

'Foreclosure Isn't the End of the World'

Surviving and addressing the needs of the current housing crisis

<<Versión en Español p20

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For tenants, homeowners, buyers or neighbors of vacant homes in Chicago, the word foreclosure has breached the everyday lexicon.

In the first three quarters of 2009, over 46,000 properties stood with foreclosure filings in Chicago and its six surrounding counties, according to a recent report by the Woodstock Institute. The value of understanding and having information on the complex real estate puzzle has never been more necessary. Reaching out for expert advice is what kept Saul Barragán, 46, and his family safe from an eminent home foreclosure earlier this year.

"When it became a choice between putting food in our fridge or a mortgage payment, I was resigned to stop paying our home, even if it meant eventually losing it," Barragán said.

Barragán purchased his home in 2004 while benefiting from overtime hours offered at a local water bottling company, where he has been employed for the last 14 years. Barragán's mortgage payment became suffocating in recent years, as his hours at work were cut, but taxes and assessment fees continued to rise.

Prompted by an ad he heard on the radio, Barragán attended a free foreclosure prevention workshop hosted by the Neighborhood Housing Services (NHS) of Chicago, a non-profit organization focused on helping people buy, fix and keep their homes. NHS is the only nonprofit mortgage lender in Illinois.

"These are hard times and our



'How Not to Lose Your House Party'

Nov. 22

Bronzeville Mansion
3619 S. King Drive
5:30 p.m. to 9 p.m.

- Free food and drinks provided by Pabst Blue Ribbon
- Music by DJ West and DJ Pleazy
- Ticket: Entry with a canned good to benefit the Greater Chicago Food Depository
- **RSVP at vocalo.org/store**

for President Barack Obama's "Making Home Affordable" Loan Modification Plan.

Michael Van Zalingen, director of homeownership services for NHS, says his agency has experienced a jump in demand for services from 595 foreclosure cases in 2005 to about 3,000 this year.

"We've hired 10 new counselors, four support staff and implemented six weekly foreclosure prevention workshops. We've also begun the 'Fix Your Mortgage' events where we try to help a few hundred people in one day."

Knowing your options after you have defaulted on your mortgage payment is key. Van Zalingen points out that it takes about 12 to 15 months from the first missed payment to lose your home. During that time, people still own the house and can try to negotiate a solution with the lender.

"We see many homeowners who could qualify for a loan modification, but their lender isn't willing or competent to do it," Van Zalingen said.

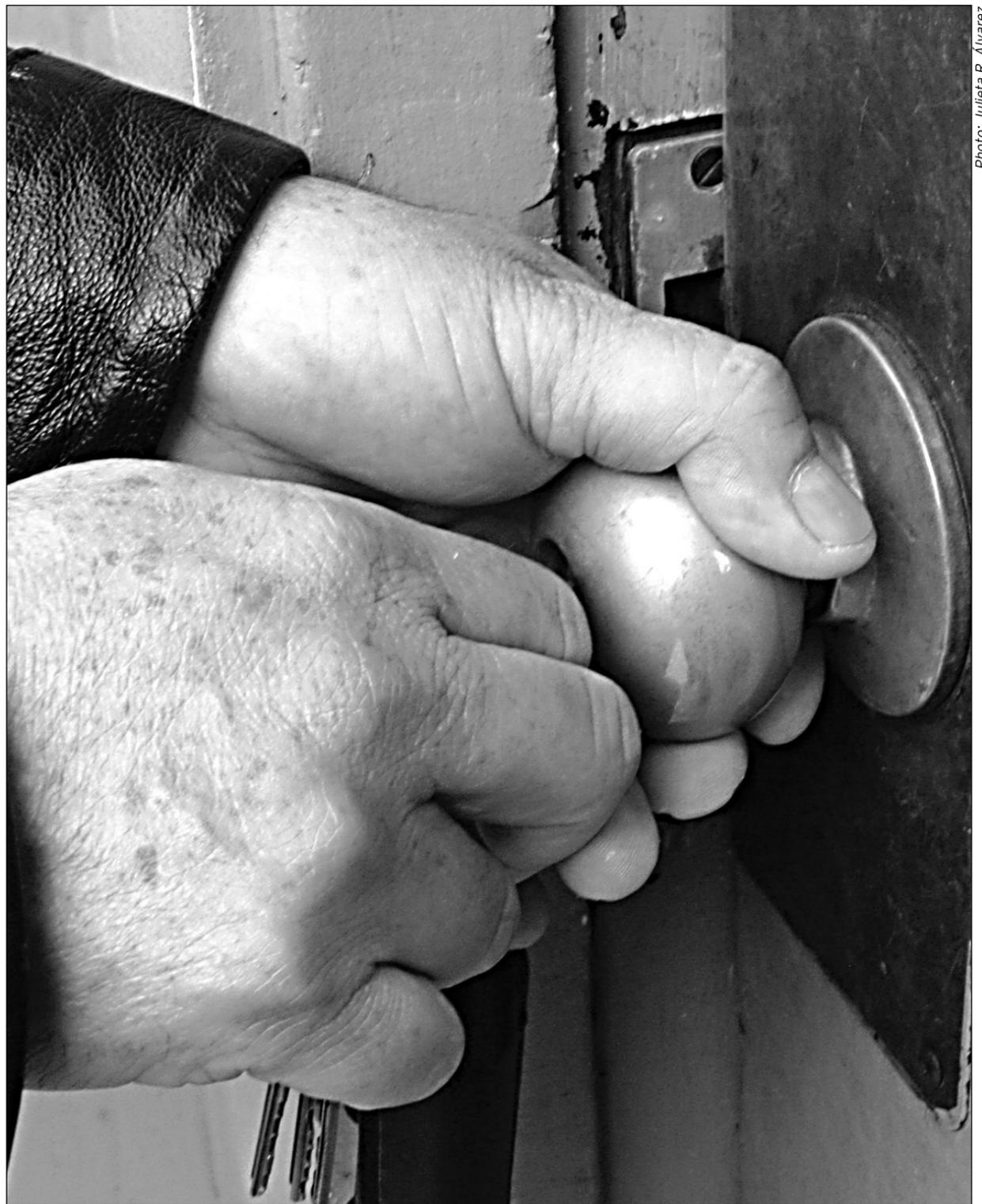


Photo: Julieta R. Alvarez

Getting help – With more than 40,000 foreclosure filings in Chicago and its surrounding area, it's important for homeowners to know what steps to take to save their homes. The Neighborhood Housing Services of Chicago offers guidance on how to buy, fix and keep your home.

consider renting an apartment for less and walking away. You can use that extra money to take care of your family instead of making your lender rich," Van Zalingen said.

NHS guides homeowners, who do not qualify for the loan modification plan, to apply for forbearance (a reduction in payments for a few months) or a short sale, in which they sell the house for whatever they can get and the lender forgives the difference.

Addressing the needs of the current housing crisis, Chicago Public Radio, 91.5 FM WBEZ and Vocalo.org, 89.5 FM WBEW, have re-imagined the concept of a "house party" during a recession.

Vocalo will host "How Not to Lose Your House Party," an event that will feature WBEZ guests and experts offering practical advice on how to survive the current housing situation and discuss the issues behind mortgage and real estate.

Dan Weissmann, host and producer for Vocalo, highlights that few residents of Chicago are immune to the

Signs of foreclosure help scams



Finding professional guidance through this process is important to avoid scams that offer false promises to homeowners in crisis. Here are examples of people who might be running a scam:

1. Anyone who charges a fee up-front.
 2. Anyone who promises a result.
 3. Anyone who mentions that you should trust them because they go to your church, is also Latino or has some connection to you.
 4. Anyone who comes to you offering assistance.
- Helpful foreclosure Web sites**
Woodstock Institute | woodstockinst.org
Neighborhood Housing Services of Chicago | nhschicago.org/Gateway/

effects of foreclosure in the city. Vocalo's event will feature presentations that attendees can choose from according to their relevance as tenants, current homeowners or those looking to buy a home.

The party will take place inside a

giant vacant mansion currently up for rent, located at 3619 S. King Drive, in Bronzeville, which was affected by the current housing situation.

For more information, visit vocalo.org/store. ■

"These are hard times and our community needs to leave their pride behind and look for any resources available to save our homes. Why not make the necessary calls and go wherever the help is. At this point, we have nothing to lose."

– Saúl Barragán

community needs to leave their pride behind and look for any resources available to save our homes," Barragán said. "Why not make the necessary calls and go wherever the help is. At this point, we have nothing to lose."

Based on his income and expenditures as a household of five, which includes three children, Barragán's \$1,800 monthly mortgage payment was reduced to \$800 after qualifying

"On average, it takes 100 to 120 days to get a loan modification. During that time, you will go through a lot of frustration and anger at your lender."

Van Zalingen said renting might be a smarter choice for some current homeowners.

"Foreclosure isn't the end of the world. If your payment is unaffordable and your house is worth a lot less than what you owe the bank,