

HUD - Chicks

Avoiding foreclosure



Foreclosures

As of July 29, by township

- Adams 8
- Allen 5
- Amboy 3
- Cambria 11
- Camden 9
- Gayette 9
- Hillsdale 31
- Jefferson 5
- Litchfield 6
- Moscow 5
- Pittsford 7
- Ransom 0
- Reading 17
- Scio 4
- Somers 9
- Wheatland 4
- Woodbridge 0
- Wright 7
- Total 150**

2008 total 321
2007 total 261

This house on Superior Street in Hillsdale has a notice of abandonment on the front door. People all over the county are struggling to deal with financial troubles, many at risk for losing their home.

DAILY NEWS / RJ WALTERS

Local agency trying to lend a hand to at-risk individuals

By RJ WALTERS
rj.walters@hillsdale.net

Home foreclosures are a sobering reality for some people during this period of economic turmoil, but that doesn't mean there aren't preventative measures for at-risk individuals.

Local leaders and organizations have made steps toward reassuring there is hope and there are options for people facing unprecedented financial tumult.

The Hillsdale Community Action Agency has been offering financial literacy courses, and

free one-on-one counseling for homeowners who are mired in financial crises, and the CAA just announced it is launching the Community Foreclosure Coalition: From Crisis to Opportunity to deal with housing issues in Jackson, Lenawee and Hillsdale counties.

The Home Foreclosure Prevention Act, which went into effect July 5, states that Michigan homeowners facing foreclosure are granted a 90-day window to stay in their house and potentially work out a resolution with their lender, provided they contact a Housing and Urban De-

velopment certified (HUD) housing counselor and their bank.

The Hillsdale CAA is the only HUD certified organization in the county and Julie Laughlin, who was hired as a housing advocate last September, said many of her clients never realized free help was available, and she's trying to inform people on what facts lie behind the picture painted by societal stigma.

"Foreclosure can be prevented. A lot of people think that once they get the notice of

Hillsdale Community Action Agency

55 Barnard St.
Hillsdale, 49242
Phone:
517-437-3346 or
800-750-9300

SEE CAA, 5



Julie Laughlin, the housing advocate for the Hillsdale Community Action Agency, spends many hours on the phone regarding clients who are behind on mortgage payments for their home.
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CAA

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the sheriff's sale that there is nothing they can do," she said. "The majority of (foreclosure) here is from job loss, reduction of income and some of it medical. Just because they receive unemployment does not mean their bank can't do something for them."

According to the Hillsdale County Register of Deeds 261 county homes were foreclosed on in 2007, 321 foreclosed in 2008 and more than 150 have been lost to date in 2009.

The number is down just slightly year-to-date compared to last year, but the numbers could be much higher if not for the insight and expertise of people like Laughlin.

She has worked with servicers — such as banks and mortgage companies — for more than 100 clients in the past 10 months and only three of them have had their homes go into foreclosure. Laughlin and Hillsdale CAA Director Maxine Vanlerberg both said those losses were due to clients asking for help too late in the game.

"Unfortunately we get a majority that come in at the wrong point, which is kind of late in the process," Vanlerberg said. "The sooner you come in the better your options are. Not that we can be successful totally because there's no guarantee of success, but you just have more options available."

To get the ball rolling, potential clients need only pick up the phone or stop by the CAA office.

"They either call or walk in and I have a packet they need to fill out and documents they need to gather and I try to set up an appointment with them right then if possible," Laughlin said. "The more documentation I have, the more firepower I have. Because the better I understand their loan and where they are in the process, the better I can help."

Laughlin said it often takes a lot for someone to admit they need help, maybe for the first time in their lives, but she wants people to know it's OK to reach out in a time of need.

Vanlerberg said she could not agree more.

"We're in a situation now where it's overwhelming and personally, if I were in that situation, I don't know that I would know what to do," she said. "And knowing that we have someone who works on this stuff every day I would go to her and tell her I don't know what to do, help me. The average person doesn't really know how to do that."

Laughlin said people who contact her, are on average, two to five months behind on their mortgage payments. She said some banks are letting people stay in their house as long as seven months with outstanding bills, while others are quicker to axe non-paying borrowers.

She said one thing many

people going through hardships forget to use to their advantage is a basic life essential — communication.

"They just need to answer their phone, they need to communicate, even if it's just saying they don't have the money today," she said. "They need to be in contact with their servicer."

Once a client has provided documentation and sat down and discussed the details of their situation, Laughlin contacts the loan provider and tries to set up an affordable solution. She will then go over what she calls a "spending-plan," a less prohibitive-sounding term for budget.

"I don't just educate them on foreclosures so they can just stay in their house, we do a budget, we make suggestions on doing this and that and contacting your credit card companies to lower your payments and interest. A lot of people don't know you can do that," she said.

She said she also recommends for people to look for bundle deals, where they can save money by grouping services such as phone service, cable television and Internet into one lower-price package.

Vanlerberg said clients are made to understand that such things are good ideas, not commands or orders. Laughlin said she agrees with that stance.

"Sometimes when I go to training you hear people say that people should be able to cut (getting their nails done) out, but to some people that's very important and they have to have that. But to others, yeah we can cut that out," she said.

Vanlerberg said a recent story indicates sometimes suggestions, as well as a hard look at personal finances, can have a direct impact.

"A few weeks ago Julie had a subject come in and they looked at what they spent on smoking and that person decided that they needed to cut that out of their budget. They laid it out on paper and looked at what it cost them and they decided they should try to quit smoking," she said. "They then actually found a resource through the American Lung Association where they sent them free patches."

When it comes to free materials, the local CAA has plenty to offer.

Vanlerberg said they are in the process of setting up more financial literacy classes intended to help people understand how to deal with smaller budgets without giving up the things that matter most to them.

She said the Hillsdale CAA is hard pressed for funding right now, which they receive a lot of through grants. They are always looking for new funding strategies, but the CAA as a whole continues to make the best of the economic

environment.

The Community Foreclosure Coalition is being headed by Community Development Consultant Neeta Delaney, who has a vision of bringing together realtors, lenders, businesses, private organizations and community members to combat the ongoing challenges.

Delaney served as president and CEO of the Jackson County Community Foundation in the mid-90s and she recently served as an executive under Gov. Jennifer Granholm, focusing on cultural economic development.

She said the coalition's goal is to better coordinate services and to find ways to get specific information that will help solve problems before they reach a point of no return.

"We need hard data to help us create early warning systems. If we know that 30 percent of a neighborhood is in danger of having trouble paying their mortgage in the near future we can find ways to do something about it," Delaney said. "That's where we're looking for funding from private sources that allows us to get the information we need in a timely manner so we can better educate the people it's affecting."

Delaney said one of the biggest obstacles with the current mortgage crisis is there are so many different reasons people are at risk.

"People heard about the sub-prime loans crisis in the media about six months ago and either think it doesn't affect them, or they don't understand how it does," she said. "The truth is there are probably 15 different faces to this crisis and we want to show them all to the public in the coming months."

She said she knows stories of senior citizens who have unknowingly signed over the deed to their property to predatory brokers who make false promises about how they can make money for individuals who are dealing with increased healthcare and living costs. After owning a home for years all of a sudden people are being tricked into giving up their rights to something they worked hard to pay off.

Another hidden trend is renters, who are making monthly payments in full and on time, are having people show up at their door with foreclosure notices because their landlord failed to make payments.

"We need to give people good, easy to understand information and compelling stories that allow people to share their experiences," Delaney said. "It's clear we are in a crisis, with unemployment playing a big role here in Michigan and the CAA wants to create a web of helpful resources to make an impact."