

# **THE FORECLOSURE CRISIS IN THE CHICAGO AREA: FACTS, TRENDS AND RESPONSES**

A Working Document Compiled by

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## **-INTRODUCTION-**

The purpose of this working document is to capture information about the growing foreclosure crisis in the Chicago region and the efforts to provide assistance to homeowners and communities. It is designed to be a working document, to be updated as new information becomes available.

It is no secret that national foreclosure trends have led to a crisis. According to Realtytrac, 405,000 homes were lost across the country in 2007 - an increase of 51% over 2006. Nor is it a surprise that a significant increase in subprime and third-party lending activity, coupled with loose underwriting and interest-only and adjustable rate loans, were major factors contributing to this increase. The repercussions: according to the Center for Responsible Lending, one out of five subprime mortgages originated in the last two years will end in foreclosure.

With the 10<sup>th</sup> highest state foreclosure rate as of July, 2008, the State of Illinois has not been spared this crisis, and the Chicago metropolitan area has also been severely affected. In fact, according to Realtytrac, 1.6

Organizations working to alleviate the foreclosure crisis would be strengthened through a shared base of knowledge, and increased coordination to mitigate the various effects of foreclosures. This document is intended to provide timely information on the crisis and facilitate collaboration among practitioners who are actively working to find the appropriate solutions to meet the scale of the problem.

*Stacie Young*  
Interagency Council Director  
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July, 2008

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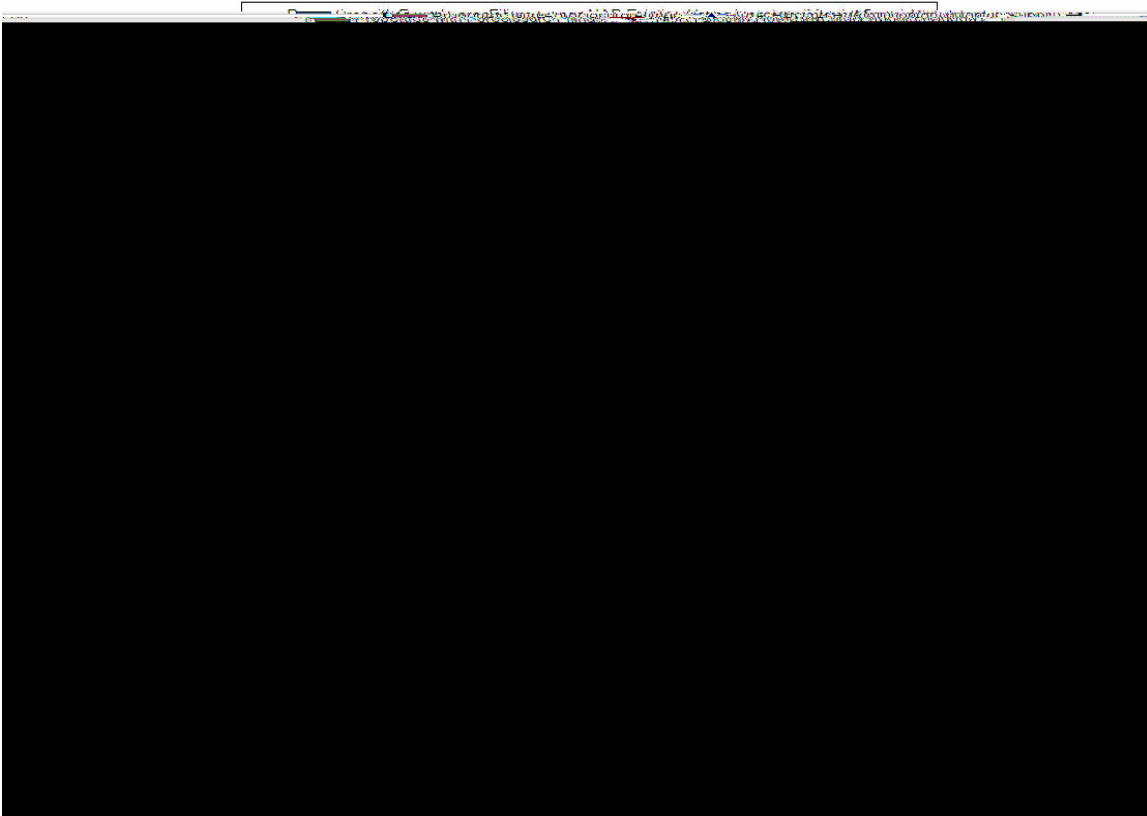
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**SECTION I**  
**FACTS AND TRENDS**

- 1. National Context**
- 2. Regional and Local Context**
- 3. Comparisons and Rankings**
- 4. Projections**
- 5. Costs of Foreclosure**

# 1. NATIONAL CONTEXT

## -Foreclosures-



\*\*Source RealtyTrac

[RealtyTrac May Report](#)

Home foreclosure filings rose 14% in the second quarter of 2008, the eighth consecutive quarterly climb, and more than doubled from the same period a year earlier ([RealtyTrac 2nd Quarter Report](#)).

Home foreclosure filings on 739,714 U.S. properties were reported during the second quarter of 2008, up 121% from a year earlier ([Ibid](#)).

As of the first quarter of 2008, a record 2.5% of all home loans serviced by the Mortgage Bankers Association are in the process of foreclosure, which amounts to about 1.1 million homes (MBA report, June 5, 2008).

[Mortgage Bankers June Report](#)

Nearly 3 million home loans are now at least one payment past due, while about 737,000 are at least three months past due, but not yet in foreclosure ([Ibid](#)).

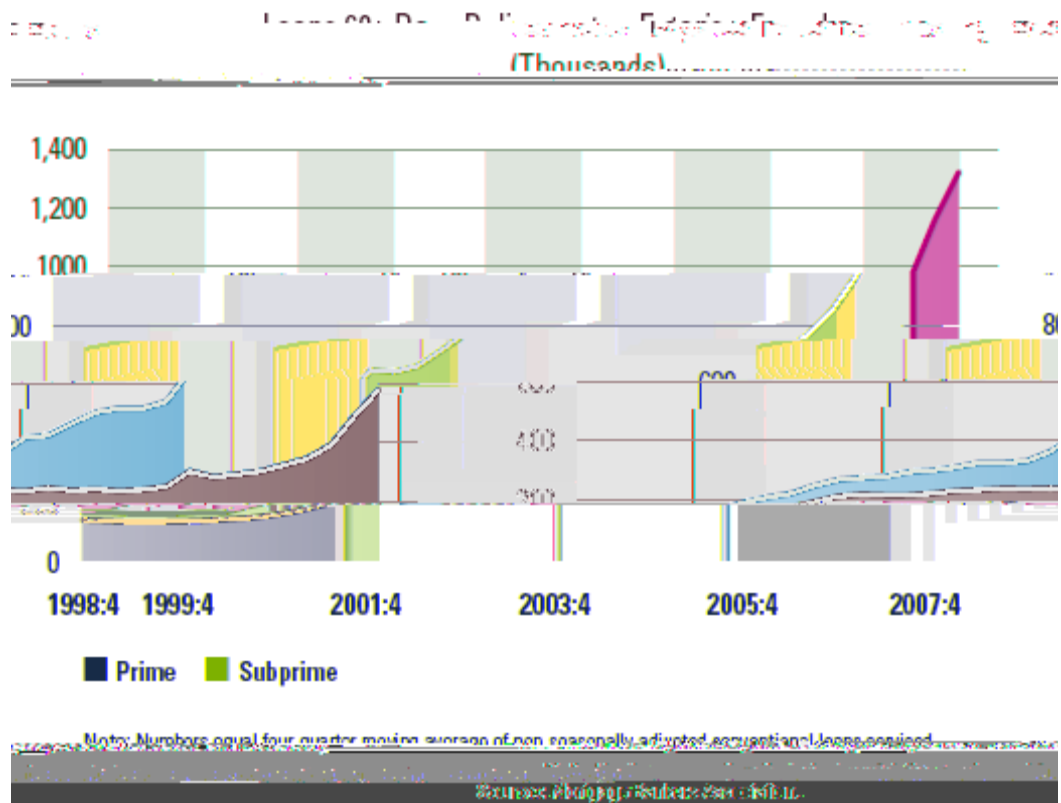
In 2007, 405,000 households lost their homes, an increase of 51% over 2006 ([cnnmoney.com, January 2008](#)).

## - Subprime Market-

\*\*Center for  
Responsible  
Lending  
[Losing  
Ground](#)

Nationally, from 1994-2005, the subprime market grew from \$35 billion to \$665 billion ([Losing Ground](#)).

## -Delinquencies-



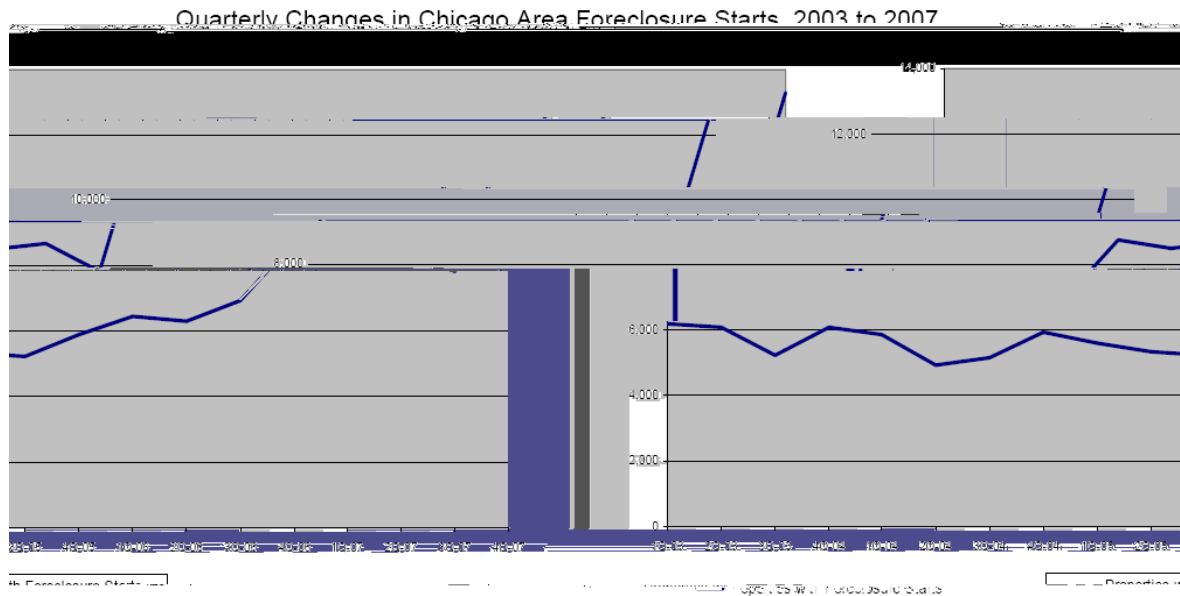
(Source [Joint Center for Housing Studies, 2008](#))

Nationally, from 2004-2007, the number of serious delinquent loans (more than 60 days overdue) more than doubled to 1.3 million loans ([Joint Center for Housing Studies, 2008](#))



## 2. REGIONAL AND LOCAL CONTEXT

### -Chicago Region Foreclosure Starts-



([Woodstock Rental Report, 2008](#))

Foreclosure filings in the six-county metro area have grown 80% between 2005- 2008 ([Woodstock, Foreclosure Report for 2007](#)).

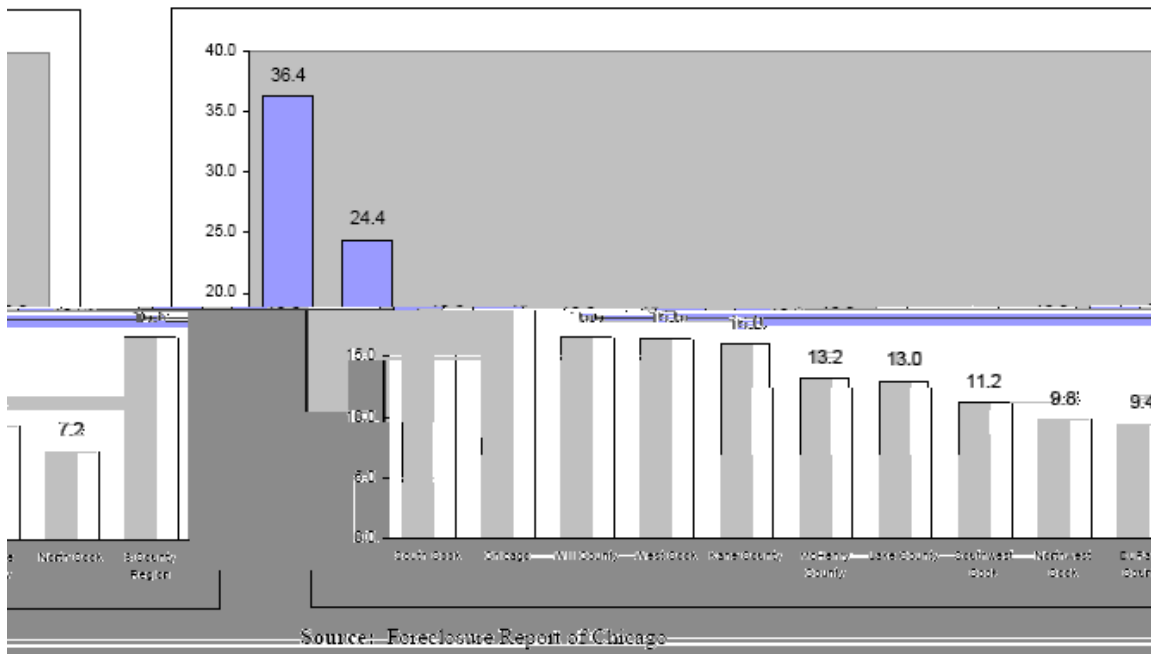
- The number of properties with foreclosure filings grew to 38,215 in 2007, an increase of 32% from the previous high of 28,997 in 2006.

Foreclosures were filed on 13,872 buildings in 2007 in the City of Chicago ([Woodstock Rental Report, 2008](#)).

The foreclosure rate (number of properties with foreclosure filings/total number of properties) increased 50% between 2006 and 2007 in the Chicago Metro Area ([Realty Trac 2008](#)).

## -Chicago Region Foreclosure Filings-

**Figure 3. Chicago, Six County Area Foreclosure Filings Per 1,000 Mortgageable Properties, 2007**



[Woodstock, Foreclosure Report for 2007](#)

South suburban Cook and the city of Chicago continue to have the highest levels of foreclosures ([Woodstock, Foreclosure Report for 2007](#)).

- South Suburban Cook had over 36 foreclosure filings per 1,000 mortgageable properties; nearly double the six county regional rate of 16.8 filings per 1,000.

## -Chicago Region Foreclosure Filings by County-

2007	Change	
	2006 to 2007	2005 to 2007
13,872	35.1%	85.0%

	2002	2003	2004	2005	2006
Chicago	9,907	8,188	7,195	7,499	10,268
North Cook	400	408	260	278	575

### [Woodstock, Foreclosure Report for 2007](#)

Foreclosure filings have increased 32% since 2005 across the 6-county region. Suburban communities have experienced the largest proportional growth in foreclosure filings ([Woodstock, Foreclosure Report for 2007](#)).

Every region of the Chicago Six County area had communities with very high foreclosure levels (Ibid).

- Chicago: Entire South and West Sides. Community areas with highest levels include Washington Park, Grand Boulevard, Woodlawn, West Garfield Park, and Englewood.
- North Cook: Parts of Evanston.
- Northwest cook: Parts of Hanover Park and Palatine.
- West Cook: Parts of Cicero, Bellwood, Berwyn, Maywood, and Melrose Park.
- **South Cook: Entire Region.**
- DuPage County: Parts of Addison, Carol Stream, Glendale Heights, and Lombard.
- Kane County: Parts of Aurora, Carpentersville, and Elgin.
- Lake: Parts of Fox Lake, North Chicago, Round Lake, Round Lake Beach, Waukegan, and Zion.
- McHenry County: Parts of Huntley, Lake in the Hills, and McHenry
- Will County: Parts of Bolingbrook, Joliet, Plainfield, Romeoville, and University Park.



## **-Chicago Metro High Cost Loans-**

Market Share Higher Cost Loans 2006



([Woodstock, Mortgage Lending Presentation 2008](#))

In Cook County, 32% of all single family conventional loans were high cost in 2006 ([Woodstock, Foreclosure Report for 2007](#)).

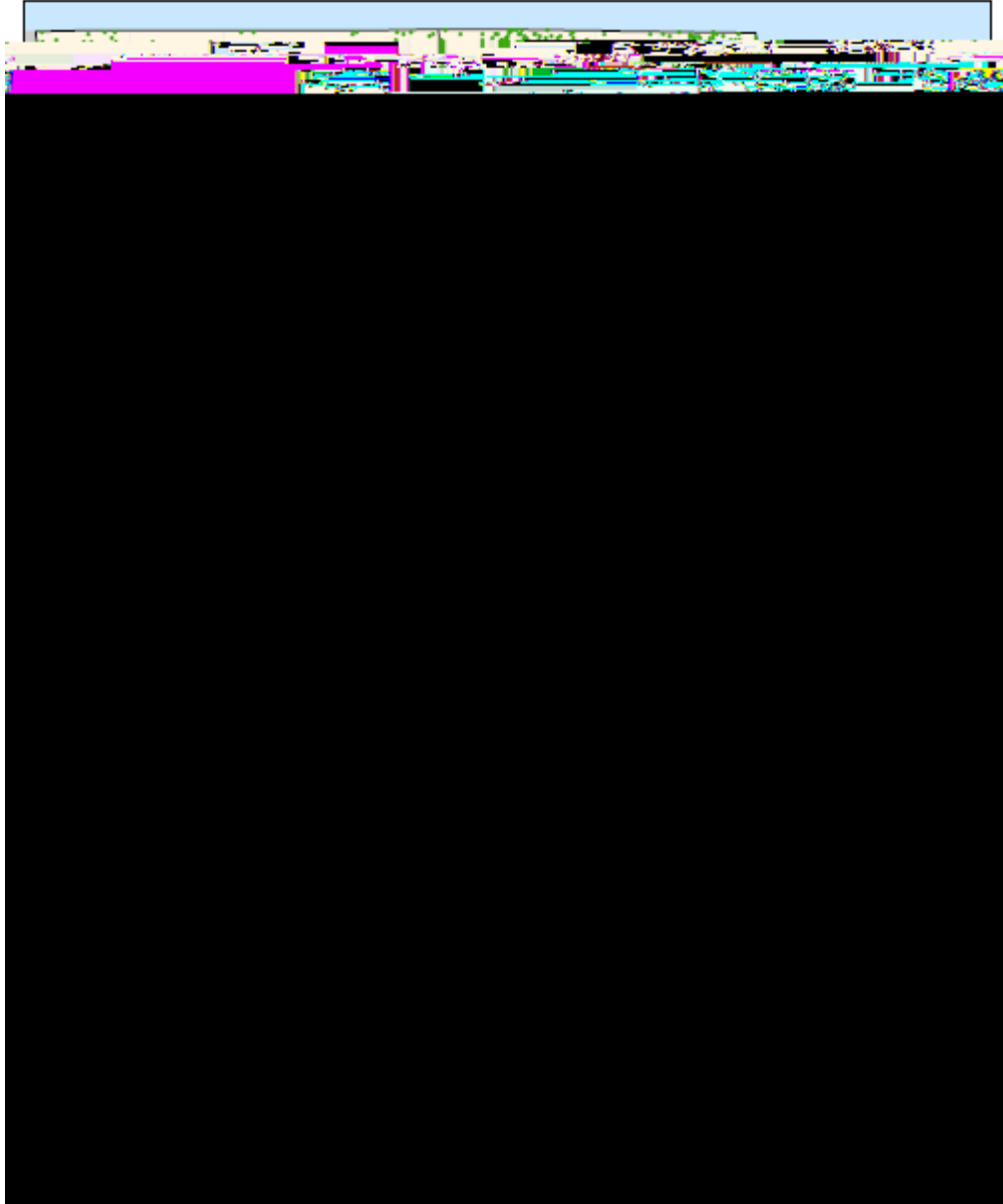
In Chicago, 38% of all single family conventional loans were high cost in 2006 (Ibid).

High cost loans are concentrated in South Suburban Cook County (Ibid).

## **-Chicago Metro Impact in Minority Communities-**

## **-Chicago Metro Impact in Minority Communities-**

Map of Subprime Loans in Chicago Metro 2006



[Paying More for the American Dream, 2008](#)

57.5% of the subprime market share is in minority communities (communities where minority population are at least 50% of total population) ([Paying More for the American Dream, 2008](#)). Combined, African American and Latino homeowners in the Chicago metro area received nearly 50 percent of all high-cost loans in 2006 compared to nearly 22 percent of prime-rate loans ([Chicago Reporter, May 2008](#)).

Even wealthy homeowners got high-cost loans, particularly African Americans. In 2005, Black homeowners earning more than \$100,000 a year were more likely to get high-cost loans than white homeowners earning less than \$35,000 (Ibid).

## -Chicago Metro Foreclosures in Selected Suburbs-

**Near western and southern suburbs have a high density of foreclosures**

	First Half Foreclosure Cases	Change	Change %	Foreclosure Cases per square mile	2007
1 - Schaumburg	4100	100	2.5%	20.5	20.5
2 - St. Charles Park	31	13	41.3%	21.3	39.4
3 - Dolton	172	171	-0.6%	36.9	36.7
4 - Maywood	379	39	9.8%	21.1	20.6
5 - Wilmington	211	28	13.7%	37.1	35.1
6 - Hazel Crest	116	119	-3.4%	31.1	32.9
7 - Calumet Park	32	36	12.5%	28.1	31.6
8 - Berwyn	85	120	41.2%	21.9	30.8
9 - Cicero	114	175	53.5%	19.5	30.0
10 - Elmwood Park	33	56	69.7%	17.4	29.5
11 - Calumet City	158	216	36.7%	21.4	29.3
12 - Country Club Hills	123	134	9.9%	26.6	28.9
13 - Harvey	162	177	9.3%	26.2	28.6
14 - Park Forest	109	138	26.6%	22.2	28.0
15 - Chicago	4464	6339	42.0%	19.4	27.5
16 - North Lake	62	98	58.1%	12.9	12.9
17 - Homewood	177	98	-5.1%	28.8	28.8
18 - Bensenville	99	155	55.4%	18.0	24.8
19 - Elmhurst	9	9	0.0%	20.0	20.0

Source: [NTIC 2007 Foreclosed Report](#)



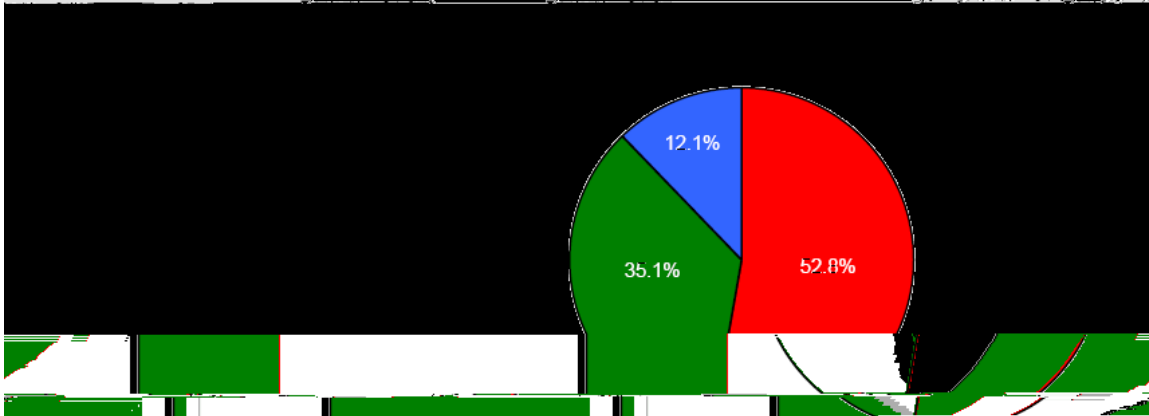
# -City of Chicago Foreclosures-

Source: [NTIC 2007 Foreclosed Report](#)

Community Area	Foreclosure Cases Started from January through June			1st Half Foreclosure Starts per square mile	
	2006	2007	Percent Change	2006	2007
67 West Englewood	220	348	58.2%	70.3	111.2
68 Englewood	191	276	44.5%	62.2	89.9
69 South Chicago	150	245	63.3%	48.7	71.2
70 South Chicago	145	235	62.1%	47.5	69.1
71 Ashburn	135	215	58.5%	44.5	65.5
72 West Chicago	130	210	61.5%	43.5	63.5
73 West Chicago	125	205	64.0%	42.5	61.5
74 West Chicago	120	200	66.7%	41.5	59.5
75 West Chicago	115	195	70.4%	40.5	57.5
76 West Chicago	110	190	72.7%	39.5	55.5
77 West Chicago	105	185	75.2%	38.5	53.5
78 West Chicago	100	180	80.0%	37.5	51.5
79 West Chicago	95	175	84.2%	36.5	49.5
80 West Chicago	90	170	88.9%	35.5	47.5
81 West Chicago	85	165	94.1%	34.5	45.5
82 West Chicago	80	160	100.0%	33.5	43.5
83 West Chicago	75	155	106.7%	32.5	41.5
84 West Chicago	70	150	114.3%	31.5	39.5
85 West Chicago	65	145	123.1%	30.5	37.5
86 West Chicago	60	140	130.0%	29.5	35.5
87 West Chicago	55	135	145.5%	28.5	33.5
88 West Chicago	50	130	160.0%	27.5	31.5
89 West Chicago	45	125	177.8%	26.5	29.5
90 West Chicago	40	120	200.0%	25.5	27.5
91 West Chicago	35	115	228.6%	24.5	25.5
92 West Chicago	30	110	266.7%	23.5	23.5
93 West Chicago	25	105	320.0%	22.5	21.5
94 West Chicago	20	100	400.0%	21.5	19.5
95 West Chicago	15	95	533.3%	20.5	17.5
96 West Chicago	10	90	800.0%	19.5	15.5
97 West Chicago	5	85	1600.0%	18.5	13.5
98 West Chicago	0	80	>1000%	17.5	11.5
99 West Chicago	0	75	>1000%	16.5	9.5
100 West Chicago	0	70	>1000%	15.5	7.5
101 West Chicago	0	65	>1000%	14.5	5.5
102 West Chicago	0	60	>1000%	13.5	3.5
103 West Chicago	0	55	>1000%	12.5	1.5
104 West Chicago	0	50	>1000%	11.5	0.5
105 West Chicago	0	45	>1000%	10.5	0.5
106 West Chicago	0	40	>1000%	9.5	0.5
107 West Chicago	0	35	>1000%	8.5	0.5
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198 West Chicago	0	0	>1000%	0.5	0.5
199 West Chicago	0	0	>1000%	0.5	0.5
200 West Chicago	0	0	>1000%	0.5	0.5
City of Chicago	4464	6399	42.5%	19.4	27.5

## -City of Chicago Housing Stock Affected-

Figure 1. City of Chicago Residential Foreclosure Filings by Building Type, 2007



### [Woodstock Rental Report, 2008](#)

- § Of the 13,872 properties with foreclosure filings in the City of Chicago in 2007, 35% were 2-6 unit buildings ([Woodstock Rental Report, 2008](#)).
  - This could impact between 9,644 and 28,923 housing units/families.
- § To estimate the number of tenants that might be affected by multifamily foreclosures in Chicago, the Lawyer's Committee for Better Housing analyzed eviction activity of lenders who are most active in foreclosure cases, and extrapolated that 2,500 families could face eviction in 2008.
  - Depending on the number of people in these families, this likely represents upwards of 5,000-10,000 displaced individuals in the city.



# COMPARISONS AND RANKINGS

## -National, State and Local Comparisons-

### National and Local Comparisons

	Chicago	6 County Region (Excluding City of Chicago)	US**
2006*			

Source Woodstock 2007 Foreclosure Report  
Source Realtytrac

In the Chicago metro area, 1.6% of all housing units (about 50,000) were in foreclosure proceedings in 2007, compared to 1% nationally. ([Realty Trac 2008](#)).

During the second quarter of 2008, the Chicago metro area ranked 35 among the top 100 metro areas. The foreclosure rate rose 22% from the previous quarter, and 58% from the second-quarter 2007. ([Realty Trac 2008](#)).

In 2006, the Chicago metro area ranked first in the nation in high-cost loans to white homeowners. The metro area ranked second in high-cost loans to African Americans, trailing only the Washington, D.C. metro area; and fifth in high-cost loans to Latinos ([Chicago Reporter, May 2008](#)).

Illinois has the 10th highest foreclosure rate as of July, 2008 ([Realty Trac 2008](#)).

Illinois has the fifth highest foreclosure inventory in the nation by share of loans and foreclosures ([Brookings, May 2008](#)).

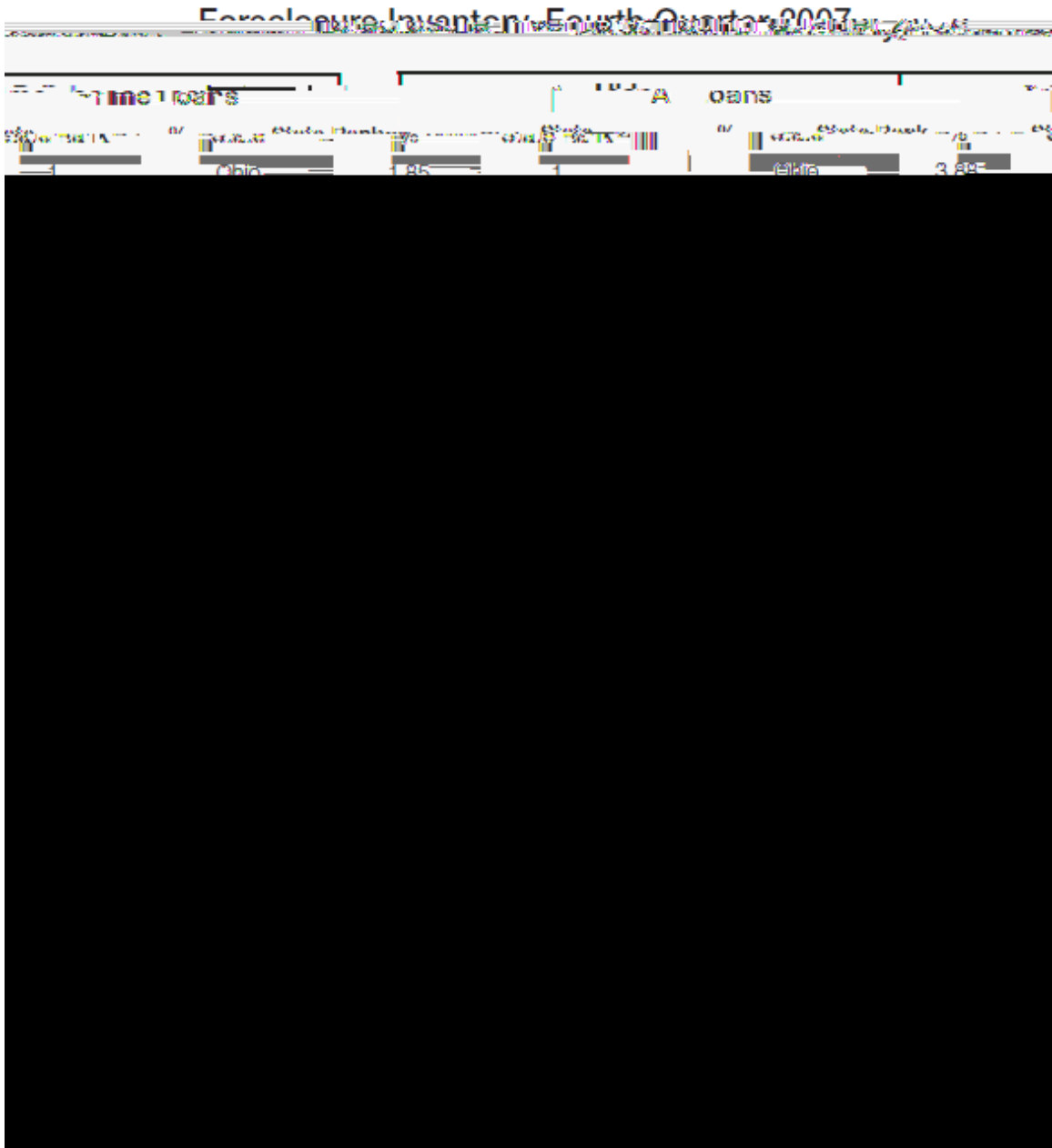
## -National, State and Local Comparisons-

### National and Local Comparisons

2008 Second Quarter Foreclosure Rankings by Metropolitan Area

Rank	State	Metro Name	Props with Fillings	1/every x HH (rate)	% Change from Q1 2008	% Change from Q 2007
1	CA	Stockton	9066	25	19.92	170.63
2	CA	Riverside/San Bernadino	43600	32	17.08	193.42
3	NV	Las Vegas/Paradise	21742	35	25.53	143.66
4	CA	Bakersfield	6431	41	25.78	294.78
5	CA	Sacramento	15505	49	11.01	125.46
6	FL	Fort Lauderdale	15558	51	42.39	215.26
7	AZ	Phoenix/Mesa	31613	51	36.65	306.81
8	CA	Oakland	15904	60	25.56	237.31
9	CA	Fresno	4806	62	26.08	178.13
10	FL	Miami	15260	62	30.39	112.86
11	CA	San Diego	17343	65	13.24	206.52
12	MI	Detroit/Livonia/Dearborn	12826	66	3.42	52.91
13	FL	Orlando	11809	72	12.23	247.94
14	FL	Sarasota/Bradenton/Venice	4690	82	9.1	163.34
15	CA	Orange	12439	82	29.69	276.71
16	CA	Ventura	3177	85	34.62	228.88
17	FL	Tampa/St Petersburg/Clearwater	14960	87	26.66	158.51
18	FL	Palm Beach	7141	88	50.69	188.29
19	CA	Los Angeles/Long Beach	36955	91	14.85	168.24

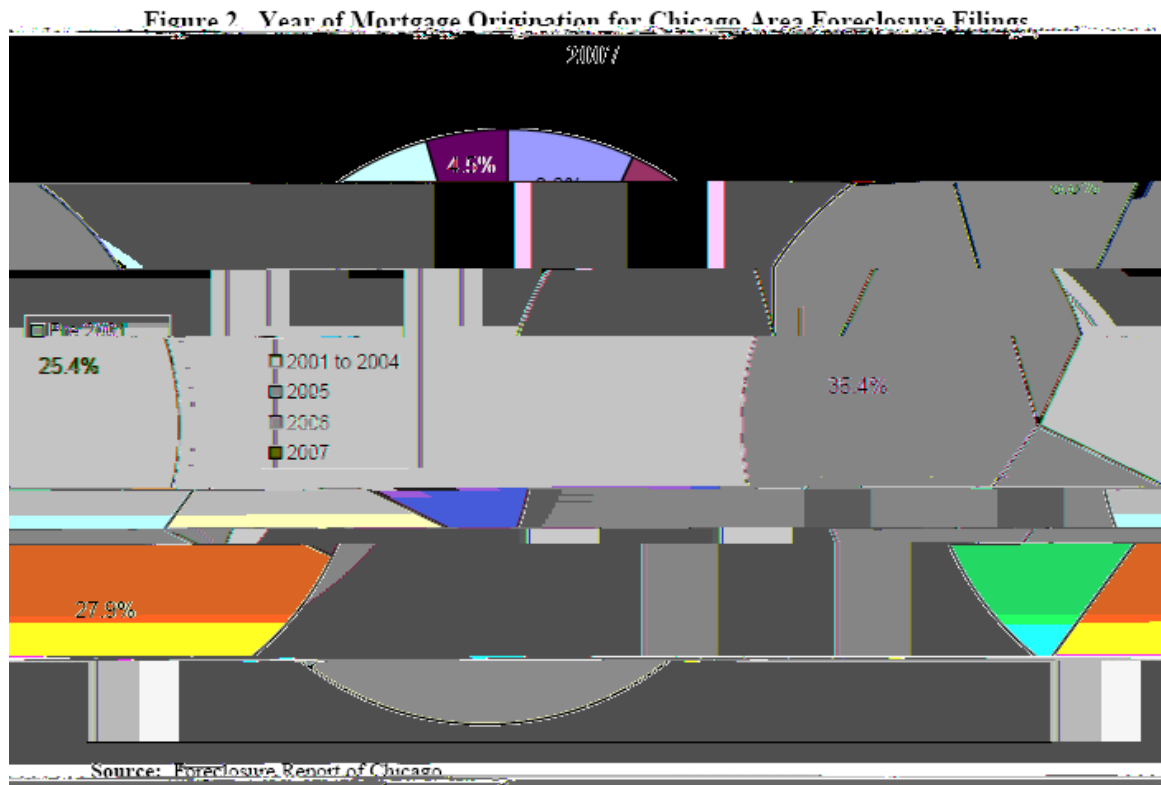
# -State Rankings-





## 4. PROJECTIONS

### -Foreclosure and Lending Activity in Upcoming 12-18 Months-



#### [Woodstock, Foreclosure Report for 2007](#)

Most foreclosures in 2007 were originated in 2005 or later. Of the 2007 foreclosures, 28% were originated in 2005, 35% in 2006, and 4.5% in 2007 (Figure 2) ([Woodstock, Foreclosure Report for 2007](#)).

Nationally: 1 of 33 homeow



## 5. COST OF FORECLOSURES

Lenders and Servicers are estimated to lose \$50,000 per foreclosure ([Neighborhood Funders Group, Foreclosure Issue Brief, April 2008](#))

Foreclosures create a number of direct and indirect costs on municipal governments, ranging from demolition and court fees (direct), to loss of property value and tax base (indirect) ([Municipal Cost of Foreclosure, 2005](#)).

Direct costs can affect 15 separate government units, with costs ranging from \$27- \$34,199, including:

- Court action and fees associated with filing, enforcement and demolition
- City administrative costs including complaint intake, vacant building registry, inspections
- Crime and Fire Protection
- Loss of Property Tax
- Loss of utility tax

### Sample of Municipal Costs Resulting from Foreclosure

Foreclosure Scenario	Cost	Number of Government
----------------------	------	----------------------



# 1. HOMEOWNER / HOMEBUYER OUTREACH, EDUCATION AND COUNSELING

Outreach and education, as well as direct counseling, and legal assistance efforts have comprised the bulk of the responses focused on homeowners.

## **-Outreach and Education-**

### **City of Chicago/Neighborhood Housing Services (NHS) - 311 Advertising Campaign**

Any Chicago resident who is having trouble paying their mortgage can be immediately connected to a financial counselor simply by calling 311, the City of Chicago's non-emergency number. 2007 has seen dramatically increased borrower call volume - with more than 6,000 borrowers who called in 2007 alone. This model then served as the platform for the HOPE hotline (888-995-4673), which is a nationwide resource center for credit and counseling services.

*Target audience: Chicago residents having trouble paying their mortgage*

*Geography: Chicago*

*For more information: Residents should call 311*

### **City of Chicago, Illinois Housing Development Authority (IHDA), NHS, other various providers and lenders - Borrower/Homeowner Outreach Days and workshops**

City, IHDA, NHS and lenders provide one-stop service for most affected areas.

- Includes loan work-out sessions with counseling agencies and lenders; access to free legal assistance; and financial literacy.

*Target audience: Homeowners having trouble paying mortgage*

*Geography: Various*

*For more information: City of Chicago residents – call 311 or check [NHS Foreclosure Prevention Workshops](#)*

*Outside of City, check [IHDA outreach days](#)*

### **City of Chicago - Early Warning Program**

The City of Chicago sends out foreclosure prevention information to homeowners from the Housing Commissioner within days of the foreclosure process being initiated in the Circuit Court, giving homeowners more time to work out solutions and hopefully, keep their homes.

- This helps ensure homeowners are getting information from someone they trust. They may be fearful of responding to information sent directly from their lender.

*Target audience: Homeowners delinquent on mortgage with partner lender*

*Geography: City of Chicago*

### **HOPE NOW Alliance - HOPE Now Hotline**

Alliance of industry and other service providers. HOPE Now has partnered on some of Borrower Outreach days, and the HOPE hotline (888-995-4673) is integrated into City and statewide outreach systems to link borrowers to counselors. The National Ad Council has instituted a campaign in concert with HOPE NOW. The Chicago market has seen less ad placement due to existing 311 campaign.

*For more information: call 888-995-4673*

**Illinois Treasurer's Office – Community Coalitions Fighting Foreclosure**

Targeting education efforts to trusted partners in the community who have access to borrowers who might be in

## **-Counseling Efforts-**

- Established relationships with loss mitigation staff at several national mortgage servicing institutions helps facilitate the process.
- Developed and leads Illinois Statewide Foreclosure Network comprised of non-profit counseling agencies.

*Target audience: Homeowners having trouble paying their mortgage or homeowners who believe that they may soon have trouble paying their mortgage*

*Geography: cities of Chicago and Elgin, Kane County.*

*Income eligibility: No income limits for counseling*

*For more information (homeowners)(800) 882-088*

*To register for NHS' Foreclosure Workshop: 773.329-4185*

[NHS Workshop](#)

## -Legal Assistance-

### **Coordinated Advice and Referral Program for Legal Services (CARPLS)**

CARPLS provides court based advice desks in different courtrooms, including tenant evictions related to foreclosure. CARPLS also runs a legal aid hotline that provides legal advice, information and referrals to low-income residents of Cook County, Illinois.

- Hotline hours are Monday, Tuesday, Thursday and Friday from 9:00 a.m. to 4:30 p.m. and Wednesday from 9:00 a.m. to 7:30 p.m.

*Target audience: Homeowners facing foreclosure in court, or seeking legal advice*

*Geography: Cook County*

*Income eligibility: Free service for clients at 200% of the federal poverty guidelines. A \$25 fee is charged to those with income between 200% - 350% of the poverty level.*

*For more information (homeowners): CARPLS HOTLINE: 312.738.9200*

[CARPLS](#)

### **Chicago Bar Foundation**

Works with courts, supports legal aid groups and helps legal community identify and address emerging issues.

- Worked with Chancery Court to set up Advice Desk (administered by Chicago Legal Clinic).
- Operates Chicago Bar Association referral line to help link unrepresented clients with attorneys.
- Worked with Illinois Legal Aid Online, Chicago Volunteer Legal Services Foundation (CVLS) and others to create educational materials, including foreclosure legal videos (see Resources).
- Helps advertise when CVLS and others need new volunteer attorneys.

*Target audience: Legal community*

[Chicago Bar Foundation](#)

### **Chicago Legal Clinic**

Chicago Legal Clinic's foreclosure program takes on clients with foreclosure issues, and offers education and training for groups in the areas of foreclosure defense, foreclosure prevention, avoidance of predatory lending, and other financial wellness topics. The Clinic also created an Advice Desk for the Chancery Division of the Circuit Court of Cook County, which handles cases of foreclosure (among other issues). Clients are referred to the desk by the judges and the clerk's office when appropriate. The Advice Desk informs unrepresented clients of the foreclosure process, potential defenses, or other options.

- The Advice Desk refers clients to attorneys-6(m8 T0 TD0.yo0e55.4((ad)-7.8(m)o(frre(0071 m)7iCse,0w(potTJis slesk





LAF provides legal advice, referral, and representation to homeowners facing the loss of their homes due to foreclosure or other financial distress. LAF focuses on legal cases involving predatory lending or other types of fraud or overreaching. LAF also works with tenants, including tenants losing their housing as a result of foreclosure. With four offices in Chicago and two in suburban Cook County (Evanston and South Holland), LAF serves residents throughout Cook County.

*Target audience: Homeowners facing, or threatened by, foreclosure or other loss of their homes*

*Geography: Office locations include downtown Chicago, South Side, Northwest, West Side (also serves western suburbs), Evanston and South Holland*

*Income eligibility: 80% AMI*

*For more information: 312.347.8365*

*For homeowners seeking legal assistance: 312.431.2204*

### **Prairie State Legal Services**

Provides general legal services, including foreclosures. Historically, assistance with foreclosures has been more limited, but as demand for foreclosure assistance increased in the past few months, so has their related work.

- Client assistance entails a two-fold system. Legal advice is provided over the phone, where some resolution may occur. If the call might lead to a larger case, clients may get referred to other agencies, or to an appropriate Prairie State attorney.

*Target audience: Homeowners facing foreclosure*

*Geography: Prairie State Legal Services has offices statewide. In the metro area, offices include Batavia, Bloomington, Carol Stream, Waukegan, Woodstock and Joliet.*

*Income eligibility: 125% of poverty*

*For more information (homeowners): See below website*

[Prairie State Legal](#)

## **-Links between Counseling Agencies and Servicers-**

### **NHS - *Foreclosure prevention manual for servicers***

This manual was developed to streamline servicer operations and create efficiencies for handling the increase wave of delinquencies.

### **HOPI, NHS - *Standard Intake form for servicers and counselors***

This form acts as a common form for foreclosure clients to help expedite and facilitate communications between servicers and counselors about foreclosure clients. Several major servicers agreed to accept the form in lieu of their own forms.

### **NHS - *Secure website interface***

The Just Price Best Fit system is a web interface between servicers and housing counseling agencies could dramatically reduce the paperwork and delays inherent in current loss mitigation work.

### **HOPE NOW - *Uniform set of procedures and guidelines***

Servicer members of HOPE NOW, the industry's alliance of mortgage lenders, servicers, investors, and counselors, have agreed to a uniform set of procedures and guidelines, including the industry's first-ever guidance for dealing with second mortgages and short-sales.

- The new guidelines establish a common, streamlined timetable, as well as a common set of principles on foreclosure prevention alternatives, including loan modifications, repayment plans, partial claims, and temporarily suspending the need to make monthly payments.
- The agreement also encourages servicers to provide access to objective, independent, and free counseling for homeowners.

*For more information:*

[\*HOPE NOW Guidelines\*](#)

## **-Additional Information-**

### **Outreach and Education**

#### ***City of Chicago: Early Warning Program***

*For more information (practitioners): Irma Morales, (312) 742-0329*

#### ***Illinois Treasurer's Office***

*For more information (practitioners): Kevin Smith, 312.814.1700*

### **Counseling Efforts**

#### ***Neighborhood Housing Services (NHS): Foreclosure prevention counseling, workshops and other services***

*Activity: 2,100 people counseled between 4/07 and 5/08. Of those, 334 received some work-out or negotiation from existing lender.*

#### ***Housing Action Illinois***

*For more information (practitioners): Katie Gottschall Donohue, 312.939.6074, x202*

#### ***IHDA, in partnership with NeighborWorks***

*For more information (counseling agencies; practitioners): Danny Lutz, 773.329.4147*

*For more information (borrowers): 1.888.995.HOPE*

#### ***LISC and New Communities Program***

*For more information (practitioners): Ricki Lowitz, 312.697.6135*

### **Legal Assistance**

#### ***Coordinated Advice & Referral Program for Legal Services (CARPLS)***

*Activity: 265 clients in last 6 months related to foreclosure*

*For more information (practitioners): Al Schwartz, Director, 312.421.4423;*

*Craig Hanson, Housing Law Supervising Attorney, 312.421.4083*

#### ***Chicago Bar Foundation***

*For more information (practitioners): Bob Glaves, 312.554.1205*

#### ***Chicago Legal Clinic***

*Activity: Advice Desk: 2,000 clients/year (not all foreclosures)*

*For more information (practitioners): Kelli Dudley, 773.731.1762*

#### ***Chicago Volunteer Legal Services***

*Activity: 150 people served/year (may include non-foreclosure real estate cases)*

#### ***Illinois Attorney General***

*Activity: 300 cases have come through the Mortgage Referral Hotline. They typically take about half the cases, and of those they help 70-80% of the clients.*

*For more information (practitioners): Brenda Grauer, 312.814.8435*

#### ***Lawyers Committee for Better Housing***

*Activity: Tenants calling for services related to evictions from foreclosures has doubled since April – from 14 to 31 – and LCBH is not marketing these services*

*For more information (practitioners): Kathy Clark, 312.347.7600*



## 2. FINANCIAL AND REFINANCING RESOURCES

### -Existing Programs-

#### **City of Chicago – Tenant Outreach Campaign and Resource Coordination**

The City is developing an outreach campaign and coordination of financial and legal resources to assist tenants who are evicted when foreclosures are filed on rental properties. Approximately 35% of the Chicago foreclosures filed in 2007 were in two to six unit buildings – indicating the potential scale of impact. The City of Chicago is:

- § Developing a public education campaign to advise rental tenants and other key audiences of increased protections under State law; direct evicted renters to potential financial and legal resources; and raise awareness of fraudulent activity.
- § Expanding the existing Emergency Rental Assistance Program to provide assistance to low-income tenants in need who were evicted due to the foreclosure.
  - Tenants must meet federal low-income guidelines, show documentation that the property where they reside is in foreclosure and will result in their eviction, and demonstrate a need for rental assistance.
  - The City is also coordinating referrals across agencies. For example, individuals with a Housing Choice Voucher from the CHA who are seeking assistance because of their landlord’s foreclosure should call the Chicago Housing Choice Voucher Call Center at 312-935-2600.

*Target audience: Tenants at risk of eviction due to foreclosure*

*Geography: City of Chicago*

*Income eligibility: \$26,500 for a family of 4*

*For more information: Call 311*

#### **Federal Housing Administration (FHA) - Loan product**

In the context of the current credit crunch, [FHA loans](#) have become more attractive to borrowers than they were in the past. Features of FHA loans include:

- § Credit score flexibility – allows scores less than 620 for 80% [Loan to Value ratio](#) (LTV) and less than 680 over 95% LTV.
- § \$410,000 mortgage limit on single-family.
- § FHA now links loan fees to [credit](#) risk of borrower (i.e., higher credit score, lower fees).
- § No [prepayment](#) fees.

*Target audience: Homeowners wishing to refinance into fixed rate loan*

*Geography: Nationwide*

*Income eligibility: No income limit*

*For more information: [FHA](#)*

*List of lenders: [FHA Lenders](#)*

#### **Federal Housing Administration (FHA) - Secure Loan**

Allows borrowers to refinance from non-FHA adjustable rate mortgages (ARMs), current or delinquent and regardless of reset status, into an FHA mortgage. Lenders cannot automatically disqualify borrowers due to delinquency. Lender may offer a second mortgage to make up the difference between the value of the property and what is owed.

- § Borrowers must be current on their mortgage and have sufficient income to make the mortgage payment.
- § Delinquencies must have been due to the payment increase of an interest rate reset.
- § Note: FHA modernization legislation could change program requirements, making this product appealing for more homeowners.

*Target audience: Homeowners with limited delinquencies or at risk of delinquency due to ARM*

*Geography: Nationwide*

*Income eligibility: No income limit*

*For more information: [FHA Secure](#)*

List of lenders: [FHA Secure Lenders](#)

**Illinois Housing Development Authority - Homeowner Assistance Initiative**

IHDA has \$310 million to refinance troubled mortgages into 30-year fixed rate mortgages.

- § Affordable fixed rate mortgages, with interest rates of 5.75% to 8%.
- § Loan size up to \$417,000, covering up to 100% of the value of the home.
- § Fees are capped at \$1,000, with no [prepayment](#) fees.
- § Borrowers must have a minimum credit rating of 580.

*Target audience: Homeowners otherwise keeping up with their mortgage, but facing unaffordable rate adjustment*

*Geography: State of Illinois*

*For more information: 877.819.4268*

[IHDA loan](#)

**Illinois State Treasurer's Office – Finally Home**

This \$5.7 million fund provides a five year, 10 percent guarantee of a borrower's loan amount to participating lenders. But for this 10 percent guarantee, participating lenders would not qualify the borrower for the loan. The product allows the following:

- § Purchase of a property; borrower does not need to be a first time home buyer.
- § Refinance a property.
- § Must be an owner-occupied property.
- § Can be used for one to four unit properties.
- § Loan size up to 100% of Fannie Mae's conforming loan size limits for a one to four unit property (\$417,000 for single-family home, see [Fannie loan limits](#)).
- § No fees.
- § Loan must be affordable and sustainable for borrowers.

*Income eligibility: NHS loans for refinance or refinance w/rehab do not have income-eligibility requirements, but any loan transaction that includes a deferred loan is restricted to 80% AMI. NHS typically serves borrowers under 120% of AMI or borrowers at any income level living in a low-moderate income community or Chicago .*

*For more information: (800) 882-0882 (borrowers) [NHS Loans](#)*

### **Northwest Side Housing Center - Affordability Gap Loan Program**

This is a new foreclosure prevention initiative piloted in seven zip codes with \$400,000 from four lenders. The goal of the program is to stabilize homeownership by helping homeowners finance out of a “bad” loan and into one they can afford for the long-term. The program can reduce the borrower’s loan amount by \$10,000-\$50,000. Lender partners include Liberty Bank for Savings, Chapman & Cutler LLP, Harris Bank, Northern Trust Bank, Charter One Bank and Bank of America.

- § Borrowers must owe more than they can pay, have a loan with [predatory features](#) and must have a lender/servicer that agrees to a write-down or accept a refinance into a better product with another lender.
- § The gap loan has a 15-year term, with no payments due until sale or refinance of the home or 15 years. There is an incentive for paying off the gap loan early.
- § Repayment of the loan is based on a shared appreciation model. Upon 15 years or sale, the amount due is based on the proportion of the gap loan amount in relation to the home value when the loan was made. In other words, if the gap loan amount was 15% of the home value at the time of the loan, 15 % of the appreciation is owed at time of sale (or 15 years).
- § Eligibility is determined by a loan review committee composed of partner lenders and community residents.
- § On going housing counseling is a key component of the program, every three months for the first year and every six months thereafter for the life of the gap loan.

*Target audience: Homeowners with loans that have predatory features, and who owe more than they can afford to pay.*

*Geography: northwest side: zip codes 60707, 60634, 60639, 60641, 60651, 60647, 60618*

*Income eligibility: Below 80% AMI and 80-100% AMI, depending on fund’s restrictions.*

*For more information (homeowners): Liz Caton, 773.836.1179, [counselor@nwshc.org](mailto:counselor@nwshc.org)*

*[Northwest Side Housing Center](#)*

### **Shorebank - Rescue loan**

Allows borrowers to refinance to a fixed rate, 15- or 30-year competitive loan. This product targets borrowers who can afford their loan prior to rate adjustment. Shorebank keeps loans in their portfolio to maintain direct relationship with borrowers.

- § Credit scores must be at least 520, with loans less than 90 days delinquent.
- § Rates priced slightly higher than prime.
- § No loan limit – typical mortgages at \$150-175,000 each.
- § 90% LTV – can make underwriting work by partnering with State program - see State Treasurer’s Own Our Home program: [Our Own Home](#)

*Target audience: Homeowners who can afford mortgage prior to rate adjustment*

*Geography: no limits, but marketing to Shorebank neighborhoods (primarily Chicago’s South and West sides, as well as West Ridge, Stone Park, Bellwood)*

*Income eligibility: no limits*

*For more information: 773.420.HOME (4663), [Shorebank Rescue Loans](#)*

## **-Programs in Development-**



## **-Additional Information-**

### **Refinance Products and Other Resources**

#### ***Neighborhood Housing Services***

Activity: 2,100 people counseled. Of those:

- 334 received some work-out or negotiation from their existing lender
- 100 received NHS loans (as defined above)

#### ***Park National Bank: Refinance Product***

For more information (lenders or practitioners): David Doig, 773.602.8344

#### ***Northwest Side Housing Center: Gap Affordable Loan Program***

Activity: 1 loan (expect to make 6-12 with current pool of funds)

For more information: Kathy Lazuka or Michele Rodriguez Taylor, 773.836.1179

#### ***FHA: Loan Product***

Activity: Nationwide, between 2007 and 2008, FHA purchase activity has increased 43%, and its refinance activity has increased 176%

#### ***Illinois State Treasurer's Office***

Activity: 400 loans made over 4 years of program

For more information (practitioners): Ben Noven, 312.814.1249 (program info)

#### ***City of Chicago: Resource Coordination for Rental Tenants***

For more information (practitioners): Arlene Ortiz, 312.744.2519

***National Foreclosure Prevention Models: see Appendix 2***



*Target audience: Lenders with loans on condo fraud units, buildings that may be affected by condo fraud*  
*Geography: City of Chicago*  
[Community Investment Corporation](#)

**Neighborhood Housing Services Redevelopment Corp. (NHSRC) *Discounted disposition through NHS & HOPI partners***

NHSRC acquires foreclosed, vacant properties, rehabs them and sells them to owner-occupants. Acquisitions occur in partnership with the Real Estate Owned (REO) division of financial institutions, through the City of Chicago's Troubled Buildings Initiative, and as a court-appointed receiver for the City of Chicago.

*Target audience: Lenders with foreclosed homes*  
*Geography: City of Chicago*



## **5. LEGISLATION, PUBLIC POLICY, AND LEGAL ACTION**

**-Federal Government-**

**The American Housing and Foreclosure Prevention Act of 2008**

## **Mortgage Industry Reform**

This addresses the unchecked growth of the subprime mortgage industry with new regulations and disclosure requirements. It attempts to limit unethical mortgage practices, as well as provide the borrower with better information about their loan.

### **S.A.F.E Mortgage Licensing Act**

Creates the Nationwide Licensing and Registry System, for all persons who take residential mortgage loan applications and offer or negotiate mortgage terms, except anyone who only performs real estate brokerage activities. It establishes minimum standards for State-licensed loan originators, including that they:

- Never have had an originator license previously revoked;
- Never pled guilty or been convicted of a felony during the seven year period prior to licensing or during licensing;
- Demonstrate financial responsibility;
- Complete pre-licensing educational requirements & pass a written test; and,
- Meet net worth or a surety bond requirement, or pay into a State fund.

HUD will:

- Establish a backup licensing and registry system for any state that fails to establish a state system within one year from enactment.
- Annually report the effectiveness of the licensing and registration provisions, and make recommendations to Congress six months after enactment on reforms to promote more transparent disclosures.

### **Mortgage Disclosure Improvement Act**

Amends the Truth in Lending Act (TILA) to expand the mortgage loans subject to early disclosures within three days of application, require a disclosure seven days before closing, and any APR corrections three days before closing.

Amendments to TILA increase transparency and user-friendliness by:

- Requiring consumers receive early TILA disclosures before paying any fee;
- Requiring a new statement involving dwelling-secured transactions stating that, completion of the agreement is not required merely because of receiving disclosures or a signed agreement;
- Requiring disclosures to better explain adjustable rate products through examples; and,
- Increasing monetary penalties for violations.

## **GSE Reforms and Regulations**

A major portion of the housing bill includes reforms and regulations of the GSE's, namely Fannie Mae, Freddie Mac, and the Federal Home Loan Bank. The reforms provide greater government oversight as well as provisions for the Treasury to provide financial support.

### **Safety and Soundness Regulation of the Housing GSEs**

The "Federal Housing Finance Regulatory Reform Act of 2008" takes on several tasks: it aligns the affordable housing responsibilities of Fannie Mae and Freddie Mac with banks from the Community Reinvestment Act (CRA), and it establishes a new independent regulator for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

This regulator's new authority will include the power to:

- Establish capital standards and management standards, including internal controls, audits, risk management, and portfolio management;
- Enforce its orders through cease and desist authority, civic money penalties, and the authority to remove officers and directors;
-

- Raising the loan limits in high cost areas above the standard conforming limit to 115% of the median house price up to 150% of the conforming loan limit. Currently this would be \$625,000, and the limit would be adjusted for inflation.
- Focusing on single-family households earning between 50% and 80% of the area median income (AMI) with goals for:
  1. obtaining purchase money and refinancing mortgages;
  2. helping families that reside in low-income areas (under 80% AMI), and helping median income families residing in minority census tracts.
- Establishes a multifamily goal for the purchase of mortgages on apartments to households under 80% AMI.
- The new regulator shall establish additional requirements for the purchase by each enterprise of mortgages on multifamily housing that finance units to very low-income (under 50% of AMI) families. Finally, the law directs the companies' new regulator to require reports on purchases of mortgages for small (5-10) unit multifamily projects that serve low-income families, or mortgages up to \$5 million.

### **Treasury Emergency Authority**

The new legislation contains provisions designed to boost the confidence of the financial markets in Fannie Mae, Freddie Mac, and the Federal Home Loan Banks until December 31, 2009 including the authority for the Secretary of Treasury to purchase common stock of the enterprises and allowing the Director to consult with Governors of the Federal Reserve when developing regulations.

**-State of Illinois-**





## **-Legal Action-**

### **Municipal litigation**

Some municipalities are pursuing litigation related to foreclosures. The following cities have, or are, pursuing the following:

- Illinois: Illinois Attorney filed a lawsuit in June, 2008, against Countrywide Financial Corp, claiming the mortgage lender used unfair and deceptive lending practices in the state.
- Minneapolis: Sued CitiMortgage in January 2008, saying the lender had approved an inflated mortgage on the property and created a nuisance by failing to repair it after foreclosure.
- Buffalo: Sued 37 lenders under the city's property upkeep codes to recoup the cost of maintaining or demolishing 57 abandoned houses.
- Cleveland: Filed suit against 21 financial and investment companies with the most foreclosed properties for creating a public nuisance.
- Baltimore: Sued Wells Fargo under the federal Fair Housing Act in January, alleging that the company targeted residents of predominantly African-American neighborhoods for substandard loans.

## **-Additional Information-**

*Current legislation below*

*Neighborworks website: [NeighborWorks Federal Legislation](#)*

*Legislative summaries website: [Federal Foreclosure Legislation](#)*

## **SECTION III**

### **TO LEARN MORE**

- 1. Recent Convenings**
- 2. Educational Materials**
- 3. Additional Information on Local Projections and Products**
- 4. Glossary**
- 5. Biography and Websites**

# 1. RECENT CONVENINGS

## Neighborhood Housing Services

### **Homeownership Preservation Initiative**

The City of Chicago and Neighborhood Housing Services of Chicago launched an aggressive campaign to combat foreclosures. Mayor Richard M. Daley and Charles L. Evans, President of the Federal Reserve Bank of Chicago, convened a leadership group to form the Home Ownership Preservation Initiative (HOPI). A partnership of the City of Chicago, NHS and key lending, investment, and servicing institutions, HOPI seeks to preserve sustainable home ownership for Chicago residents and to reclaim foreclosed housing stock as neighborhood assets. Since 2003, HOPI partners have been meeting to address the underlying challenges that lead to foreclosure, by developing programs and policies to prevent foreclosures and address ancillary problems produced by foreclosure.

[http://www.nhschicago.org/content/page.php?cat\\_id=2&content\\_id=44](http://www.nhschicago.org/content/page.php?cat_id=2&content_id=44)

## **Rental Markets, Foreclosures and the Credit Crunch:**

### **America's Rental Housing: the Key to a Balanced National Policy**

A forum on April 30, 2008, sponsored by ULI Chicago and the Preservation Compact featured a panel discussing Rental Markets, Foreclosures and the Credit Crunch. A panel included two Harvard researchers who presented findings from a new report, and three other panelists who reacted to those findings. Panelists agreed that, in the context of today's housing market, rife with foreclosures, it would be wise to pursue public policies promoting affordable rental housing.

[http://ulichicago.org/PreservationCompact/rental\\_housing\\_report.html](http://ulichicago.org/PreservationCompact/rental_housing_report.html)

## **CMAP/Metro Mayors Caucus**

### **Taking Action: Local Government Strategies to Mitigate the Impact of Foreclosures on Communities**

On May 6, 2008, the Chicago Metropolitan Agency for Planning, Metropolitan Mayors Caucus, and Federal Reserve Bank of Chicago hosted a conference to discuss how foreclosures affect communities, and to share strategies to decrease the negative impacts of vacant buildings. The conference brought together more than 100 representatives from municipalities, county governments, and the housing and development field to share their experiences, successes, and challenges when facing the foreclosure crisis.

[http://www.cmap.illinois.gov/foreclosure\\_recap.aspx](http://www.cmap.illinois.gov/foreclosure_recap.aspx)

## **Chicago Rehab Network**

### **Practitioners Table: Foreclosure Reuse Strategies and Neighborhood Stabilization**

The Chicago Rehab Network brought together community development practitioners and government for a working session on Foreclosure Reuse Strategies and Neighborhood Stabilization. Held at the Federal Reserve Bank of Chicago the group discussed models of rescuing foreclosed properties for affordable housing. Mary Tingerthal of the Housing Partnership Network presented their work with LISC and Enterprise to develop a National Housing Stabilization Trust to receive bulk homes from servicers. She also discussed emerging models from other cities around the country. The group worked on four models of reuse: for sale, rental, lease to purchase, and mutual housing options. A follow-up summary of the meeting will be released shortly.

## **2. EDUCATIONAL MATERIALS**

### **-For Borrowers-**

#### **Illinois Attorney General Guide to Mortgage Lending (Also see AG efforts under legal services)**

Includes tips to avoid foreclosure and risky loans, as well as a comprehensive guide to legal assistance, counseling centers and mortgage products.

-

## **-For Practitioners-**

### **Data & reports (see below)**

Includes reports, articles, websites and sources for data and information related to foreclosure.

### **Listing of metro area counseling agencies and their services**

Metropolis 2020 put together a list of counseling agencies in the metro area in an attempt to understand which agencies are doing what types of work.

- Contact: Nancy Firfer, 312.332.8130

### **Illinois Attorney General Guide to Mortgage Lending (Also see AG efforts under legal services)**

Includes tips to avoid foreclosure and risky loans, as well as a comprehensive guide to legal assistance, counseling centers and mortgage products.

- [IL Attorney General Guide](#)

### **Municipal policy models**

Chicago Metropolitan Agency for Planning (CMAP) and the Metropolitan Mayors Caucus sponsored a workshop featuring municipal policy models to address foreclosure and vacant buildings. For a summary of the workshop discussions, see:

- [http://cmap.illinois.gov/foreclosure\\_recap.aspx](http://cmap.illinois.gov/foreclosure_recap.aspx)

### **NHS Borrower and Loan Typology**

NHS developed this after years of work at the ground level with thousands of borrowers at risk of default and/or foreclosure. This is a very high level categorization based on the analysis of Chicago customers; but despite NHS' effort to create categories that describe this borrower population, there could be significant variation in individual situations within any of the categories, in a different geographic market, or as the characteristics of more recent 'generations' of sub-prime products begin to impact borrowers.

- Nosheen Hemani, (773) 329-4155, [nhemani@nhschicago.org](mailto:nhemani@nhschicago.org)

### **HOPE NOW Uniform set of procedures and guidelines**

Servicer members of HOPE NOW, the industry's alliance of mortgage lenders, servicers, investors, and counselors, have agreed to a uniform set of procedures and guidelines, including the industry's first-ever guidance for dealing with second mortgages and short-sales.

- The new guidelines establish a common, streamlined timetable, as well as a common set of principles on foreclosure prevention alternatives, including loan modifications, repayment plans, partial claims, and temporarily suspending the need to make monthly payments.
- The agreement also encourages servicers to provide access to objective, independent, and free counseling for homeowners.

### **3. INFORMATION ON LOCAL PROJECTIONS AND PRODUCTS**

#### **Outreach and Education**

##### ***City of Chicago: Early Warning Program***

*For more information (practitioners): Irma Morales, (312) 742-0329*

##### ***Illinois Treasurer's Office***

*For more information (practitioners): Kevin Smith, 312.814.1700*

#### **Counseling Efforts**

##### ***Neighborhood Housing Services (NHS): Foreclosure prevention counseling, workshops and other services***

*Activity: 2,100 people counseled between 4/07 and 5/08. Of those, 334 received some work-out or negotiation from existing lender.*

##### ***Housing Action Illinois***

*For more information (practitioners): Katie Gottschall Donohue, 312.939.6074, x202*

##### ***IHDA, in partnership with NeighborWorks***

*For more information (counseling agenci*



*For more information (practitioners): Kathy Clark, 312.347.7600*

***Legal Assistance Foundation***

*For more information (practitioners): Dan Lindsey, 312.347.8365*

***Prairie State Legal Services***

*Activity: Since 1/1/2008, Prairie State has accepted 93 applicants with mortgage foreclosure legal issues. Of those, nearly 50 were in the metro area (Batavia office - 8; Waukegan/Woodstock offices – 22; Carol Stream office -19. Will County not collected.)*

*For more information (practitioners): Michael O'Connor, (815) 965-2134*

**Refinance Products and Other Resources**

***Neighborhood Housing Services***

**Linkages between counseling agencies and servicers**

**NHS**

***Foreclosure prevention manual for servicers:***

*For more information: Nosheen Hemani, (773) 329-4155, [nhemani@nhschicago.org](mailto:nhemani@nhschicago.org)*

**HOPI, NHS**

***Standard Intake form for servicers and counselors:***

*For more information: Nosheen Hemani, (773) 329-4155, [nhemani@nhschicago.org](mailto:nhemani@nhschicago.org)*

**NHS**

***Secure website interface (Just Price Best Fit system):***

*For more information: Nosheen Hemani, (773) 329-4155, [nhemani@nhschicago.org](mailto:nhemani@nhschicago.org)*

## 4. GLOSSARY OF TERMS

**Adjustable Rate Mortgage:** A loan that allows the lender to adjust the mortgage's interest rate based on a

**Loan-to-value (LTV) ratio:** a percentage calculated by dividing the amount borrowed by the price or appraised value of the home to be purchased; the higher the LTV, the less cash a borrower is required to pay as down payment.

**Low Doc or No Doc Mortgages:** A Low Doc or No Doc mortgage has traditionally been targeted to borrowers who have good credit, but because they are self-employed or lack records (such as payroll stubs and W-2 forms) were unable to meet the loan documentation requirements. Similar loans are called Stated Asset, Stated Income, No Asset or No Income Loans. Borrowers typically paid higher interest rates and fees to qualify for these mortgages. These loans were mainstreamed within the past five years. These loans have been given the name “Liar Loans” because studies have shown that borrower incomes were overstated in more than 50 percent of cases.

**Non-Conventional Loan:** A non-conventional loan can be given to borrowers with low credit scores and only 5% down, borrowers who want to purchase or refinance a home at a high loan-to-value (LTV), i.e., 95% or 100%, and borrowers who are unable to give a written verification of their income. They are often insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA), two federal government agencies that make homeownership possible and generally more affordable for a large segment of the population.

**Payment-Option or Option-ARM Mortgages:** A Payment-Option mortgage allows a borrower to choose among several payments each month. The options typically include a traditional payment of principal and interest; an interest-only payment; or a minimum payment based on a low initial teaser rate. The difference between the option amount that is paid and the amount that should have been paid based on the actual loan terms is added to the loan balance, thus creating negative amortization whereby the mortgage balance owed by the borrower is growing every month.

An Option-ARM is an adjustable-rate mortgage with flexible payment options, monthly interest rate adjustments and very low minimum payments in the early years. These are also derogatorily called “Exploding ARMs” since they often result in greatly increased mortgage payments after the initial teaser rate ends. When the borrower makes only the minimum monthly payment, it is insufficient to pay all of the interest due, so more could be owed than was initially borrowed.

**Piggyback Mortgages:** Piggyback mortgages combine a first mortgage with a second mortgage that close

property loans and credit cards. Mortgage rates and consumer loan rates are generally higher than the prime rate, but exceptions occur at times.

**Subprime Loan:**

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Campan, Jim et al. *Paying More for the American Dream: A Multi State Analysis of*

## **-Newspapers and Web Articles-**

### ***Brookings Institution***

“Tackling the Mortgage Crisis: 10 Action Steps for State Government”

[http://www.brookings.edu/papers/2008/0529\\_mortgage\\_crisis\\_vey.aspx](http://www.brookings.edu/papers/2008/0529_mortgage_crisis_vey.aspx)

### ***Chicago Reporter***

“An Equal Opportunity to Pay More” May 2008

[http://www.chicagoreporter.com/index.php/c/Web\\_Extras/d/An\\_Equal\\_Opportunity\\_To\\_Pay\\_More](http://www.chicagoreporter.com/index.php/c/Web_Extras/d/An_Equal_Opportunity_To_Pay_More)

“Suburban Mortgage Gap” March 2008

[http://www.chicagoreporter.com/index.php/c/Web\\_Extras/d/Suburban\\_Mortgage\\_Gap](http://www.chicagoreporter.com/index.php/c/Web_Extras/d/Suburban_Mortgage_Gap)

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“The High Price of Home Ownership” November 2007

[http://www.chicagoreporter.com/index.php/c/Web\\_Extras/d/The\\_High\\_Price\\_of\\_Home\\_Ownership](http://www.chicagoreporter.com/index.php/c/Web_Extras/d/The_High_Price_of_Home_Ownership)

### ***Chicago Tribune***

“Help For Homeowners Set Record In April, Industry Group Says” May 31,2008

<http://www.chicagotribune.com/business/hc-mortgageassist0531.artmay31,0,7833569.story>

“Weathering the storm: Looser rules, larger limits put FHA i5 cs 0 \_0 0.i5 n2es

## **-Presentations-**

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<http://www.woodstockinst.org/publications/presentations>

Smith, Geoff. "Mortgage Lending and Foreclosure Patterns in Chicago Neighborhoods" Presented at City of Chicago Five Year Housing Plan, Advisory Group Meeting. April, 2008. accessed

<http://www.woodstockinst.org/publications/presentations>



## **-Websites-**

Woodstock Institute: <http://www.woodstockinst.org>

Chicago Rehab Network: <http://www.chicagorehab.org>

National Training and Information Center: <http://www.ntic-us.org>

Housing Matters: <http://www.housingmatters.net>

Harvard Joint Center for Housing Studies: <http://www.jchs.harvard.edu/index.htm>

National Community Reinvestment Coalition: <http://www.ncrc.org/index.php>

Neighbor Works: <http://www.nw.org/network/home.asp>

Mortgage Bankers Association: <http://www.mortgagebankers.org/>

Federal Poverty Guidelines: <http://www.nmcourt.fed.us/usbc/files/povertyguidelines.pdf>

HUD Income Limits: <http://www.huduser.org/datasets>

## **SECTION IV**

### **APPENDICES**

- 1. Directory of Foreclosure Counseling Agencies**
- 2. NCIF Community Investment Fund Working Paper**
- 3. Task Forces in Other States**

# 1. DIRECTORY OF COUNSELING AGENCIES

ACORN Housing

209 W. Jackson #301

Chicago, IL 60605

Phone: 312-939-1611

Fax: 312-939-4239

[www.acornhousing.org](http://www.acornhousing.org)

*Target Audience: Seminars for first-time homebuyers or people want to refinance, people facing foreclosure or facing late payments.*

*Geography: United States*

*Income Requirements: none*

*Other Languages: Spanish*

Affordable Housing Corporation of Lake County

3701 W. Grand Ave., Suite H

Gurnee, IL 60031

Phone: 847-263-7478 x27

Fax: 847-263-9381

E-mail: [kcaiolcahc@sbcglobal.net](mailto:kcaiolcahc@sbcglobal.net)

[www.ahclc.org](http://www.ahclc.org)

*Target Audience: Future Home buyers seeking mortgage counseling, housing rehab counseling, foreclosure counseling.*

*Geography: Lake County*

*Income Requirements:*

*Other Languages: Spanish*

Bethel New Life

4950 W. Thomas St.

Chicago, IL 60651

Phone: 773-473-7870

[www.bethelnewlife.org](http://www.bethelnewlife.org)

*Target Audience: People seeking assistance from foreclosure and mortgage assistance.*

*Geography: Chicago Metropolitan Area*

*Income Requirements: Individuals or families with proof of earned income at 200% of the federal poverty line according to Department of Health and Human Services-Department of Community Services (guidelines) and have a net worth below \$10,000, with the exclusion of a car or primary residence.*

Community Economic Development Association (CEDA) Center for Community Action

53 E. 154th Street

Harvey, IL 60426-3645

Phone: 708-339-3610

Fax: 708-331-4539

[www.cedaorg.net](http://www.cedaorg.net)

*Target Audience: People in need of reverse mortgage counseling, foreclosure prevention, counseling, homebuyer education counseling, and pre-purchase counseling*

*Geography: South Side Chicago & Southwest Suburbs*

*Income Requirements: low-income*

CEDA – Chicago Heights

1203 W. End Ave.

Chicago Heights, IL 60411-2746

Phone: 708-754-4575

Fax: 708-754-4595

[www.cedaorg.net](http://www.cedaorg.net)

*Target Audience: People in need of reverse mortgage counseling, foreclosure prevention, counseling, homebuyer education counseling, and pre-purchase counseling*

*Geography: South Side Chicago & Southwest Suburbs*

*Income Requirements: low-income*

CEDA – Ford Heights

1647 Cottage Grove Ave.

Ford Heights, IL 60411

Phone: 708-758-2510

Fax: 708-758-0825

[www.cedaorg.net](http://www.cedaorg.net)

*Target Audience: People in need of reverse mortgage counseling, foreclosure prevention, counseling, homebuyer education counseling, and pre-purchase counseling*

*Geography: South Side Chicago & Southwest Suburbs*

*Income Requirements: low-income*

CEDA Near West

6141 W Roosevelt Rd.

Cicero, IL 60804

Phone: 708-222-3824

Fax: 708-222-0026

[www.cedaorg.net](http://www.cedaorg.net)

*Target Audience: People in need of reverse mortgage counseling, foreclosure prevention, counseling, homebuyer education counseling, and pre-purchase counseling*

*Geography: South Side Chicago & Southwest Suburbs*

*Income Requirements: low-income*

CEDA Neighbors at Work

1229 Emerson St.

Evanston, IL 60201-3524

Phone: 847-392-5166

Fax: 847-328-9262

[www.cedaorg.net](http://www.cedaorg.net)

*Target Audience: People in need of reverse mortgage counseling, foreclosure prevention, counseling, homebuyer education counseling, and pre-purchase counseling*

*Geography: South Side Chicago & Southwest Suburbs*

*Income Requirements: low-income*

CEDA Northwest Self-Help Center

1300 Northwest Highway

Mount Prospect, IL 60056

Phone: 847-392-2332

Fax: 847-392-2427

[www.cedaorg.net](http://www.cedaorg.net)



*Geography: Chicago*  
*Income Requirements: none*

Chinese American Service League  
2141 S. Tan Court  
Chicago, IL 60616  
Phone: 312-791-0418 x3605  
Fax: 312-791-0509  
[www.caslservice.org](http://www.caslservice.org)

*Target Audience: Homeowners facing foreclosure seeking legal advice.*  
*Geography: Greater Chicago Area*  
*Income Requirements: none*  
*Other Languages: Chinese*

Community Service of Northern Will County  
719 Parkwood Ave.  
Romeoville, IL 60446-1134  
Phone: 815-886-5000  
Fax: 815-886-6700  
[www.thecsc.org](http://www.thecsc.org)

*Target Audience: Counseling in mortgage default, rental eviction, money management, and senior reverse mortgages.*  
*Geography: Will County*  
*Income Requirements: none*

DuPage Homeownership Center  
1333 N. Main St.  
Wheaton, IL 60187-3579  
Phone: 630-260-2500  
Fax: 630-260-2505  
E-mail: [info@dhoc.org](mailto:info@dhoc.org)  
[www.dhoc.org](http://www.dhoc.org)

*Target Audience: Home buyers seeking mortgage assistance and counseling and homeowners seeking education classes regarding foreclosure.*

*Geography: DuPage County*

*Income Requirements: none*

*Other Languages: Spanish*

Family Counseling SVC/CCC of Aurora

70 S. River St., Suite 2

Aurora, IL 60506-5178

Phone: 630-844-3327

Toll-free: 800-349-1451

Fax: 630-844-3084

*\*\*Outsource all homeowner/home buyer counseling to Joseph Corporation (630) 906-9400*

Genesis Housing Development Corp.

3763 S. Wabash

Chicago, IL 60604

Phone: 773-285-1675

Fax: 773-285-1663

[www.geneshdc.org](http://www.geneshdc.org)

Greater Southwest Development Corporation – Southwest REACH Center

6155 S. Pulaski 2nd Floor

Chicago, IL 60629

Phone: 773-735-6727

Fax: 773-735-6592

[www.greatersouthwest.org](http://www.greatersouthwest.org)

*Target Audience: Provide education, foreclosure counseling, technical assistance, and financial support to the area's homeowners and renters*

*Geography: Southeastern Chicago*

*Income Requirements: none*

Housing Authority of Lake County

33928 N. Route 45

Grayslake, IL 60030



Phone: 847-223-1170 x201

Fax: 847-223-1174

Email: [lchadd@sbcglobal.net](mailto:lchadd@sbcglobal.net)

[www.lakecountyha.org](http://www.lakecountyha.org)

*Target Audience: Provides affordable housing to its clients through low-rent or public housing and the Section 8 voucher program. Mortgage default and foreclosure intervention counseling are provided, as well as counseling for first-time home buyers.*

*Geography: Lake County*

*Income Requirements: low-income for housing assistance*

Institute for Consumer Credit Education

16335 S. Harlem Ave., Suite #400

Tinley Park, IL 60477









1345 N. Karlov

Chicago, IL 60651

Phone: 773-252-8524

Fax: 773-252-8548

E-mail: [Nobelneighbors@aol.com](mailto:Nobelneighbors@aol.com)

*Target Audience: People seeking first time homebuyers class, foreclosure prevention counseling, and apartment search services*

*Geography: Humboldt Park & vicinity*

*Income Requirements: none*

*Other Languages: Spanish*

Northwest Side Housing Center

3101 N. Parkside Ave.

Chicago, IL 60634-5326

Phone: 773-836-1179

Fax: 773-836-1720

E-mail: [counselor@nwshe.org](mailto:counselor@nwshe.org)

[www.nwshe.org/ds vi27cLanguages: Spano-TJ 0 21.64 673.44 Tm0 g0 6.83](http://www.nwshe.org/ds%20vi27cLanguages:Spano-TJ%200%2021.64%20673.44%20Tm0%20g0%206.83)

The Resurrection Project

1818 S. Paulina

Chicago, IL 60608

Phone: 312-666-1323

Fax: 312-942-1123

[www.resurrectionproject.org](http://www.resurrectionproject.org)

*Target Audience: Works with local residents to develop affordable ownership and rental opportunities/units and uses workshops and counseling services to educate residents about financial and home ownership issues.*

*Geography: Pilsen, Little Village, and Back of the Yards*

*Income Requirements: none*

*Other Languages: Spanish*

One Westbrook Corporation Center  
Suite 300  
Westchester, IL 60154  
North and Northwest Cook County Office:

1450 E. American Lane  
Zurich Towers  
Suite 1400  
Schaumburg, IL 60173

E-mail: [ken@smartmoneyhousing.org](mailto:ken@smartmoneyhousing.org)

[www.smartmoneyhousing.org](http://www.smartmoneyhousing.org)

*Target Audience: Potential homebuyers; people seeking counseling concerning foreclosure prevention, mortgage issues, credit rehabilitation, and homeowner responsibilities.*

*Geography: Cook County*

*Income Requirements: none*

*Other Languages: Spanish and Polish (loan review counseling)*

Spanish Coalition for Housing

4035 W. North Ave.

Chicago, IL 60639

Phone: 773-342-7575

Fax: 773-342-8528

[www.sc4housing.org](http://www.sc4housing.org)

*Target Audience: Latinos seeking counseling concerning tenant/rental issues, technical and legal issues, home ownership issues, foreclosure prevention, financial literacy, credit issues/restoration. Latinos wishing to transition from Section 8 to home ownership, obtain affordable housing units, or become involved in employer assisted housing programs. Landlords seeking information concerning their rights, responsibilities, and management issues. People at risk of homelessness.*

*Geography: Chicagoland area, occasionally takes clients from other Midwestern areas*

*Income Requirements: low/moderate*

*Other Languages: Spanish*

Spanish Coalition for Housing

9117 S. Brandon

Chicago, IL 60617

Phone: 773-933-7575

Fax: 773-933-7578

[www.sc4housing.org](http://www.sc4housing.org)



*Target Audience: Latinos seeking counseling concerning tenant/rental issues, technical and legal issues, home ownership issues, foreclosure prevention, financial literacy, credit issues/restoration. Latinos wishing to transition from Section 8 to home ownership, obtain affordable housing units, or become involved in employer assisted housing pr*

[www.sc4housing.org](http://www.sc4housing.org)

*Target Audience: Latinos seeking counseling concerning tenant/rental issues,*

## **2. NCIF COMMUNITY INVESTMENT FUND WORKING PAPER**

### **Summary of National Foreclosure Prevention Models**

- 1. Sunrise Community Banks (Franklin Bank,**

### 3. TASK FORCES IN OTHER STATES

#### **Convening to develop an action plan**

*Task Forces* across the country by states to brainstorm and coordinate foreclosure activities and strategies. The following states have convened task forces between 2006 and 2007 to address foreclosure-related issues:

- Arizona
- California
- Colorado
- Connecticut
- Illinois
- Indiana
- Maryland
- Massachusetts
- Michigan
- Minnesota
- New Mexico
-