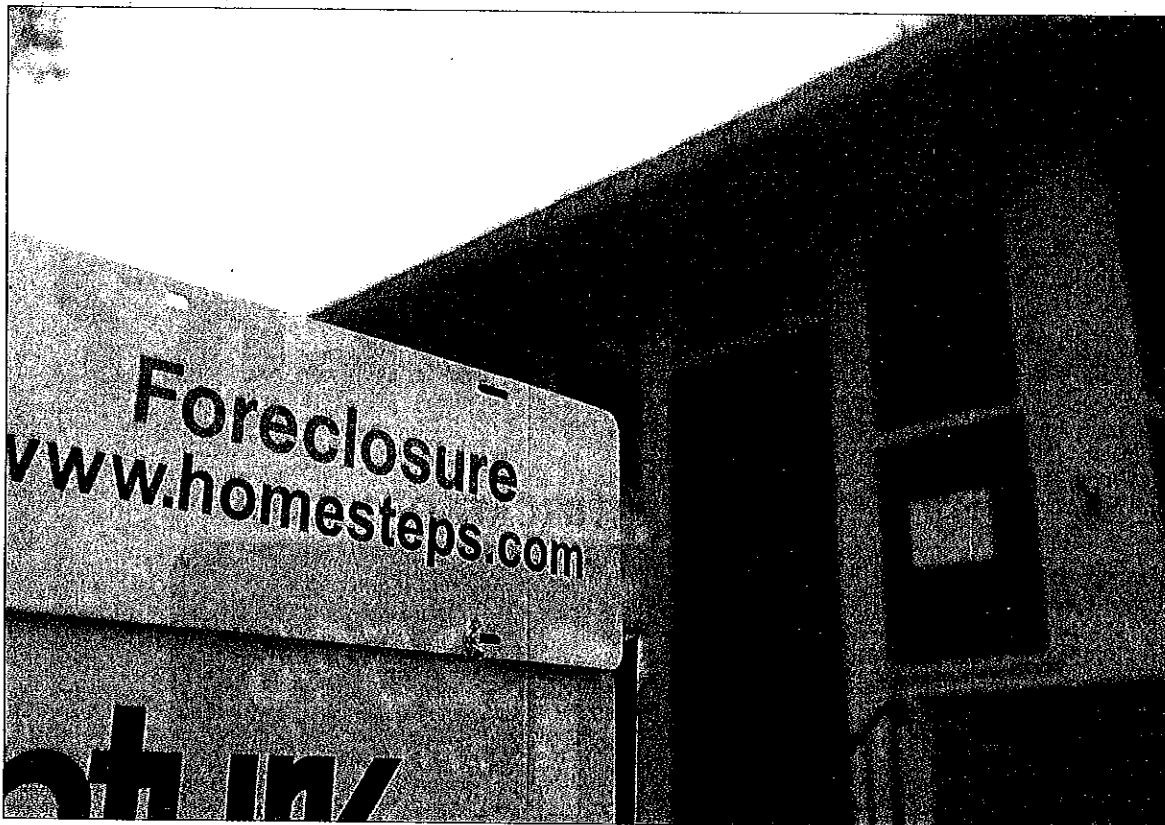


FORECLOSURE CRISIS — CAN IT BE FIXED?

With about 6,000 foreclosures in the past five years, coalition continues to fight an uphill battle

'We don't feel like it's getting any better'



CITIZEN PATRIOT • J. SCOTT PARK

Mortgage foreclosure vs. tax foreclosure

■ Mortgage foreclosure is the most common way residents lose their homes. It happens when homeowners fall behind on mortgage payments. A new law requires lenders to give homeowners 90 days to work out an agreement with their loan provider, delaying the foreclosure process.

■ Tax foreclosure happens when homeowners fail to pay taxes. The tax-foreclosure process is lengthy. Properties are considered in forfeiture after taxes have been delinquent for a year. They are foreclosed a year later if taxes remain unpaid.

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It disrupts homes and neighborhoods, drives down housing prices and erodes the tax base the community relies on to provide basic services to residents.

About 6,000 properties in Jackson County have succumbed to foreclosure in the past five years.

Agencies and government entities in the county have received more than \$1 million in federal funding for foreclosure prevention — and more than 70 nonprofit groups have banded together to fight back.

The Community Foreclosure Coalition, which serves Jackson, Hillsdale and Lenawee counties, formed in July 2009 to offer a network of support to local resi-

Foreclosure snapshots

■ Since 2005, more than 5,700 properties in Jackson County were foreclosed on after their owners fell behind on mortgage payments.

■ Jackson County had 990 mortgage foreclosures in 2009. Between Jan. 1 and Sept. 15 of this year, the county had 803 mortgage foreclosures.

■ The 2009 total is down from 1,252 in 2008. Jackson County Register of Deeds Mindy Reilly attributed the decrease to a new law that requires lenders to give homeowners 90 days to work out an agreement with their loan, delaying the foreclosure process.

■ County officials estimate about 200 parcels will be foreclosed this year for failure to pay taxes. That is compared to 104 properties that went into tax foreclosure last year and 57 properties in 2008.

■ One is every 12 homes countywide went into foreclosure in the past five years, according to the Community Foreclosure Coalition.

— Source: Jackson County Treasurer's office, Jackson County Register of Deeds, and the Community Foreclosure Coalition.

See COALITION, on A3

Coalition fights to help stop foreclosures

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dents who have lost their homes or are on the verge of foreclosure.

But neither the money nor the outreach has made much of a dent.

"It's a very long, daunting process, and I think it's getting longer," said Toby Berry, neighborhood development director at the Community Action Agency in Jackson. "From our perspective, we don't feel like it's getting any better."

Neeta Delaney, a longtime community activist and director of the foreclosure coalition, said a turnaround will take time and coordination.

"It's the kind of thing you can't solve with the single agency," Delaney said.

How did we get here?

When foreclosures first started ticking up a few years ago, it was driven by subprime mortgages — loans made to high-risk borrowers who were unlikely to be able to pay them back, Delaney said. The slack economy and the major drop in housing values pushed the situation into a crisis.

Since January, more than 800 properties countywide have been foreclosed on after owners fell behind on mortgage payments.

Another 200 parcels will be foreclosed this year for failure to pay taxes, government officials estimate. That compares to 104 properties in 2009 and 57 properties in 2008.

One particularly disturbing trend, Delaney said, is the number of people just walking away from their homes.

It's occurring for two reasons: People cannot afford their mortgages and are overwhelmed by the growing debt, or the value of their home has dropped so much that they don't feel it is worth keeping up with the mortgage anymore.

"That group of people, I'm convinced, don't understand there are serious implications for that," Delaney said. "It's going to ruin your credit for seven years. You really want to avoid foreclosures at all costs."

The problem is not just limited to low-income, urban neighborhoods anymore, she said.

"No one's home is what it was worth five years ago," Delaney said. "People are just, in general, frustrated."

Responding to the crisis

The coalition has been working to teach people how to prevent foreclosure, how to avoid scams and where to get free help through its website — www.jlhcf.org — town hall meetings, radio spots and printed materials in both English and Spanish.

"The only legitimate help happens to be free," Delaney said. "Scam prevention is a big part of the work."

Mortgage foreclosures by municipality

Municipality	2005	2006	2007	2008	2009	2010*	Total
City of Jackson	224	410	480	430	282	229	2,055
Blackman Township	41	61	89	67	97	71	426
Columbia Township	20	28	49	56	53	52	258
Concord Township	12	12	15	16	18	9	82
Grass Lake Township	15	18	37	56	20	31	177
Hanover Township	11	14	27	25	20	9	106
Henrietta Township	22	28	36	33	39	39	197
Leoni Township	57	54	108	117	104	79	519
Liberty Township	08	11	21	20	17	13	90
Napoleon Township	21	21	40	50	62	35	229
Norvell Township	08	15	26	21	26	23	119
Parma Township	14	17	22	26	19	14	112
Pulaski Township	05	08	12	16	15	6	62
Rives Township	12	14	21	30	23	18	118
Sandstone Township	16	21	13	28	23	24	125
Spring Arbor Township	11	16	24	48	39	31	169
Springport Township	12	11	16	15	14	7	75
Summit Township	59	93	148	156	112	107	675
Tompkins Township	09	13	21	20	12	7	82
Waterloo Township	06	09	21	23	16	11	86
Jackson County	583	874	1,226	1,253	1,011	815	5,762

*Mortgage foreclosures from Jan. 1 through Sept. 15, 2010. Totals for the townships do not equal the total for the year because some are dual filings in two different townships. Source: Jackson County Register of Deeds

What is the Community Foreclosure Coalition?

■ The Community Foreclosure Coalition is a communitywide effort spearheaded by longtime community activist Neeta Delaney and the Community Action Agency to respond to the foreclosure crisis in Jackson, Hillsdale and Lenawee counties.

■ Started in July 2009, the coalition has built a network of more than 70 nonprofits, governmental bodies and business leaders that works to prevent more foreclosures from happening and to intervene in the foreclosure process.

■ The coalition has been working to inform people of what they need to know and do to prevent foreclosure, how to avoid scams and where to get free, qualified and unbiased help through its Web site — www.jlhcf.org — town hall meetings, radio spots and distributing printed materials in both English and Spanish.

■ The coalition also brings certified foreclosure counselors and legal service attorneys together monthly to come up with ways to reach more people who are facing or going through foreclosure.

■ It is currently working on legislation to secure permanent funding for homeowner education.

The coalition also brings certified foreclosure counselors and legal service attorneys together monthly to come up with ways to reach more people facing or going through foreclosure.

It is working on legislation to secure permanent funding for homeowner education and foreclosure prevention counseling. The idea was initiated by Ron Ellison, president of American Title Co. in Jackson, and is supported by state Rep. Martin Griffin, D-Jackson.

"There is a need for awareness," Ellison said. "I feel obligated, for the long term, to make a difference. I'm behind this 10 percent."

Ellison said there is not enough money to support foreclosure counselors, who are dealing with more people facing foreclosure.

Last year, the Community Action Agency — the coalition's founding partner — opened the Community Solutions Center at 511 S. Jackson St. for free foreclosure-prevention services, transitional housing and homeless services to help with increased demand.

Other services include financial education, establishing and repairing credit, avoiding predatory lending and basic banking skills.

The center sees about 80 clients a month, said Laura Terrones, foreclosure intervention and post-foreclosure counselor for the Community Action Agency.

"They understand that (foreclosure) is affecting so many people," she said. "Surprisingly, I see many of them that are optimistic about the future."

The agency was able to help Blackman Township resident Sherrie Baker, who was on the verge of foreclosure last year.

"I was at a point where I couldn't sleep anymore," said Baker, 45.

"I was tossing and turning, worrying about what's going to happen."

She felt she would no longer be able to keep up with her mortgage payments, so she sought help.

The CAA was able to help Baker obtain a mortgage loan modification and got her monthly mortgage payment reduced by \$300 — from about \$1,100 to about \$800 a month.

"They didn't treat me like a case; they treated me like a human being," Baker said. "They're good people, and they go above and beyond their call of duty."

The Community Action Agency has received \$202,000 in federal and state funding as well as private funding for foreclosure prevention and intervention services this past year.

This month, the county received \$1.1 million from the U.S. Department of Housing and Urban Development to help communities acquire, redevelop or demolish foreclosed properties to help prevent surrounding property values from sinking.

It also can be used to offer down payment and closing cost assistance to low- to moderate-income home buyers, according to HUD.

"We're looking forward to working with the county," Delaney said. "I think we still have a lot of work to do, (but) I think we are getting through."