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## **Suburban leaders meet to discuss foreclosure crisis**

**CHICAGO** (Oct. 25, 2007) – Suburban housing leaders met at the Federal Reserve Bank of Chicago today to begin a community-wide dialogue on the sub-prime lending crisis that has many fearing economic ruin.

“Foreclosure Prevention: Maintaining the Economic Health of Suburban Communities,” hosted by the Federal Reserve Bank of Chicago and the Community and Economic Association of Cook County, Inc., focused on solutions to the foreclosure crisis.

“People are losing their homes without good information about where they could get help,” said Robert L. Wharton, CEDA president and CEO.

The panel of experts at the forum included, moderator Malcolm Bush, president of the Woodstock Institute, and panelists Brenda Grauer, policy advisor for the Illinois Attorney General’s office; Tammie Grossman, executive director of Housing Action Illinois and Judith Heaney, U.S. Department of Housing and Urban Development Supervisory Operation officer and Kim Millender, CEDA Housing Counselor.

Most consumers are not well-informed about the terms of their home loans, and a survey conducted this spring showed 34 percent of homeowners do not know what kind of mortgage they have, said Bush.

South Suburban Cook County has been especially hard hit by the foreclosure crisis, with

33 foreclosures per 1,000 homes. In the six-county Chicago metropolitan area, that rate is 14, and 18 within the Chicago city limits.

“This will probably drive the economy down for 10 years,” Bush said.

To help consumers, federal regulators could freeze interest rates on adjustable mortgages at their original interest rates, Bush said.

To protect their homes, borrowers with adjustable-rate mortgages should refinance their loans before the rates reset and payments jump dramatically.

“Stem the tide of the reset wave, refinance now,” said Heaney. “There’s no value in waiting. There’s no reason to wait for that bomb to hit.”

In the meantime, Grossman said Housing Action Illinois plans to link housing counselors to loan servicers and next year will launch a statewide foreclosure network.

Grossman encouraged consumers to pressure federal lawmakers to pass House Resolution 7034, which will provide \$100 million for foreclosure assistance services. Illinois lawmakers passed Senate Bill 1167 this summer, but are waiting for Gov. Rod R. Blagojevich to sign the legislation before the Nov. 5 deadline. The Illinois law would regulate state licensed brokers to give borrowers the best loan possible.

“We see people on the edge of foreclosure every day,” said Barbara Hyshaw, CEDA Director of Housing Services. “We’re kind of in a bind because there’s not enough money pumped into the system for educating homeowners.”

***CEDA** is a nonprofit community action agency serving 375,000 individuals annually with a budget of more than \$150 million. A nationally acclaimed leader in the quest to eliminate poverty, CEDA operates many innovative, highly effective family- and community-based programs throughout Cook County. To learn more about CEDA’s programs and impact on Chicago and Cook County, or to schedule an interview with CEDA president Robert Wharton, please contact Jerry Thomas of Jerry Thomas Public Relations at 312 285-5166.*

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