



Quarterly Update

August 2009

Foreclosure Crisis Sweeping the Nation Hits the DC Metro Area Hard

As we've seen on local television, read online and in the newspapers, and possibly experienced first hand, or with relatives or neighbors, the foreclosure crisis sweeping the nation has hit the D.C. metro area extremely hard. According to a recent RealtyTrac report, the D.C. Metropolitan region has the 23rd highest rate of foreclosure in the country, with our outer suburbs having been hit the hardest, particularly Prince William and Prince George's Counties. Overall, RealtyTrac reported 342,038 foreclosure filings – default notices, auction sale notices and bank repossessions on U.S. properties in April 2009 alone, a 32% jump from April 2008 and the highest monthly foreclosure rate since it began issuing its report in 2005.

In response to the crisis, OpenDoor has moved into the area of foreclosure prevention working to extend and restructure loans where possible, to preserve affordable housing projects throughout the region, in addition to serving as the area's largest locally controlled loan fund. These recent examples exemplify the ongoing work at OpenDoor:

- **Foreclosure Prevention:** Without a quick response from OpenDoor, 13 families at Randle Heights would have been forced out of their homes. In the spring of 2008, the residents of Randle Heights Apartments in S.E., D.C., were surprised to find that the developer had abandoned the project leaving an incomplete renovation and a defaulted loan. When the bank decided to foreclose on the property in September 2008, the Tenants Association, with the assistance of OpenDoor, sought protection in bankruptcy court to prevent the foreclosure and subsequent loss of their homes. OpenDoor continues to work closely with the Tenants Association to refinance the project and find a new development team to complete the project. OpenDoor remains hopeful that affordable housing can be preserved through its efforts to assist the Tenants Association and the residents of Randle Heights can remain fixtures in the neighborhood!

In April 2009, OpenDoor stepped in and purchased 93 units of affordable housing when the developer was unable to pay its lenders. OpenDoor is now

working closely with the D.C. Government, and private sector developers to re-develop the property into workforce housing.

- **Affordable Housing Preservation:** OpenDoor provided predevelopment financing to the 720 Madison Street Co-op Association allowing 14 families to stay in their homes. Since providing the loan in November 2008, OpenDoor has been working with the borrowers to secure acquisition and permanent construction financing.
- **Green Housing:** OpenDoor recently provided financing to the The City of Bowie, M.D., for energy-efficient upgrades to housing for elderly residents living on fixed incomes in Bowie. OpenDoor plans to work with the City of Bowie in the future as they continue their overall comprehensive plan for an energy-efficient, green community!

OpenDoor President Jerry Konohia Joins Treasury Secretary Timothy Geitner at SOME (So Others Might Eat) to Serve Lunch to Needy Area Families.

As part of President Obama's "United We Serve" campaign which encourages all Americans to volunteer this summer and be part of building a new foundation for America, members of the President's administration fanned out across America to participate in local service events. On Thursday, June 25, 2009, Jerry Konohia, Secretary of the Board Conrad Egan, along with the Chair of the Loan Committee, Ormenta Newsome joined Treasury Secretary Timothy Geitner and 15 Treasury staff members at SOME to serve lunch to hundreds of homeless men, women and children.

OpenDoor Housing Fund ----- Moving Forward!

As OpenDoor moves into its third full year of operations, our primary goal is to stabilize the local area housing market by bringing pending affordable housing projects throughout the Washington metropolitan region to fruition as soon as possible. OpenDoor has a goal to help create or preserve 5,000 homes over the next five years. The changing market conditions and credit environment make this a challenging time to pursue this goal, but also underscore the need for mission-oriented lenders like OpenDoor

As investors, you can be assured that OpenDoor will stay true to its mission and help those who need our services the most during one of the steepest downturns in our nation's recent history. For more information about OpenDoor, please visit our website, www.opendoorhousingfund.org or contact us at (301) 588-5533.