

Personal Responsibility + Community Involvement = Foreclosure Prevention

The foreclosure prevention crisis is hitting our communities like a mental health patient receiving electric shock therapy; the patient feels disoriented, at a loss of what to do next and paralyzed with fear of being hit with another shock. Many people in our community are facing this same condition today; they are receiving the shock of an adjustable interest rate that has increased their payments by two or three times what they used to pay. Homeowners are at a loss of what to do next because their budgets cannot be stretched anymore. They are so afraid of the next shock, due to the fact that they are also behind in their car payments or home utility bills, etc. This fear has paralyzed many people into a stupor, like a deer trapped by the light beams of an oncoming car. The foreclosure problem is at a full-blown crisis level in our communities. According to RealtyTrac.com, in zip codes such as 60651, 60622, 60647, 60639, 60621, 60625, etc. The foreclosure filings for 2007, as compared to filings in 2006, have increased from the hundreds to over a thousand in each zip code or by as much as 600%.

The answer starts with personal responsibility, only you can change your predicament by:

1. **Not ignoring the problem** – The further behind you become, the harder it will be to reinstate your loan and the likely you will not lose your home.
2. **Open all mail from your lender** – The first notice you receive will offer good information about foreclosure prevention options that can help you weather financial problems. Later mail may include important notice of pending legal action. Your failure to open the mail will not be an excuse in foreclosure court.
3. **Know your mortgage rights** – Find your loan documents and read them so you know what your lender may do if you can't make your payments. Learn about foreclosure laws and timeframes in your state by contacting a HUD certified Counseling Agency like Spanish Coalition for Housing.
4. **Understand foreclosure prevention options** – Housing counseling agencies can provide valuable information and what steps to take to protect your interests and save your home.

Remember Lenders do not want your house, they want your payments. Foreclosure is bad business for Lenders, they lose from \$40,000 to \$50,000 per foreclosure.

Again, personal responsibility is the first step to avoid becoming a victim of your own choosing. Please do not commit the same mistake the guy in the following story did: There was this guy drowning in the lake, he began to pray “ Oh god please save me....Then a boat came by...the guy said ‘I’m okay, god will save me... A second boat came by...the guy said ‘I’m okay, god will save me...he drowned saw god and said...’Lord, why didn’t you save me?...Pendejo...I sent you two boats.

Furthermore, this crisis also hurts the community with negative impact on property values of the surrounding homes. There is a 1% decline in every other property located within a city block. This shock to the community is another un-welcomed onslaught on our low-to-moderate income communities. The only defense is for people not to be like the deer paralyzed by the shock or the drowning man waiting for divine intervention to save him. People facing this crisis need to arm themselves with knowledge of their rights, options to foreclosure available to them, assistance from professional counselors, and support from others in community who want to confront and prevent foreclosures in the community.

That is why Community Involvement is important. Become aware of and a part of any community efforts to increase resources for foreclosure prevention. Attend community forums, speak outs or housing summits such as the one being held on **Saturday, November 3, 2007 from 10:30 am – 1:00pm at the Humboldt Park Field House, 1440 North Sacramento Avenue.**

For more information contact Spanish Coalition for Housing at (773) 342-7575.