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Volunteer lawyers help homeowners through 'Fix Your Mortgage' program

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When the foreclosure crisis hit Chicago-area homeowners, Henry L. Shulruff called on real estate attorneys to fill the gaps left by overextended city housing counselors.

"Frankly, the real estate business had been really quiet for the past couple of years," said Shulruff, senior vice president of Attorneys Title Guaranty Fund Inc., a bar-related title insurance company with nearly 4,000 member attorneys in Illinois, Indiana and Wisconsin. "ATG has this enormous army of real estate lawyers, and it was at a time when they didn't have that much to do."

Since May 2009, many of these attorneys have volunteered for "Fix Your Mortgage," free foreclosure-prevention events co-sponsored by ATG, Neighborhood Housing Services of Chicago Inc., and the city of Chicago. These events appear around the city and help qualified homeowners at risk of foreclosure modify their loans and keep their homes.

Shulruff said they created the program after President Obama announced the Home Affordable Modification Program, a set of guidelines that encourages lenders to modify homeowner mortgages by lowering interest rates, extending amortization periods or reducing principals in order to make mortgages more affordable, in March 2009.

"It spawned the idea, why don't we get this group of lawyers and have them volunteer to help people with their loan modifications?" he said. "Lawyers have the capacity, the knowledge and the skills, NHS knows the people with the needs, so let's put these two organizations together and create 'Fix Your Mortgage.'"

Michael van Zalingen, the director of home ownership services at NHS, said he quickly realized that the 50 housing counselors in Cook County couldn't meet the needs of the 50,000 people facing foreclosure in the area.

"There's no way to meet the demand for helping people with just the nonprofit housing counselors who are out there," van Zalingen said.

He said it made sense to recruit volunteer attorneys, since the loan modification process

requires people who have experience with issues arising from home ownership.

"There is no one else who understands the implications of what's going on," van Zalingen said. "So many real estate attorneys help people buy homes, so it's nice to see them working hard to help people keep those homes."

ATG and NHS continued to host "Fix Your Mortgage" events after their first one attracted more than 350 volunteers and 1,500 homeowners. The city of Chicago allocated more than \$1 million in federal stimulus funds to extend the program through 2010.

Joseph F. Nery, a member of Nery & Richardson LLC, volunteers at "Fix Your Mortgage" events. As the president of the Chicago chapter of the National Association of Hispanic Real Estate Professionals and a member of the Hispanic Lawyers Association of Illinois, he helps to recruit other volunteer attorneys who are equipped to help bilingual homeowners who seek their services.

"The community that a lot of our attorneys deal with, the Hispanic community, has been strongly affected by the current foreclosure wave," Nery said. "This is a good way to utilize their skills, knowledge and their background to simplify the process and the options for homeowners."

During "Fix Your Mortgage" events, homeowners bring in pay stubs, mortgage statements, and information on bank balances and other expenses like car loans and credit cards. They sit down with a volunteer attorney or a housing counselor, who reviews their documentation to see if they're eligible for a loan modification.

If they're eligible, the volunteer prepares their application and submits it to their lender.

According to statistics from the U.S. Treasury Department released on June 21, Chicago ranks third among the country's metropolitan areas where homeowners have received mortgage help through HAMP.

Elizabeth M. Rochford, the owner of Elizabeth M. Rochford P.C., volunteered at the first "Fix Your Mortgage" event and at a similar event called "Keep Your Home" in Lake County last March.

As the president of the Lake County Bar Association, Rochford also helped to mobilize

a volunteer base of real estate attorneys.

"For those of us who practice in that area, who are seeing firsthand some of the devastation that this crisis has caused, it's very meaningful to be able to help in a small way," she said. "It's a life-altering thing — the difference between losing and saving your home."

Shulruff said they've progressed from filling out and faxing paper applications to filing electronic applications using computers. He said the program also evolved to include participation by several lenders, who sit down and talk with homeowners about their loan modifications.

Shulruff said nearly 2,200 HAMP applications have been submitted for homeowners in the Chicago area. He said lenders have been slow to respond to those applications, which has become a major criticism of the program.

"Of those where we received responses in 2009, we had about a 65 percent approval rate, and 35 percent denial," he said. "We haven't had responses on a lot."

"I can tell you with confidence, without knowing the exact number, that several hundred people have received modifications and have been able to stay in their homes."

Shulruff said he hears often that lenders lose documentation or repeatedly request documentation. Even though NHS follows up on loan modifications, he recommends that homeowners independently check on their applications and document any interactions with their lender.

The next "Fix Your Mortgage" event is from 9:30 a.m. to 2 p.m., Saturday, July 24, at Little Village Lawndale High School campus, 3120 S. Kostner Ave.

Two other events are scheduled for August 21 and October 16.

Shulruff said he encourages attorneys to volunteer for the program, because it's a timely topic that affects their practice.

"Lots of people are in trouble, and lawyers need to know how to do loan modifications so they can properly advise their clients," he said.

Attorneys who sign up to volunteer and take ATG's free, 45-minute online training course will receive CLE credit.