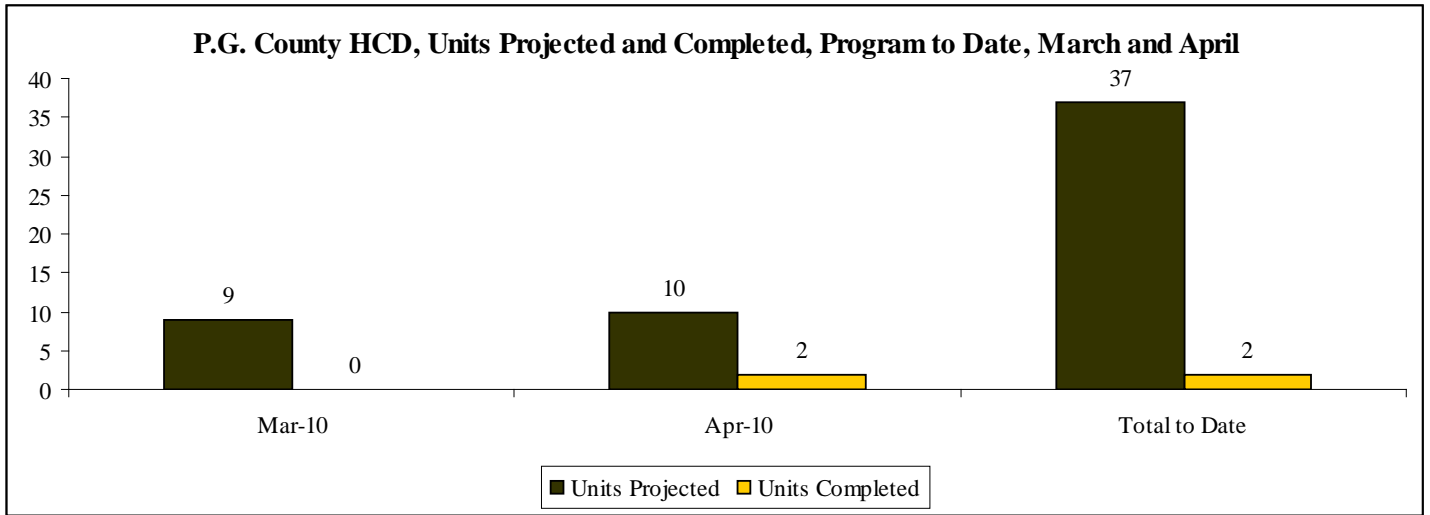
Maryland Mortgage Program, Reasons for Default, February 2010	
Reason	Percentage of Defaults
Death	2.1% (5)
Marital	7.6% (18)
Illness	9.7% (23)
Other	11% (26)
Unknown	13.1% (31)
Excessive Obligations	17.7% (42)
Unemployment	18.6% (44)
Income Curtailed	20.3% (48)
TOTAL	100% (237)

- Low Income Housing Tax Credit.** The agency announced that four awards were made under the Low Income Housing Tax Credit. All awards made by this program are for the rehabilitation and construction of low income housing. The agency received 19 applications for the tax credit, and selected the four proposals best exemplifying the program's purpose. The projects receiving awards are located in Baltimore City, Cumberland, Harford County and Annapolis. The next round of tax credit awards are expected to be issued in October.
- Weatherization.** The agency continues to improve production under the Weatherization Assistance Program. Based on recent trends, the agency believes it can meet its goal of 305 units produced per month by the end of June. There were 278 ARRA-funded (American Recovery and Reinvestment Act) units produced in May. When taken with units produced under regular Department of Energy funding, a total of 382 units were produced in April. The agency is predicting that the number of ARRA-units produced will increase again in May, to a number between 278 and 300.



- Baltimore City Housing and Community Development.*** The agency identified Baltimore City HCD as the key jurisdiction in determining whether the 305 ARRA-unit production goal will be met by the end of June. While Baltimore City has been under production projections for several months, in April, Baltimore City HCD exceeded its production projection. The agency has worked extensively with Baltimore City HCD and is confident that the City HCD can maintain production of 90 units per month going forward.

- Prince George's County Housing and Community Development.*** After months of inactivity, Prince George's County HCD began producing weatherized units. Though P.G. County HCD produced just 2 units in April, the agency reported that 14 units had been paid for in May. The agency expects continued improvement in production from P.G. County HCD.



- Energy Efficiency Conservation Block Grants.** The agency scaled down its proposal and finalized plans for its upcoming Energy Efficiency Conservation Block Grant projects. Last month, the agency received a \$20 million grant from the Department of Energy to produce a variety of energy retrofits on single-family, multi-family housing projects and commercial buildings in designated Main Street areas. The agency is anticipating providing energy retrofits for 720 single-family units, 1,400 multi-family units and 540 commercial units through the duration of this project. In addition, the agency expects to produce and education co-op and to hold 60 advanced energy code training sessions.