

Meeting Summary

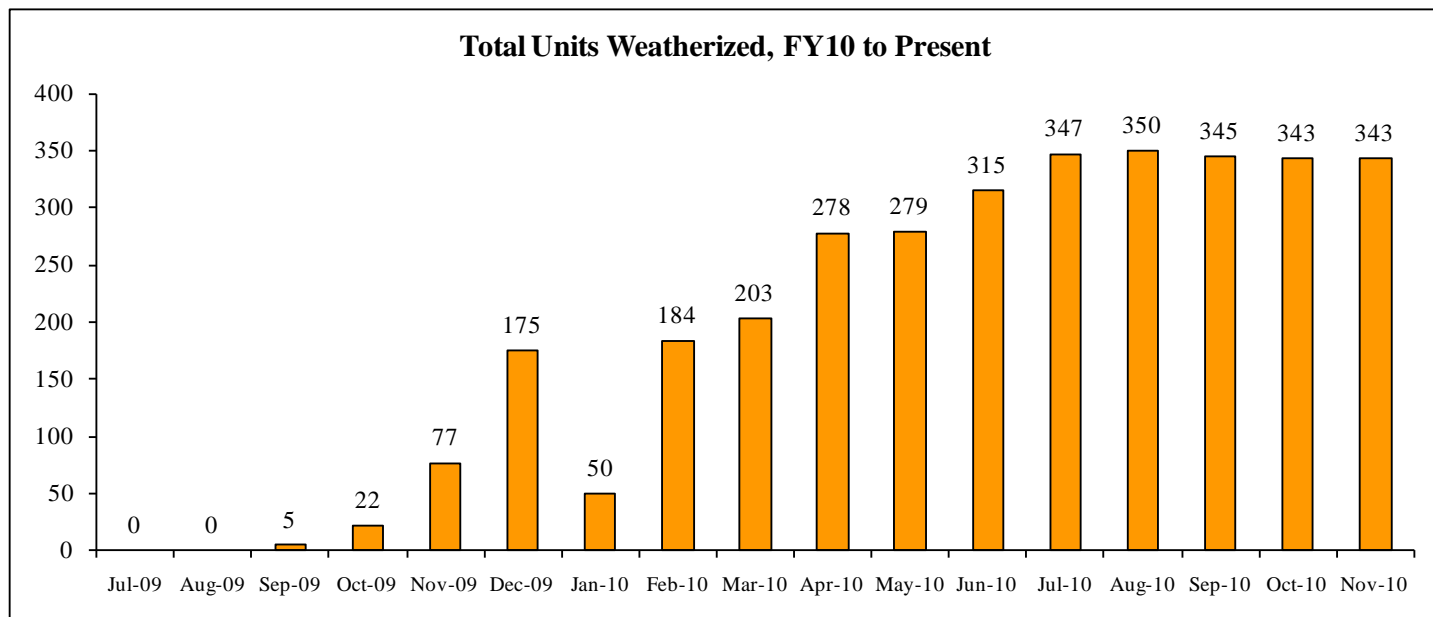
Following is a summary of issues discussed at the DHCD Stat on December 15, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

Follow-Up Items

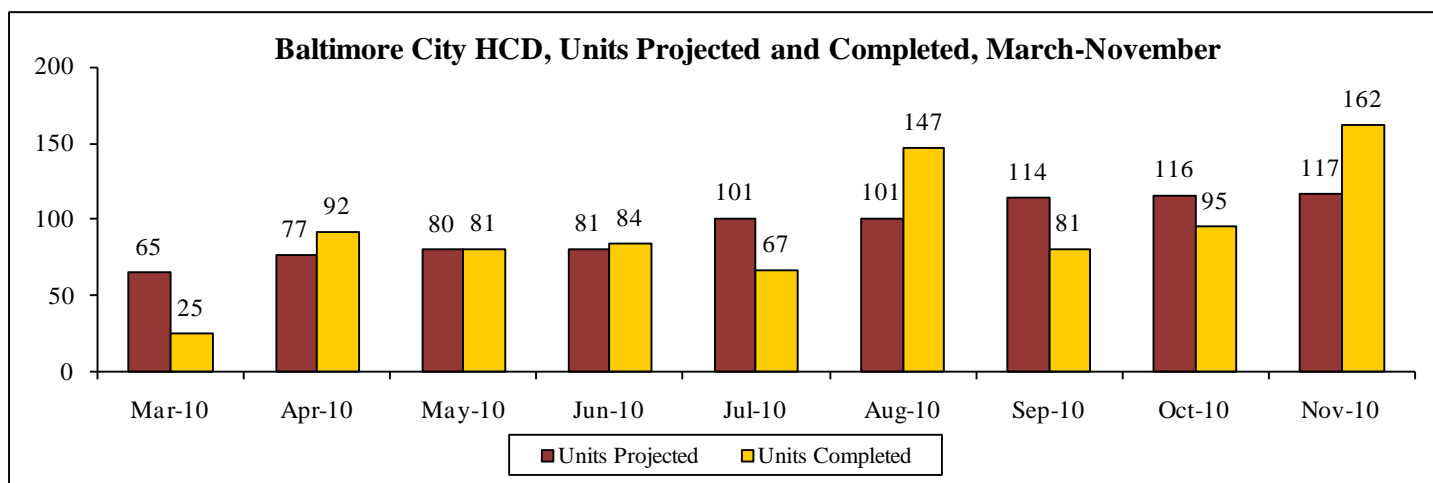
- **Emergency Mortgage Assistance Program.** At the last StateStat meeting, the agency discussed the Emergency Mortgage Assistance Program (EMAP). Using federal funds allocated from Housing and Urban Development (HUD), the program will allow loans of up to \$50,000 to assist eligible homeowners in payment of arrears. Applications for federal funding were due to HUD on December 13. The agency reported that the December 13 application deadline was met, and that a ruling from HUD on the application should be received quickly.
- **New Issue Bond Program.** At the last StateStat meeting, the agency previously reported that an interest rate for the New Issue Bond Program could be anywhere from 4.40% to 4.55%, with the selected rate determining the amount of the funding pool. Since the interest rate is at the lower end of the range provided, the agency believes that it will be able to fully leverage the \$92 million NIBP bond issuance to create a total funding pool of \$153.4 million. The ability to leverage additional funds should allow the agency to add 4-5 more projects, bringing the total to 20 projects. At the suggestion of the panel, the agency will work with the Department of Business and Economic Development (DBED) in efforts to reach out to developers to take on the additional projects.
- **Local Government Infrastructure Financing Program (LGIF).** The agency provided an update on the progress of its LGIF program. The agency believes that local interest should lead \$16 to \$17 million in projects funded by the program.

Weatherization

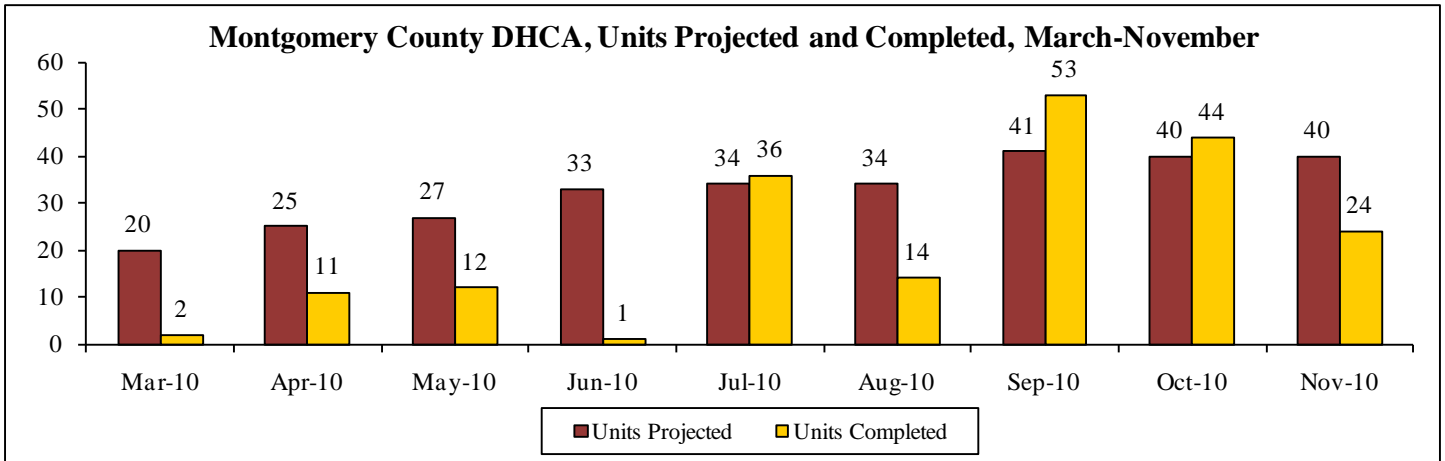
- **Production.** The agency produced 343 units for the second consecutive month in November, but fell just short of the projected production of 345 units.



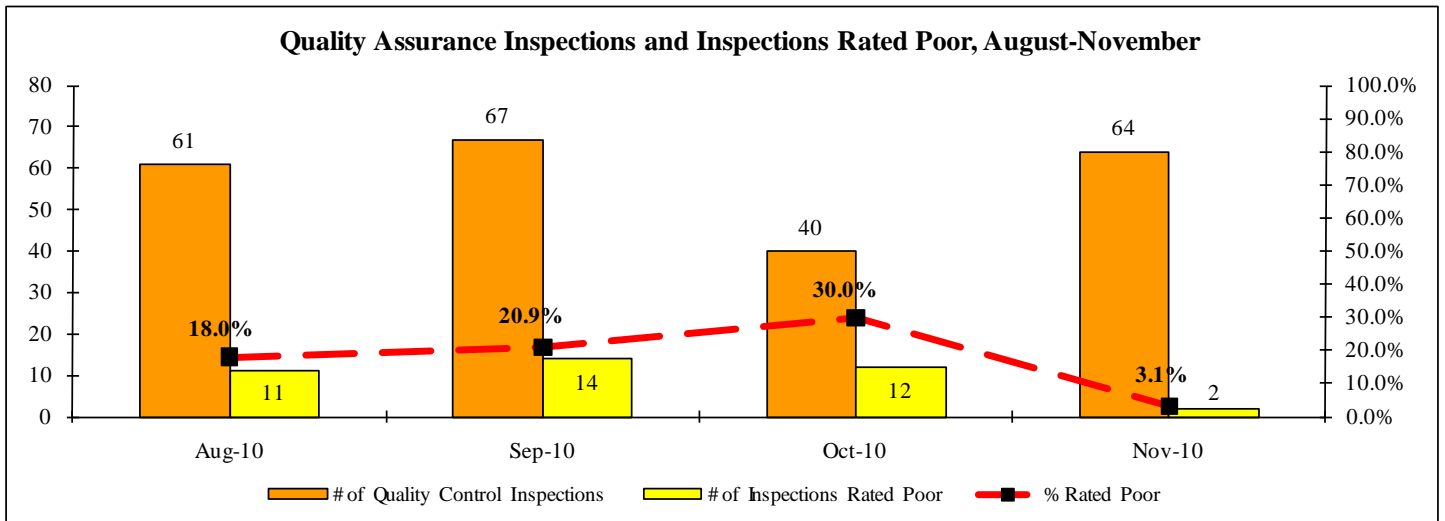
- Baltimore City HCD.** Production in Baltimore City jumped in November to 162 units, exceeding its projected units by a substantial margin after missing its projection in September and October. The agency credits implementation of a peer-to-peer program that pairs experienced weatherization staff with inexperienced staff for the November jump in production. The program was focused in the Westport community over the past month, and is scheduled for implementation in Brooklyn in the near future.



- Montgomery County DHCA.** The agency reported during the last StateStat meeting that Montgomery County DHCA's (MCDHCA) Director left at the end of October, and that the Director vacancy had recently been filled. Though the agency was optimistic that progress shown in September and October would be sustained, MCDHCA's production slipped well below projection in November. The agency reported that production in Montgomery County has been limited by a lack of responsiveness from homeowners, both in scheduling appointments for work to be done and in being present to let workers in when they appear for scheduled appointments. The agency has been in contact with leadership in Montgomery County to address production issues, and is considering implementation of a peer-to-peer mentoring program to help boost production.



- Auditing Metrics.** At the last StateStat meeting, the panel requested that the agency provide a detailed analysis of LWA’s producing multiple units that received a rating of ‘poor’ upon a quality control inspection. The request stemmed from the increasing percentage of units inspected receiving a rating of ‘poor.’ In November, just 2 units inspected received a rating of poor out of 64 total units inspected. The agency is reporting that it is ready to provide its analysis on this issue. The agency reported that the number of units receiving a ‘poor’ rating was high in recent months because the agency performed audit work on LWA’s with less experience. November figures improved because auditing occurred on more of a random basis. The Baltimore City peer-to-peer program, particularly with its emphasis on quality control, was also credited with lowering the number of ‘poor’ ratings in November.

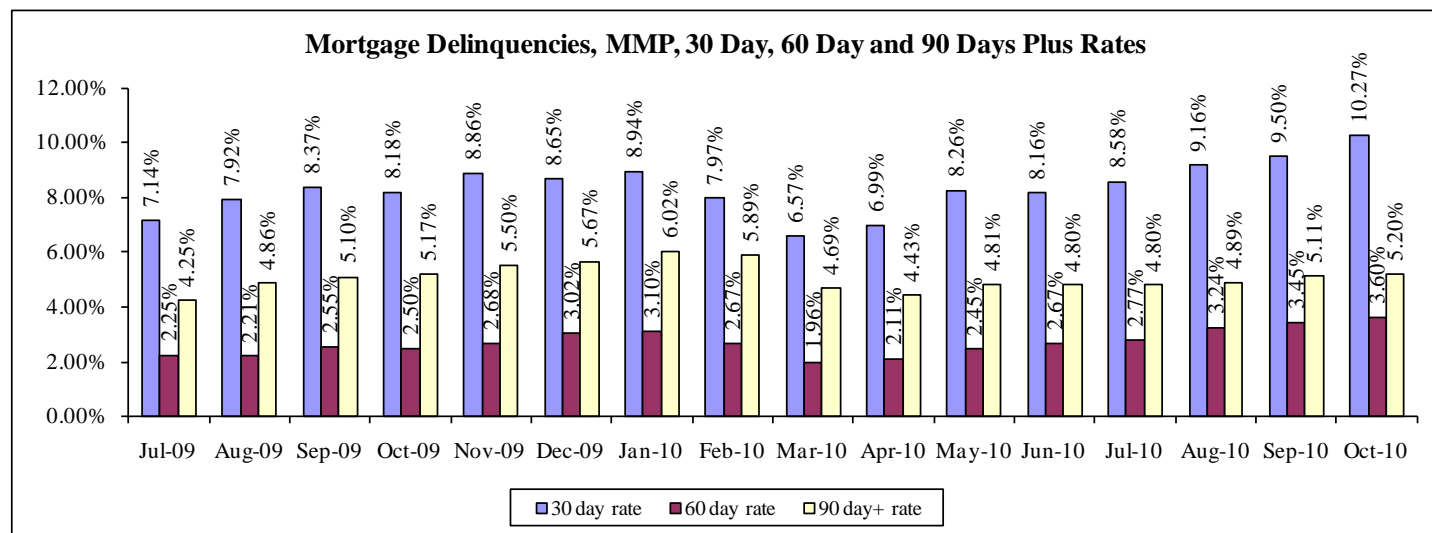


Delinquencies

- Third Quarter Report.** The agency recently submitted its Mortgage Loan Delinquencies and Foreclosures report for the third quarter of 2010. Total delinquencies increased in the third quarter, after declining in the previous three consecutive quarters. The number of 30 day and 60 day delinquencies experienced modest annual declines, which the agency believes is partially attributable to the new mediation law and stabilizing economic conditions. The largest gains were visible in 90+ day delinquencies, which are higher than both 2010 Q2 and 2009 Q3. Similarly, gains in 90+ day delinquencies may be a result of the new mediation law and other factors causing lenders to carefully review documentation before starting the foreclosure process. It is possible that foreclosure starts could increase in the next quarter as lenders begin the foreclosure process for some of those that are in the 90+day delinquent category.

Category	Maryland			U.S.		
	2010 Q3	Change from		2010 Q3	Change from	
		2010 Q2	2009 Q3		2010 Q2	2009 Q3
Total Delinquency	10.41%	0.63%	0.37%	9.39%	-0.01%	-0.55%
30 Days Delinquency	3.72%	0.22%	-0.10%	3.57%	0.16%	-0.22%
60 Days Delinquency	1.61%	0.13%	-0.18%	1.52%	0.07%	-0.25%
90+ Days Delinquency	5.08%	0.29%	0.65%	4.31%	-0.23%	-0.07%
Foreclosure Inventory	3.22%	-0.74%	-0.59%	4.39%	-0.18%	-0.08%
Foreclosure Starts	0.75%	-0.23%	-0.35%	1.34%	0.23%	-0.08%
Serious Delinquency	8.30%	-0.45%	0.06%	8.70%	-0.41%	-0.15%

- Maryland Mortgage Program.** Unlike the statewide trend, the largest increases in delinquencies have occurred with 30 day and 60 day delinquencies under the Maryland Mortgage Program. The agency stated that this was the case because their internal delinquency rates generally fluctuate on an annual basis, with March often recording the lowest rates in any given year. Additionally, the agency prioritizes foreclosure prevention, so they often begin their intervention process with borrowers when they are closer to 90+days delinquent.



Multifamily Audit Tracking

(Suggested Discussion Length: 10 Minutes)

- According to the StateStat template, multifamily audits for the reporting period ending on June 30, 2010 were due to the agency on October 1st. Data reflects that just 20 of 59 audits were submitted to the agency by the October 1 deadline. Currently, 53 of 59 audits have been submitted, leaving 6 outstanding audits remaining over two months past the reporting deadline. The agency reported that significant strides have been made in getting these audits in closer to deadline, and that the remaining audits are expected to be submitted in December.

