

HOME
OWNSHIP
PRESERVATION
INITIATIVE



NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.



The Home Ownership Preservation Initiative in Chicago:

Reducing Foreclosures through Strategic Partnerships



Who is NHS? The mission of NHS is to help neighborhoods stay strong by helping people buy, fix or stay in their homes. NHS is a not-for-profit community organization that has been working in Chicago neighborhoods for 30 years. NHS provides services throughout the City of Chicago, as well as having 8 local offices that serve 9 targeted neighborhoods with the following ZIP codes:

- **Auburn Gresham/Englewood West Englewood – 60620 & 60636**
- **Back of the Yards/Garfield Boulevard – 60609 & 60621**
- **Chicago Lawn/Gage Park - 60629, 60632 & 60652**
- **North Lawndale – 60623 & 60612**
- **West Humboldt – 60624 & 60651**
- **Roseland – 60628**
- **South Chicago – 60617**
- **Central Office – Provides City-Wide programs**

NHS primarily serves homeowner occupants of 1- to 4-unit properties

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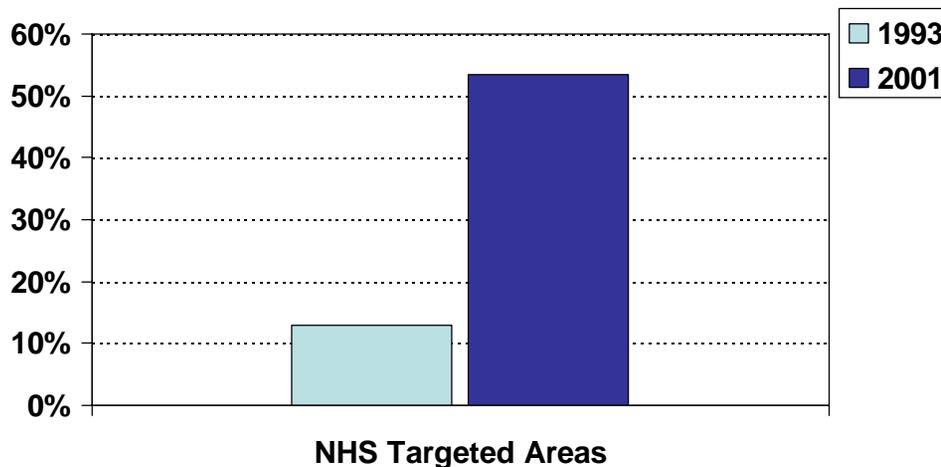
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Fast Foreclosures in NHS Targeted Areas

Half of Loans Start Foreclosure within 3 Years of Origination Dramatic Increase Since 1993

Share of Loans Foreclosing Within 1-36 Months of Origination,
1993 and 2001



- **52%** of all loans starting foreclosure in 2001 were originated after 1998
- **72%** of loans which were priced 300 basis points over 30 year Treasury and starting foreclosure in 2001, were originated after 1998

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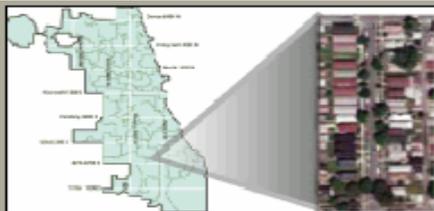
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Case Study of Foreclosure Impact: The 8300 Block of S. Morgan St. Auburn/Gresham, Chicago, Illinois

Foreclosures

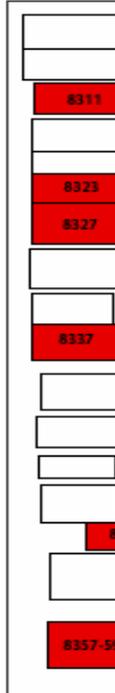


Foreclosed in 1993;
sold for unpaid taxes in 1999;
property demolished



83rd Street

South Morgan Street



Multiple foreclosures
(1988 and 2001);
building violations

Foreclosed in 2000

Multiple foreclosures
(1993 and 2000)

Multiple foreclosures
(1987, 1998, 2002).
Problem building.

Foreclosed in 2002.
Problem building

Foreclosed in 2002



Foreclosed 2001.
Problem Building



Multiple foreclosures
(1988 and 1990)

84th Street

Source: Public Records Search by Edwin F. Mandel Legal Aid Clinic, University of Chicago Law School



Chicago's Home Ownership Preservation Initiative (HOPI) Model

- **Partnership** between:
 - Neighborhood Housing Services of Chicago (NHS)
 - City of Chicago, Department of Housing
 - Federal Reserve Bank of Chicago
 - Major Lenders/Serviceers



- 1. Borrower Access/Entry to Counseling and Support System (through 311)**
- 2. Appropriate and Escalating Forms of Counseling and Support (through CCRC)**
- 3. Comprehensive Loss Mitigation Effort and Resources (through NHS)**
- 4. REO Disposition (through NHSRC)**
- 5. Community Partnerships and Neighborhood Engagement (through NHS & City)**
- 6. “Laboratory Role” for national partners & initiatives**

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HOPI Three-Year Goals

Homeownership Preservation

- Help 1,500 families avoid foreclosure

Property Preservation

- Reclaim 300 foreclosed properties as community assets

Community Development

- Cultivate community development best practices

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Every Minute Counts.

Difficulty paying your mortgage?
Understand your options.
Call 3-1-1 City Services today.

The advertisement features three small photos of diverse people: a young man and woman, a man with a hand to his chin, and a woman with a child. The background is a blurred image of a residential street.

311 – City of Chicago non-emergency # “Every Minute Counts”

- Early contact – within first 15 days of missing payment best
- Can provide education counseling in advance of delinquency
- In early stages borrowers are triaged:
 - Budgeting problem
 - Short-term income problem
 - Long-term disruption
 - Property problem
- But as many as half of borrowers are NOT in contact with lenders
 - “Head in the sand”

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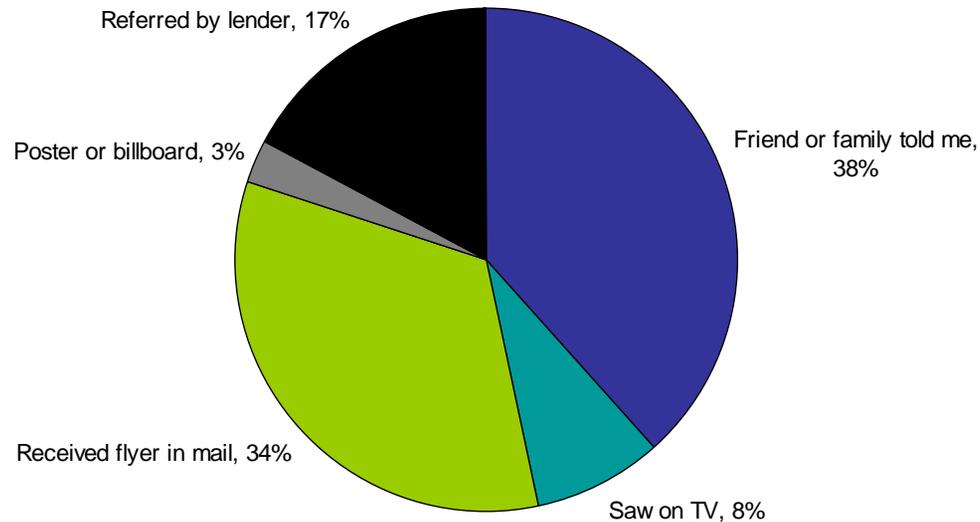
Mail Survey of NHS & 311 Callers

- Survey conducted September-October 2005
- 1,544 households contacted of those that called “311” between January, 2004 and June, 2005
- 289 responses
 - 19% of all mailings; 23% of valid addresses
- 273 returned mail (18%)
 - 50% were foreclosed, 40% sold and moved (*Real Info*)
- 3-wave mail survey; 50 questions
- 36% of callers who called 311 also worked with NHS for additional counseling and intervention.



Direct Outreach & Referrals

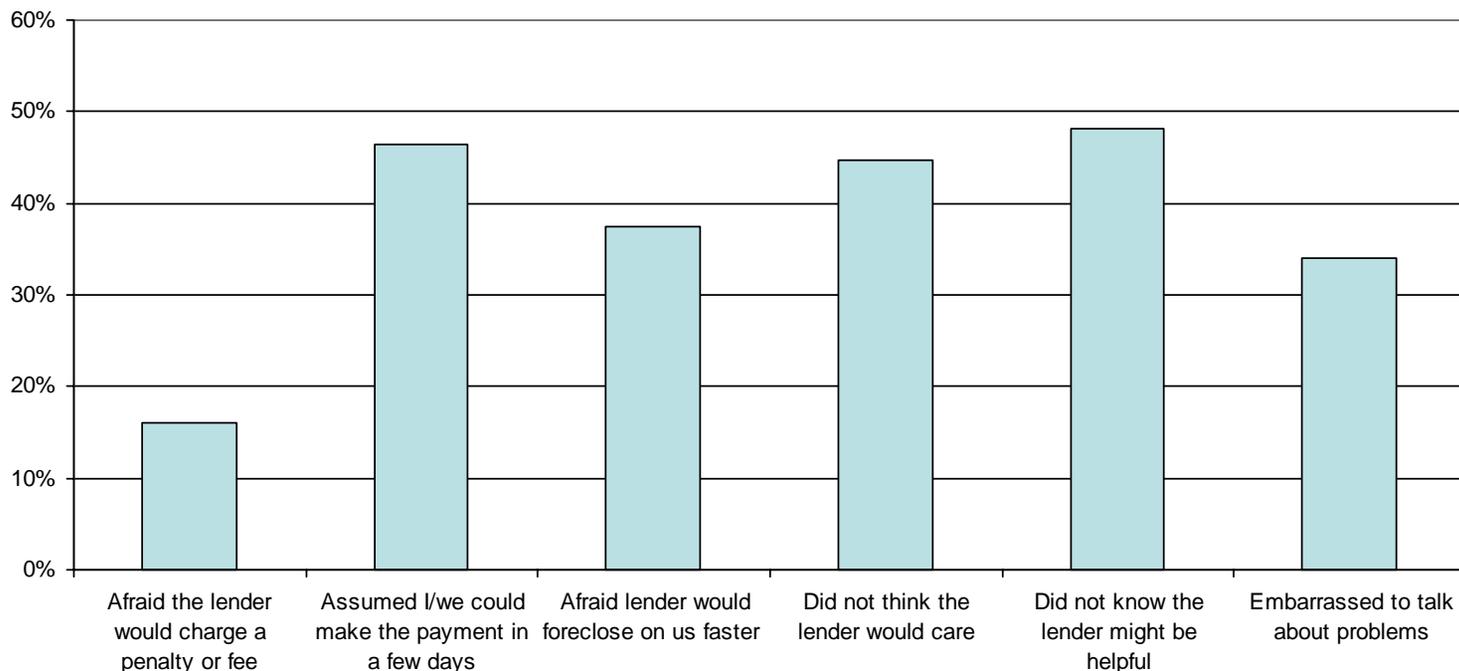
How did you find out about NHS of Chicago's services





Why, If Behind, Did Not Contact Lender?

Why did you not contact your lender/servicer?





City of Chicago – 311 City Services

- 311 Operator role as a trusted advisor
 - First access to help for homeowners
 - Homeowners feel comfortable calling the City to obtain reliable information and referrals to a reputable source.
 - Link to local resources



NHS can help you:

BUY a home

•Loans

Purchase loans
Purchase/Rehab loans
2nd mortgages – no PMI
Forgivable loans

•Education

Individual consultations
Pre-approval
Free homeownership Education
Classes

•Extra benefits

Tax Smart Mortgage
Risk Assessment
NHS Construction Specialists
Rehabbed and new homes for
sale

FIX a home

•Loans

Home Improvement loans
Refinance/Rehab loans
Forgivable loans
TIF Grants

•Education

Consultation
Homeowner Insurance

•Extra benefits

Tax Smart Mortgage
NHS Construction Specialists
Home Safety Evaluation &
Risk Assessment

Keep a home

•Loans

Refinance loans
Refinance/Rehab loans
Foreclosure Intervention &
Forgivable loans

•Education

Free face-to-face
consultation
Intervention with Lenders

•Extra benefits

Referral
Tax Smart Mortgage
HOPI