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State, City and Community Organizations Partner to Tackle Foreclosure Crisis
Sen. Martinez, Ald. Suarez call on banks to answer tough questions at public hearing

CHICAGO – March 10, 2010 – State Senator Iris Martinez (20th District), Chicago Alderman Ray Suarez (31st Ward) and various community organizations have called on major banks and financial institutions to participate in a public hearing on the Illinois mortgage foreclosure crisis on Monday, March 15, 2010 at 10am in the Chicago City Council Chambers (121 N. LaSalle).

“We are deeply concerned about the wide-spread impact that the foreclosure crisis has had on communities throughout our country, especially here in Illinois and Chicago,” said Senator Martinez. “Our hope is that this hearing will provide a platform for dialogue and the start of solutions.”

Illinois has been hit hard by the current crisis: In April 2009, Illinois had the eighth-highest foreclosure rate in the country, with new foreclosure filings in the Chicago six-county region calculated to be over 70,000, up 21 percent from 2008, according to the Woodstock Institute.

“The implications of the crisis are obvious for local homeowners,” said Alderman Suarez, Chairman of the Housing and Real Estate Committee. “But foreclosure has broad social impact as well, including a decline in property values, instability of living conditions for renters, and the creation of a refuge for criminals in abandoned homes.”

Within already-grim state statistics, local Latinos – who accounted for half of the overall growth in owner-occupied homes in the region in recent years – have been affected disproportionately. Analysis by the Latino Policy Forum of data from the Woodstock Institute indicates that there were 4,397 foreclosure filings in the Chicago wards with the highest population of Latinos in 2009, representing an alarming increase of 148.4 percent over 2007. In the five suburbs with the highest Latino population, there were 5,734 filings in 2009, representing an increase of 107.3 percent over 2007.

“Language barriers have traditionally meant that Latinos are largely unaware of their housing rights and responsibilities, and of the fair housing organizations that can assist them,” said Sylvia Puente, executive director of the Latino Policy Forum. “These challenges have played a role in Latinos being more susceptible to predatory loans, which have had devastating consequences in the community. The economic downturn has only worsened this situation.”

“The process for loan modification is lengthy and arduous. It should not be so difficult,” said Ofelia Navarro, executive director of Spanish Coalition for Housing. “A single case can take from six months to over a year to resolve.”

Coordinating organizations include the Latino Policy Forum, the Spanish Coalition for Housing, The Resurrection Project, the Illinois Department of Financial and Professional Regulation, with testimony to be confirmed from banks and community-based and governmental organizations, along with local homeowners.

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About the Latino Policy Forum

The Latino Policy Forum is the only organization in the region whose primary focus is to facilitate the inclusion of Latinos at all levels in public policy and decision-making processes. Founded in Chicago in 1988 as Latinos United, the Forum provides research, information, advocacy and leadership development to improve education outcomes for Latino children, ameliorate the mortgage foreclosure crisis for Latino families, deepen our roots through sound immigration and immigrant integration policy, and build leadership and a common collective agenda. For more information, visit www.latinopolicyforum.org.

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