

December 6, 2013

The Honorable Martin J. O'Malley Governor  
100 State Circle  
The State House  
Annapolis, Maryland

Dear Governor O'Malley:

On behalf of Volunteers of America Chesapeake (VOAC), and the thousands of needy area residents we serve daily, we join numerous other local health and human services and civil rights organizations in urging you to issue an Executive Order to stop all foreclosures in Maryland. As one of the largest providers of affordable housing in the state, it is difficult to exaggerate the negative impact of foreclosures. We appreciate your past leadership in focusing state and federal resources on emergency steps to ease the problem. But the housing "crisis" never fully abated, creating a chronic and pervasive problem that is undermining the fabric of Maryland communities.

Headquartered in Lanham with 750 employees serving in 32 programs across the Chesapeake region (MD/VA/DC), VOAC is a faith-based non-profit whose mission is to inspire self-reliance, dignity and hope. VOAC daily serves hundreds of Maryland families and individuals in homeless shelters, transitional and supportive housing – including many with mental health disabilities and/or substance abuse challenges. We work closely with various state and federal agencies, including on model programs serving military veterans and correctional ex-offenders. In fact, on January 21, 2014, MD Secretary of Veterans Affairs Chow will convene the Veterans Commission at our new 148-bed Residential Re-Entry Center in Baltimore. We fully appreciate the complexities of the real estate market and the state political process – and do not take lightly the request we are writing today to support.

We advocate new action on foreclosure because past efforts – even constructive and effective ones – have not addressed the core problem. The state responded well to the dramatic foreclosure spikes of 2007-2008, from legislative assistance to Department of Housing and Community Development (DHCD) consumer outreach. While the volume of foreclosures has declined since then, Maryland still has one of the highest rates of new foreclosure cases in the nation. In recent months, the rate has increased in Maryland, even while decreasing in other states. There has been improvement in the number of borrowers behind on mortgage payments, but at levels still far below normal volumes. In short, the problem has lingered, particularly among demographic groups that have yet to experience any uplift in economic opportunity.

Some attribute this slow progress to consumer protections in current Maryland law, including court involvement in the foreclosure process. As a non-profit that has developed significant housing projects in both Maryland and Virginia, where different rules prevail, we reject that explanation. We are disturbed by pervasive reports of inappropriate manipulation of, and pressures on foreclosed-upon homeowners – and urge you to investigate the mountain of such allegations.

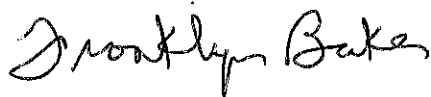
In the meantime, what is needed is time to give borrowers a chance to assess the alternatives to full foreclosure. Historically, nearly half of those in the foreclosure process eventually are able to keep their homes – if they are adequately informed and have the time to pursue legal mediation or loan modification. It is common knowledge that, notwithstanding good-faith efforts by many concerned, this is not happening on the ground in Maryland today.

Every day at our local facilities, we witness the heartbreaking impacts on local residents forced from their homes and on the neighborhoods that eventually resemble urban ghost towns. The number of affected people who then come to us for housing is staggering and rising. While VOAC and other non-profits are committed to continuing to provide shelter and any other services we can, some of that cost ultimately falls on the state – and we believe you could help by declaring a temporary moratorium on foreclosures. If there are other tools at the disposal of the executive branch that could address the problem more strategically, we are of course open to your suggestions. Meanwhile, we write to sound a loud alarm: the situation is deteriorating in ways that unnecessarily hurts our fellow citizens, fractures our communities and burdens Maryland taxpayers.

Like many non-profits, Volunteers of America Chesapeake is resilient and resourceful. Over the past 117 years, we have learned to adjust to economic volatility. In fact, our services are needed most when the economy is at its worst. We can continue to work with the consequences of foreclosure, but appeal for your guidance and leadership in addressing its causes.

Thank you in advance for your consideration – and please consider this an open invitation to visit any of VOAC's facilities or programs in Maryland or throughout the Chesapeake region.

Sincerely,

A handwritten signature in black ink that reads "Franklyn Baker". The signature is written in a cursive, slightly slanted style.

Franklyn Baker  
Chief of Staff and External Affairs Officer

Cc: Russell K. Snyder, President/CEO