

Foreclosure Tracking in Washington, DC

As a member of the National Neighborhood Indicators Partnership, NeighborhoodInfo DC provides community-based organizations and residents in the District of Columbia with local data and analysis they can use to improve the quality of life in their neighborhoods. Since the start of the national foreclosure crisis, NeighborhoodInfo DC has been providing data on households and neighborhoods affected by foreclosures to local partners, allowing them to target their efforts to reduce negative impacts and help more families stay in their homes. This brief highlights our work of making foreclosure data accessible in the District of Columbia and gives examples of how our partners have used this information to assist vulnerable homeowners and renters.

Tracking Housing Conditions in the Washington, DC Region

Beginning in 2002, researchers in the Urban Institute's Metropolitan Housing and Communities center published a series of reports entitled "Housing in the Nation's Capital" (HNC),¹ which offered an in-depth look at current and emerging housing trends in the District of Columbia and the Washington region. A persistent topic in the earlier HNC reports was the rapidly increasing housing costs during the market boom of the 2000s, and the subsequent stress it was placing on low and moderate income families seeking affordable housing. The final report in the series, published in 2009, focused on the foreclosure crisis that was emerging in the wake of the bursting of the market bubble. Although slower to manifest itself in the Washington area than in some other parts of the country, the foreclosure crisis was beginning to have a serious impact on both housing markets and residents of city and suburban neighborhoods in the region.

Prior to 2008, the full effects of rising foreclosures in the Washington region were not truly understood. The perception of many people was that the area's relatively strong local economy had insulated it from the worst of the housing crisis. In fact, between 2005 and the first quarter of 2008, foreclosures in the District of Columbia had nearly doubled and were continuing to grow.² The metropolitan region experienced a similar increase in foreclosures. In January 2007, 4,000 homes in the region were in foreclosure and by the first quarter of 2008 nearly 16,000 were in foreclosure.³ Data provided by the Urban Institute and NeighborhoodInfo DC helped local government officials, housing counseling and advocacy groups, and other key stakeholders focus attention on the rising tide of foreclosures in the city and region and direct resources to where they were most needed to address the problem.

Since 2009, NeighborhoodInfo DC has continued and expanded its tracking of the foreclosure crisis. A new section of the NeighborhoodInfoDC.org web site was dedicated to foreclosure data and new foreclosure indicators were added to the site's neighborhood profiles. Following a city council hearing on the foreclosure crisis in June 2008, at which NeighborhoodInfo DC director Peter Tatian testified, several District of Columbia agencies, under the leadership of the Department of Housing and Community Development, came together to coordinate their efforts to help residents facing foreclosure. NeighborhoodInfo DC was regularly invited to participate in these interagency meetings and present the latest data on foreclosures in the city.

At the regional level, NeighborhoodInfo DC worked with the Metropolitan Washington Council of Governments (COG) to start a new Washington, DC, Metropolitan Area Foreclosure Monitor series, which provided regular updates of foreclosure and housing market indicators, including home sales volume, median sales prices, and real estate market listings.⁴ In addition, NeighborhoodInfo DC joined forces with COG and the Nonprofit Roundtable to establish the Capital Area Foreclosure Network to coordinate foreclosure response and support housing counselors in the Washington region.

Putting Data Into Action: Weekly Foreclosure Lists

Knowing that foreclosures were a growing problem, NeighborhoodInfo DC began reaching out to local housing counseling organizations to share data that could be used to connect with homeowners and renters affected by the crisis with support and services to help them. The DC Department of Housing and Community Development provides grants to a network of housing counseling organizations in the city so that they can give free housing counseling to residents, including those facing foreclosure. Urban Institute research on the National Foreclosure Mitigation Counseling program has shown that housing counseling helps troubled homeowners achieve better outcomes and makes it less likely that they will lose their homes to foreclosure sales.⁵ A key challenge, however, is reaching people soon enough to connect them to the counseling help they need. Many people avoid seeking help until their situation becomes dire. Troubled homeowners are frequently the targets of scam artists who promise assistance in exchange for large fees, but then provide no help at all. And both homeowners and renters may not be aware of all their rights in the foreclosure process or what assistance may be available to them.


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NeighborhoodInfo DC tracks foreclosure activity in the District of Columbia through notices filed with the DC Recorder of Deeds. These include notices of foreclosure sale (foreclosure starts), notices of trustee deed sales (foreclosure completions), and notices of default and mediation certificates required by the DC Foreclosure Mediation Program.⁶ Although these notices are public information, downloading the data is a cumbersome process. In addition, the notice data lack some key information (such as property address) that is needed to contact affected parties. By downloading and compiling notice data on a weekly basis, NeighborhoodInfo DC is able to facilitate their use for tracking and outreach. Furthermore, by linking notices to property data from the Office of Tax and Revenue, NeighborhoodInfo DC can add other key information, such as addresses of housing units, geographic data (ward, neighborhood, etc.), and housing characteristics (type of property and tenure). These additional data points allow housing counselors and foreclosure prevention advocates to more efficiently target their resources and connect directly with homeowners and renters.

In 2008, NeighborhoodInfo DC piloted the sharing of weekly lists of new foreclosure filings with a local nonprofit counseling

organization—Housing Counseling Services (HCS). Each list included information from the notice, name and address of the owner, the lender name, and housing characteristics, including the property address (see figure 1). The weekly list data were compiled in an easy-to-use Excel format, which was emailed to HCS each week. HCS used these data to contact homeowners and renters living in properties that had received foreclosure notices and to let them know about resources available to help them.

Based on the success of this pilot, the distribution of the weekly lists was expanded and the data are now provided regularly to three government agencies and eight local nonprofit organizations working to assist people affected by foreclosures, who use them to conduct foreclosure prevention outreach property owners and renters. For example, owner-occupied units and residents of multifamily buildings receive letters from HCS and the Latino Economic Development Corporation (LEDC) informing them of counseling services available to them at no charge. HCS includes a flyer for their weekly walk-in foreclosure prevention clinic in the mailing.

While renters are protected by relatively strong provisions under District of Columbia law (for example, tenants cannot be evicted from their home or apartment solely because the property was acquired by a new owner through a foreclosure), some renters may be unaware of their rights.⁷ The DC Office of the Tenant Advocate uses the weekly lists to send letters that explain tenants' rights when their landlord enters foreclosure or loses their property, and what to do if they are faced with that situation. For example, the letter includes contact information for several legal aid organizations and a form letter for a notice of tenancy that the renter can send to the new owner. Additionally, HCS and LEDC conduct outreach to renters (described further below).

The remainder of this brief highlights the ways that three partners, Housing Counseling Services, Latino Economic Development Corporation, and Georgetown Law Community Justice Project, have used the weekly foreclosure lists provided by NeighborhoodInfo DC.

Using the data: Housing Counseling Services

Housing Counseling Services (HCS) is a Washington, DC, nonprofit organization providing comprehensive housing counseling, training, advocacy, technical assistance, and housing opportunities for low- and moderate-income homebuyers, homeowners, and renters. Their main goals are to help their clients achieve successful living in healthy, safe and affordable homes, to prevent homelessness, and to increase sustainable housing opportunities.

HCS utilizes the Urban Institute's weekly foreclosure lists to

FIGURE 1.

FIELDS INCLUDED IN WEEKLY FORECLOSURE LISTS

- ◇ Notice type (foreclosure sale, trustee deed sale, default, mediation certificate)
- ◇ Notice filing date
- ◇ Notice document number
- ◇ Lender/servicer/agent issuing notice
- ◇ Property type (single-family, condominium, cooperative, multifamily rental)
- ◇ Property use
- ◇ Property parcel ID number (square/suffix/lot)
- ◇ Property street address
- ◇ Geographic information (ward, neighborhood, census tract)
- ◇ Whether the property is owner-occupied
- ◇ Owner name from the notice
- ◇ Owner name(s) from Office of Tax and Revenue (OTR) property records
- ◇ Owner property tax address (from OTR)
- ◇ Whether the property receives a property tax homestead exemption (from OTR)


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provide direct outreach to both renters and homeowners who are facing foreclosure. These efforts include tenant outreach, foreclosure education for homeowners, and individualized counseling.

From October 1, 2011 through September 30, 2012, HCS provided outreach and education to 451 District of Columbia renters in 48 properties facing potential displacement from foreclosure. Using the weekly foreclosure lists to target their tenant outreach to Wards 7 and 8 (two areas with very high incidences of foreclosures), HCS worked to ensure these renters knew their rights and had a resource available to them should their current or new landlord try to evict them, violate their lease, or raise rents illegally. Through flyers distributed at the properties, HCS explained to renters their basic rights and encouraged them to participate in building-wide meetings for further education on the foreclosure process and tenant rights. HCS provided additional assistance to many of these renters who followed up with them after this initial meeting. In addition to their rights during a foreclosure, HCS also educated renters on overall tenancy rights and responsibilities, and provided technical assistance to improve housing conditions and prevent displacement. HCS's tenant outreach is done in collaboration with the Latino Economic Development Corporation, who works with renters in Wards 1 through 6. The weekly lists, which can be sorted by ward, help improve the coordination between the two organizations, allowing resources to be deployed more efficiently.

During the same 12 months, HCS trained 216 homeowners on foreclosure prevention through their walk-in clinics. At these clinics, HCS counselors educate participants about the foreclosure process and specific, immediate actions homeowners can take to respond to potential foreclosures. Homeowners participate in sessions covering topics such as understanding one's loan and current mortgage status, receive resources available to help homeowners respond to and prevent foreclosure, and learn about options with lenders for keeping or releasing their home,

and avoiding foreclosure prevention scams. For many homeowners, the next step after attending a foreclosure prevention clinic is individualized counseling. Between October 2011 and September 2012, HCS counseled 414 homeowners facing foreclosure (not all homeowners who received one-on-one counseling attended the walk-in clinics). Almost half of these counseled homeowners were able to bring their mortgage current, either through refinancing or a loan modification, or obtain a forbearance from their lender (table 1). Only five counseled homeowners reported losing their homes to foreclosure, although relatively few foreclosure completions have taken place in the city during this period.⁸ With the assistance of the weekly foreclosure lists, HCS has been able to improve its outreach to troubled homeowners, allowing more of them to benefit from clinics and counseling services.

Using the data: Latino Economic Development Corporation

Using the weekly foreclosure lists prepared by Neighborhood-Info DC, the Latino Economic Development Corporation (LEDC) reaches out to Latino homeowners and renters throughout the city who are at risk of losing their residence to foreclosure.

LEDC's outreach has been essential to reaching the District's Latino homeowner population at risk of losing their homes to foreclosure. Guided by the weekly foreclosure lists, LEDC's Homeownership Program counselors contact Latino homeowners throughout the District and provides them with information about foreclosure prevention options and housing counseling. These counselors also reach out to homeowners of any ethnicity in Wards 1 and 4.

In collaboration with Housing Counseling Services (HCS), LEDC's Affordable Housing Preservation Program uses the

Table 1. Foreclosure Outcomes for Homeowners Who Received Housing Counseling from HCS between October 1, 2011 through September 30, 2012

Outcome	Number of Clients
Mortgage brought current/refinanced/modified/forbearance	188
Home sold, pre-foreclosure sale	13
Other resolution including referral for legal services, social services	29
Still receiving foreclosure assistance from HCS pending results	130
Dropped out of counseling	49
Home foreclosed	5

Source: Housing Counseling Services, Inc. November 13, 2012.

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weekly lists to contact renters living in multifamily buildings in Wards 1 through 6 whose owners have received a foreclosure notice (HCS performs the outreach to renters in Wards 7 and 8). LEDC outreach staff goes door-to-door to let renters know their rights, including that they may continue to live in their apartment and pay rent even if the building is transferred to a new owner through a foreclosure. Informational packets explain to renters what to do if any utilities are turned off, how to contact the bank to pay rent (for bank-owned properties), and where to get free legal assistance.

The weekly foreclosure lists have also helped LEDC discover situations where realtors or banks may have been trying to displace renters improperly. In one case, for example, the water supply to the property was cut off. In these situations, LEDC contacts the realtor or bank to inform them about the rights of tenants under District of Columbia law. Where needed, LEDC will connect renters with legal assistance, through partner organizations, to ensure that their rights are protected and to help them stay in their homes.

Using the data: Georgetown Law Community Justice Project

In addition to the weekly foreclosure lists, NeighborhoodInfo DC also responds to selected requests for information on foreclosed properties from local organizations that are working to help homeowners or renters in the city. For example, in the fall of 2012 Georgetown Law Community Justice Project (CJP) asked for information to conduct a survey aimed to better understand the needs of renters in post-foreclosure, bank-owned properties.

CJP is a school clinic supervised by five professors and headed by Professor Jane Aiken. Prior to the start of each semester, the clinic professors arrange to work with local groups who have unconventional legal problems that students might help solve. In fall of 2012, CJP partnered with DC Legal Aid, a local nonprofit that provides civil legal aid to individuals and families in the District who could not otherwise afford to hire a lawyer with an emphasis on preventing evictions and preserving home ownership.

In the fall of 2012, using a list of bank-owned properties provided by NeighborhoodInfo DC, the two organizations collaborated to create and administer a survey of renters in post-foreclosure, bank-owned properties. Since renters in bank owned properties may be neglected by their bank landlords, this survey would provide a better understanding of tenants' needs and opinions regarding potential remedial actions against negligent bank landlords. Following a foreclosure, bank landlords are responsible for the maintenance of the building, but often they are ill-equipped to do so. Bank landlords may fail to hire a property

manager to maintain the property, leaving residents in unsafe housing conditions. The survey focused on several of these concerns, including whether tenants had interacted with and had an open line of communication with the bank owner, whether tenants had been involved in any legal action against the bank owner, whether tenants were paying (and banks were collecting) rent, and whether the banks were performing maintenance on the property.

In the course of administering their survey, the group also provided renters with information about their rights as tenants in a foreclosed property as well as referrals or information about how to access legal services if they had any immediate legal needs. One of the things revealed by the survey was that many of the bank-owned properties were vacant. This is important information for neighborhoods as vacant buildings can be a detriment. DC Legal Aid is continuing to use the survey results to inform how they conduct future outreach efforts.

Conclusion

NeighborhoodInfo DC compiles foreclosure filings—from notices of default through foreclosure completions—into an accessible, informative, and detailed list used by local government agencies and nonprofit organizations to reach out to homeowners and renters at risk of losing their residence and to help these families stay in their homes. Since the start of the foreclosure crisis, groups have used these data for a variety of purposes, including helping homeowners avoid foreclosure, informing tenants of their rights when the building they reside in has been foreclosed on, and determining the needs of renters in bank-owned properties. The data provide stakeholders with timely information, which is especially important when helping clients in the foreclosure process. These examples illustrate the importance of making accurate, current information available for use in aiding communities, particularly those facing severe challenges.

ENDNOTES

1. "Housing in the Nation's Capital" (HNC) assembled and analyzed a wide array of demographic, economic, and housing data for the Washington metropolitan area and explored a range of special topics, including housing and services for people with special needs and the links between housing and schools. All issues of HNC are available at <http://www.urban.org/center/met/hnc/>.
2. From testimony by Peter A. Tatian before the Council of the District of Columbia, Committee on Public Services and Consumer Affairs on June 18, 2008.

3. Pettit, Kathryn L.S., Mary K. Cunningham, G. Thomas Kingsley, Leah Hendey, Jennifer Comey, Liza Getsinger, and Michel Grosz. 2009. "Foreclosures in the Nation's Capital 2009." Washington, DC: Urban Institute. http://www.urban.org/UploadedPDF/1001339_foreclosuresnationscapital.pdf
4. http://www.neighborhoodinfodc.org/Foreclosure/Foreclosure_monitor.html
5. Mayer, Neil, Peter A. Tatian, Kenneth Temkin, and Charles A. Calhoun. 2012. "Has Foreclosure Counseling Helped Troubled Homeowners? Evidence from the Evaluation of the National Foreclosure Mitigation Counseling Program." Washington, DC: Urban Institute. <http://www.urban.org/UploadedPDF/412492-Has-Foreclosure-Counseling-Helped-Troubled-Homeowners.pdf>
6. The District of Columbia's Foreclosure Mediation Program was created to address the foreclosure crisis in the District of Columbia and provide homeowners and lenders with an opportunity to meet face-to-face to discuss alternatives to foreclosure. For more information please see: <http://disb.dc.gov/page/information-homeowners-foreclosure-mediation-program-fmp>
7. The law does allow for termination of a tenant's lease, however, under certain circumstances, such as if the new owner wishes to move into the property as a primary residence or take the property completely off of the market. In these cases, the law specifies prior notification requirements before the tenant must vacate the housing unit.
8. Since the passage of the mediation legislation in November 2010, the foreclosure process has essentially stalled for many properties. There were 255 foreclosure sales in Washington, DC in 2011 compared to 1,400 in 2010, and 1,029 in 2009. <http://www.neighborhoodinfodc.org/Foreclosure/index.html>

Who We Are and What We Do

NeighborhoodInfo DC was established as a partnership between the **Urban Institute** and the **Washington DC Local Initiatives Support Corporation**. Neighborhood Info DC works to support community organizations, neighborhood leadership and residents, and government as they work to improve the quality of life for people throughout the District of Columbia.

The goal of the NeighborhoodInfo DC is to democratize data for use as a tool in civic engagement.

NeighborhoodInfo DC supports the process of democratizing data in the Washington, DC region by:

Providing online neighborhood profiles with demographic, social, and economic characteristics for the District of Columbia's ANCs, wards, neighborhood clusters, police service areas, ZIP codes, and census tracts.

Publishing reports and briefs that analyze neighborhood level data about the District of Columbia and the Washington region and illustrate useful applications of that data for social change.

Engaging in community outreach to support building the capacity of community-based organizations and residents to use data to strengthen action and neighborhood change initiatives.

Working with partners around the city to help them use NeighborhoodInfo DC for planning, fundraising, and evaluation.

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For more information, please visit our web site: www.NeighborhoodInfoDC.org or call 202-643-4110.