

Urban League has programs for families facing foreclosure

By James H. Buford For the St. Louis American

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Recently, the St. Louis area has been hit with a firestorm of foreclosures as a result of job losses, subprime mortgages and other reductions in income. Last year approximately 6,353 families in the St. Louis metropolitan area lost their homes. In 2007, Missouri ranked 13th nationwide in properties entering some stage of foreclosure, and St. Louis ranked 36th among cities with the highest foreclosure rates, according to RealtyTrac, Inc.

Unfortunately, the steady rise of foreclosures continues, with 1,179 homes already being foreclosed upon in the St. Louis area in 2008.

A majority of these losses are coming results from subprime and adjustable-rate mortgages made in 2006 that are due to increase their interest rates this year. A sub-prime mortgage is a loan that carries a significantly higher interest rate and/or an adjustable interest rate, with payments that increase beyond a homeowner's income level in a short period of time.

In the African-American community, the foreclosure rates are even more staggering, with more than 52 percent of subprime mortgages being made to African-American families in 2006, according to the Centers for Responsible Lending. African-American families are more than three times as likely to face foreclosure as white families.

On March 19, U.S. Sen. Christopher "Kit" Bond (R-MO) met with members of the St. Louis Housing Alliance for Homeownership Preservation, NeighborWorks America, the Federal Reserve Bank of St. Louis, City of St. Louis and St. Charles government officials to address the foreclosure crisis. Bond is co-author of the Security Against Foreclosures and Education Act, which helps struggling families maintain homeownership by providing loan counseling and other assistance.

Some \$180 million in foreclosure counseling funds have been allocated to state and local counseling agencies through NeighborWorks America, a national network of more than 240 community-development and affordable-housing organizations. Through the National Urban League and Neighborworks, the Urban League of Metropolitan St. Louis has received a grant for \$161,699 to provide foreclosure prevention counseling. The Urban League currently offers housing counseling, foreclosure intervention and homeownership education.

In 2007, the League provided default/foreclosure counseling to 227 homeowners. Through this counseling, we helped 127 families keep their homes.

In an effort to assist even more families, the Urban League of Metropolitan St.

Louis has become a member of the St. Louis Alliance for Homeownership Preservation. This alliance is an exciting collaboration between ACORN, Better Family Life, Beyond Housing, Catholic Charities Housing Resource Center and the Urban League that offers one-on-one counseling and foreclosure-intervention services for homeowners in the St. Louis region.

The City of St. Louis will donate \$500,000 to the St. Louis Alliance for Homeownership Preservation for counseling services and grants of up to \$1,500 to city homeowners needing help in restructuring their mortgages.

We are thankful to be a part of this alliance and look forward to helping many families sustain their homes during these tough economic times. If there is anyone in need of mortgage assistance or foreclosure prevention, please do not hesitate to call 1-888-995-HOPE.

James H. Buford is president and CEO of the Urban League of Metropolitan St. Louis.