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Together, we can treat the pain of foreclosure

By Maria Prioletta, Bethany Sanchez and Raymond Schmidt

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Historically, homeownership has been part of the American Dream. For most American families, home equity has been the most important way to build wealth. Yet every month, 500 foreclosure actions are filed in the City of Milwaukee. Two-thirds of them are filed against homeowners.

Some people suggest these are homeowners who could not afford to buy a home in the first place and should not have been able to obtain a mortgage. But a closer look shows that is simply not the case for the majority of families who are losing their homes in Milwaukee. Many are long-term homeowners who refinanced their homes to make necessary repairs. Others are retirees on fixed incomes with rising medical costs. In increasing numbers, the victims of foreclosure are families who have been impacted by the economy and job losses.

The prospect of losing a home is overwhelming. Because the cause of foreclosure is likely related to some other calamitous life event, one can only imagine the reaction - desperation, helplessness, embarrassment, fear. Maybe that explains why at this critical point in life - a moment when people are faced with losing the largest single asset they own and the roof over their heads - large numbers of homeowners are not represented by counsel, do not show up in court for the proceedings and do not ask for help.

It does not have to - and should not - be that way. The "Take Root Milwaukee" campaign - a partnership of trusted housing service providers, including local lenders, nonprofit home-buying counseling agencies, educational institutions, the City of Milwaukee and Realtors - has built a network of resources to help homeowners facing foreclosure. They are working with homeowners one on one, free of charge to help them make informed decisions and navigate through a complicated and daunting process.

Take Root members have been successful, helping hundreds of Milwaukee homeowners save their homes from foreclosure. In cases where it is not possible, Take Root members provide homeowners the benefit of being aware of all of the facts, exploring all options available to them and making an informed decision about what to do. That is important, because it can preserve their options for the future and help minimize the long-term impacts associated with losing a home through foreclosure.

With the loss of homeownership in the city due to the foreclosure crisis, Take Root Milwaukee is helping in other ways as well. The partnership is rebuilding the city's homeownership base by providing home-buying counseling to families interested in purchasing a home. Studies have documented that buyers who receive homebuyer's education are much more likely to be successful on a long-term basis.

The combination of record low interest rates, value-priced homes for sale and city purchase resources makes this a time of opportunity for prospective homeowners. It is also a time to promote and encourage sustainable homeownership in our neighborhoods. That means connecting homebuyers with houses they can afford, properties they will maintain and neighborhoods they will call home for many years.

Foreclosures are having far-reaching impacts on the community. Vacant and boarded properties are taking their toll on city neighborhoods. They are putting a strain on city services and the tax base.

Long-term Milwaukee homeowners are being displaced. Local social service agencies and shelters report increased calls for assistance. Milwaukee Public Schools report increased enrollment in the district's homeless programs.

What can we all do? Something very simple: Get the word out. If you know a friend, a co-worker, a family member, an employee or a neighbor having difficulty making mortgage payments or facing foreclosure, encourage him or her to reach out for help. The earlier the better. And if you or someone you know has been thinking about making an investment in a home, now is a good time to explore the opportunities. Assistance is available by contacting TakeRootMilwaukee.org or by calling (414) 921-4149.

It is important that people are aware of resources available to them so that we can lessen the effects of foreclosure on the community. If you are interested in learning more about the foreclosure problem in Milwaukee and efforts to address it, the Urban Economic Development Association of Wisconsin is dedicating its annual summit on Oct. 12 to the foreclosure issue. For more information, contact UEDA at www.uedawi.org or call (414) 562-9904.

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