



Lawyers' Committee for Better Housing

Leading Chicago to Better Housing

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ON AVERAGE MORE THAN 125 MULTI-FAMILY BUILDINGS IN CHICAGO WENT INTO FORECLOSURE EACH WEEK IN 2009

MORE RENTAL UNITS IMPACTED THAN OWNER-OCCUPIED UNITS

CHICAGO--- The foreclosure crisis affected thousands more renters than homeowners in the City of Chicago in 2009, according to a report released today by the Lawyers' Committee for Better Housing (LCBH). Lenders filed foreclosure actions on 6,560 multi-family rental properties in the City of Chicago containing a total of 20,691 units. LCBH's Report estimates 3,000 to 4,000 more rental units were impacted by foreclosure than owner-occupied units during the year.

The Report, "Chicago Apartment Building Foreclosures: Impact on Tenants" sheds light on the issues facing tenants, who continue to be the hidden and innocent victims in the ongoing foreclosure crisis. In addition, the Report identifies Chicago community areas most affected, the lenders with the largest number of foreclosure filings on apartment buildings, and the rental units these represent.

The in-depth Report on rental property foreclosures is an outgrowth of LCBH's 2009 "Weekly Foreclosure Reports on Chicago Rental Housing," used by tenant advocates and neighborhood groups to identify rental properties in foreclosure early in the process so as to reach out to affected tenants.

Specific findings include:

- 4,000 more Apartment Building units impacted by foreclosure than single-family and condominium units.
- 12 community areas had more than 500 units impacted by foreclosure in 2009, with South Shore and Austin having well over 1,000 units affected.
- As many as 25 community areas had more than 5% of their rental stock directly impacted by foreclosure filings.

The Report highlights the following additional issues:

- Even tenants in good standing often lose their housing during foreclosure due to unsafe living conditions, utility shutoffs, and threats of illegal lockout.
- During a foreclosure owners often abandon the property, but lenders refuse to take responsibility for maintaining the building.
- High rates of foreclosure in historically Black neighborhoods such as South Shore and Austin present a very real threat to community stability.
- The ongoing foreclosure crisis will exacerbate the expected shortage of affordable rental housing in Chicago.

“The foreclosure crisis continues unabated and the impact on families in foreclosed buildings continues to displace innocent renters, often without warning or return of their security deposits,” said Kathleen Clark, Executive Director of LCBH. “It has been difficult to stay ahead of the foreclosure curve, but working with the City of Chicago and other tenant advocates, new laws and protections have been initiated that will address the plight of tenants when their building goes into foreclosure. But foreclosures will continue for some time and policy and resources need to be directed to assisting rental families, not just homeowners.”

“Many tenants face eviction from foreclosed buildings without legal advice or representation and thus fare poorly in the court system,” said Clark. “Chicago tenants need to understand their rights and how to navigate the difficult situations so many find themselves in.”

LCBH has been in operation for 30 years. Its mission is to promote safe, fair, affordable housing, free from discrimination for low-income Chicagoans through legal representation, education, supportive services, and advocacy. LCBH’s Tenants in Foreclosure Intervention Project focuses exclusively on the issues facing tenants living in buildings in foreclosure. Funded by the John D. and Catherine T. MacArthur Foundation, The Chicago Community Trust, and the City of Chicago, TFIP works hand in hand with neighborhood organizations and tenant organizers to assist tenants impacted by foreclosure. The project provides education, advocacy, and direct legal intervention and representation for tenants and works to maintain the viability of rental housing.