
LATINOS AND THE FORECLOSURE CRISIS: ITS IMPACT IN COOK COUNTY, ILLINOIS

Introduction:

The Latino community has been devastated by the foreclosure crisis. In the years prior to the crisis, homeownership was the primary vehicle for wealth accumulation amongst Latinos, making this crisis even more detrimental. According to United for a Fair Economy, nationally, Latinos will have lost between \$75 and 98 billion for loans made since 2000.

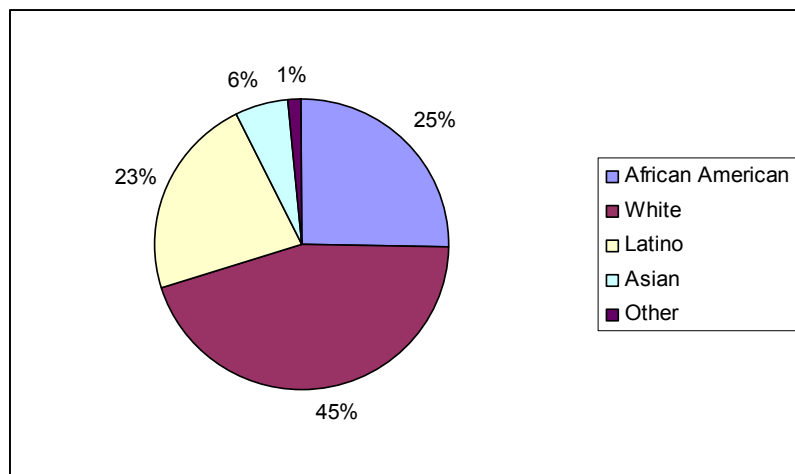
Various practices by lenders, particularly over recent years, have contributed to the disproportionate impact that the crisis has had on the Latino community. Research shows that subprime lenders were more heavily concentrated in low income communities of color. In a study by the Woodstock Institute of seven metropolitan areas, 40% of loans by high-risk lenders were made in neighborhoods that were over 80% minority. In Chicago, the same study found that the market share of high-risk lenders in minority neighborhoods was 3.7 times greater than in predominantly white neighborhoods

As borrowers sought to refinance high-cost loans, lenders subsequently reduced refinancing options by heightening their loan eligibility criteria. The State Foreclosure Prevention Working Group reported in February that “the refinance option has nearly evaporated.” Those Latinos who have been able to refinance their mortgages have been more likely to receive high-cost refinance loans. One study found that 42.5% of refinanced loans received by Latino borrowers in the Chicago area were high-cost loans.

Latinos in Cook County:

Latinos make up a significant portion of the county’s workforce, tax-base and homeowners. In 2008, Latinos constituted 22.8% of the total population in Cook County. Since 2000, Cook County saw a decrease in its population of 98,003 residents; yet the population of Latinos during this same period increased by 131,955 residents. Had it not been for the growth of the Latino community, Cook County would have experienced an even deeper population loss.

**Figure 1. Population by Race/Ethnicity in Cook
County, 2008 (Total 5,278,738)**



Source: U.S. Census Bureau. 2008 American Community Survey 1-Year Estimate. (Latino of any race; White, not Hispanic or Latino; Black, not Hispanic or Latino)

Table 1. Cook County Demographics and Population Trends

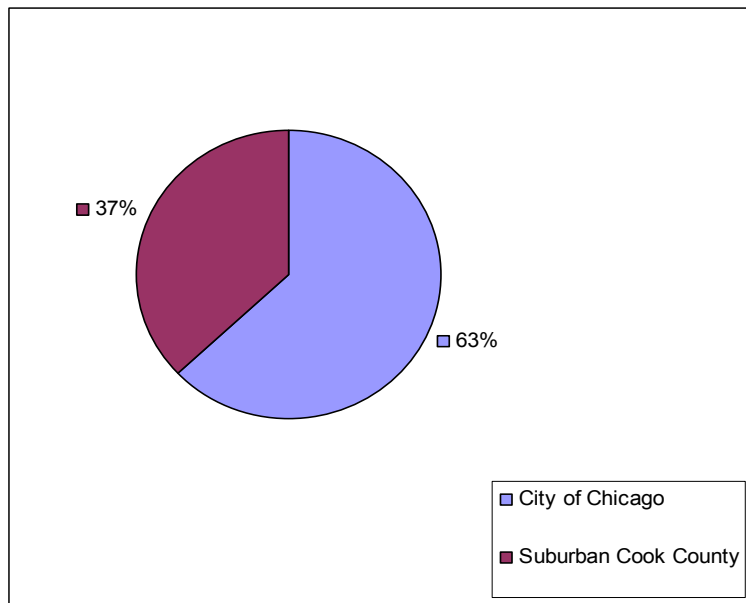
Race/Ethnicity	2008 Population	2000 Population	Difference in Population from 2000 & 2008	% Difference
African American	1,328,113	1,390,448	-62,335	-4.5%
White	2,372,458	2,558,709	-186,251	-7.3%
Latino	1,203,695	1,071,740	131,955	12.3%
Asian	297,848	257,843	40,005	15.5%
Other	76,624	98,001	-21,377	-21.8%
Total	5,278,738	5,376,741	-98,003	-1.8%

Source: U.S. Census Bureau. *Census 2000 Summary Profile 2*. U.S. Census Bureau 2008 *American Community Survey 1-Year Estimate*.

Vital Statistics:

- Cook County has a total population of 5,278,738 of which 22.8% or 1,203,695 are Latinos.
- Of all Latinos that reside in Cook County, 63% live in Chicago and 37% live in suburban Cook County.
- In Cook County, the average household size among Latinos was 3.65 compared to 2.33 for Whites and 2.74 for African Americans in 2008.
- The homeownership rate for Latinos in Cook County as of 2008 was 51.8%. This represents a 7% increase in homeownership rates for Latinos since 2000, when it was 42.8%.
- Among Latinos living in owner occupied housing units in Cook County, 65.6% pay thirty percent or more of their household income on housing costs, compared to 47.1% of the total population.
- About 1 out of every 7 homeowner in Cook County is Latino.
- About 1 out of every 5 renter in Cook County is Latino.
- A majority of neighborhoods in Chicago and the surrounding suburbs in Cook County with large concentrations of Latinos have experienced a greater number of foreclosure filings.
- 18.5% of Latinos in Cook County are living in poverty.

Figure 2. Latino Population Distribution in Cook County, 2008.



Source: U.S. Census Bureau. *2008 American Community Survey 1-Year Estimate*. (Latino of any race; White, not Hispanic or Latino; Black, not Hispanic or Latino)

Latino Foreclosure Filings in Cook County

As a consequence of the disproportionately high number of high-risk, subprime loans made in predominantly minority neighborhoods, these same neighborhoods have experienced a disproportionately high incidence of foreclosure filings as well. In Chicago, neighborhoods that were over 80% minority contained 14% of the mortgageable properties of the region, but accounted for 34.5% of the total foreclosure filings in 2007. Neighborhoods that were less than 10% minority accounted for 23% of the mortgageable properties, but only 11% of the total foreclosure filings.

In areas of suburban Cook County where Latinos reside, we have seen an exponential increase in the number of foreclosure filings. Seven out of these 12 municipalities have seen an increase of foreclosure filings of more than 50% from 2007 to the end of the 3rd Quarter in 2009. These areas have had a combined total of 10,251 foreclosure filings since 2007.

Table 2. Foreclosure Filings for Twelve Cook County Suburban Municipalities with the Highest Latino populations (Excluding Chicago)

	Total Population 2008	Total Latino Population 2008	% of municipality that is Latino	Foreclosure Filings, 2007	Foreclosure Filings, 2008	Year to Date 2009 Foreclosure Filings	Change from 2007 to 2009
Cicero	84,812	71,329	84.1%	415	690	643	54.9%
Berwyn	58,037	31,962	55.1%	300	587	408	36.0%
Melrose Park	23,962	15,857	66.2%	90	170	147	63.3%
Hanover Park*	37,502	12,430	33.1%	221	407	341	54.3%
Streamwood	40,608	11,702	28.8%	261	426	334	28.0%
Palatine	67,301	11,205	16.6%	202	377	352	74.3%
Wheeling	35,924	10,773	30.0%	114	252	242	112.3%
Chicago Heights	30,996	9,808	31.6%	288	375	195	-32.3%
Des Plaines	61,626	9,693	15.7%	175	343	294	68.0%
Mount Prospect	55,679	9,031	16.2%	85	216	176	107.1%
Hoffman Estates	51,196	7,366	14.4%	169	305	232	37.3%
Blue Island **	23,254	N/A	N/A	111	182	126	13.5%

Data from Woodstock Institute, analysis and identification of Latino areas by Latino Policy Forum

** A portion of Hanover Park is outside of Cook County.*

*** Race/Ethnicity data for Blue Island was not available for 2008. In 2000, Blue Island's population was 8,899 with Latinos making 37.9% of its population. By 2008, their population had increased to 23,254. Since Latinos increased in population, while that of African American and Whites decreased, we are making an inference that Latinos constitute much of the population growth in Blue Island.*

Cook County Foreclosure Statistics with emphasis on the Latino community:

- In 2008, there were a total of 38,959 foreclosure filings in Cook County. Out of that, 20,592 were in the city of Chicago.
- In 2008, areas where Latinos have the highest population, including Chicago, the total number of foreclosure filings in 2008 were 12,089 or 31.03% percent of all foreclosure filings in Cook County.
- As of the third quarter of 2009, Cook County has had a total of 28,757 foreclosure filings. Out of that, 14,749 were in the city of Chicago.
- As of the 3rd quarter of 2009, the total number of foreclosure filings in areas that have the highest Latino populations is 6,350.
- According to a survey conducted by the Chicago Reporter, out of 103 housing counselors from 19 different HUD agencies, only 57 spoke Spanish.
- Spanish Coalition for Housing, a HUD certified organization with offices in Humboldt Park, Pilsen, and South Chicago has experienced an increase of over 500% in foreclosure mitigation cases since 2005. This represents 50 times as many cases as in 2005.