

## 'We get to stay in our home'

By Mary Delach Leonard, Beacon staff

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Housing counselor Eric Madkins was on the phone with one of his foreclosure success stories: a 26-year-old homeowner from Jennings who found help at the Urban League of Metropolitan St. Louis after her husband was laid off last Christmas.

The mother of three described how her family's near-miss with foreclosure had affected her children.

"I tried to shield them from the negativity," she said. "But my 10-year-old came to me and asked, 'Mom, what does foreclosure mean?' I don't know if he had overheard us. He may have been worried for a while, and finally asked me about it."

Madkins nodded his head slightly, as she spoke. "I didn't know that," he said quietly to himself.

As the director of the Urban League's Housing and Foreclosure Intervention program, Madkins is in the trenches of the foreclosure fight, working daily with St. Louis-area families who can't pay their mortgages. The organization is one of five St. Louis nonprofit agencies offering free housing counseling through the St. Louis Alliance for Homeownership Preservation.

Five counselors at the Urban League work full time on foreclosure, each juggling more than 60 cases at a time. In addition to local referrals from the United Way, the Urban League gets a dozen or so emails daily from the national foreclosure hotline, 1-888-995-HOPE (4673), about callers from the St. Louis region who may need assistance.

"We are unbelievably busy," Madkins said.

But that's not the hardest part, he acknowledges.

"I wish I could help everyone keep their home," he said. "But that is not always the case."

## **"I NEEDED HELP"**

Madkins said the Jennings family is typical of many of the distressed homeowners he counsels - people who live in modest two- or three-bedroom homes who have been making their monthly mortgage payments regularly for several years. The financially stressed are not all living beyond their means in big mansions or speculating on the housing market.

"These are hard-working people. Each case is different, but many times, the trouble has been triggered by job loss or divorce," he said.

For a family being buried by economic setbacks, foreclosure is the final pile-on. And asking for help is difficult for people who have always been self-sufficient. That is particularly true for men, Madkins notes.

"It is mostly the women fighting for their homes," he said.

The Jennings family has lived in their home for four years, financed with a conventional \$90,000 mortgage at a 7-percent fixed rate. But after dad lost his job in December, the family fell behind, unable to make a monthly payment of \$987. It was mom who saw an ad for the national HOPE hotline and made the call, which referred her to the Urban League. She agreed to talk to the Beacon but asked that she not be identified.

By spring, the family had fallen behind on their mortgage, and she had been unsuccessful in trying to work out a repayment plan with her lender.

"I needed help," she said. "I was barely keeping my head above water."

Madkins stepped in to negotiate a forbearance agreement and cobbled together one mortgage payment from various assistance funds that are available to local nonprofit agencies on a limited basis. The agreement hinged on the family coming up with a portion of the repayment amount that would bring their account current.

Because she had to wait until payday to pull that amount together, the entire deal was one day away from the deadline. That required some fancy footwork by Madkins who had to overnight the payment to the lender.

"I was extremely worried," the woman said. "I was praying the whole time. But Eric was so calm. He just said, 'We'll see what we can do.'"

For the long term, Madkins has developed an action plan for the family that required them to commit to a strict budget. Dad has since found temporary work.

"It's still pretty rough," she said. "We've cut back on groceries and all our expenses. But we've been able to maintain."

The fight has been worth it because her children, ages 1, 5 and 10, still have their home, she said.

"This house has character. It has the space we need - space for my children to grow up. There is an attic that we can turn into a family area when they get older and a sun porch where we can sit and watch the kids play in the yard," she said. "There are other bonuses. This is a really nice neighborhood with really good neighbors and a low crime rate. I love it here. To see it go back to the bank would have broken my heart."

## **CAN THIS HOUSE BE SAVED?**

With escalating fuel and consumer prices continuing to rough up family budgets, Madkins foresees no letup in the foreclosure crisis. Projections about re-setting adjustable rate mortgages have housing counselors bracing for a growing influx of financially stressed homeowners.

"The hardest part is that I wish I could help everyone save their homes," Madkins said.

But the reality is that some homeowners will just not be able to maintain their mortgages, no matter what, because their income will simply not support their mortgage payment. Madkins said housing counselors can assist in those cases, as well, by negotiating deadlines with lenders that allow families to stay in their homes longer, assisting with short sales (selling below the mortgage price, with the lender agreeing to take that amount as fulfilling the mortgage) and even helping families relocate afterward. (For a glossary of mortgage terms, including short sales, click [here](#) .)

This is not a bailout, he stresses. His clients must work hard and make drastic lifestyle changes. And they have to swallow their pride and be willing to share their most personal financial details with their counselors.

The Jennings homeowner has advice for others in the same financial boat.

"If you really want to help save your home, don't wait. Talk to someone before it's too late. And you have to do your part. You have

to cut down on your expenses and make paying your mortgage a priority. Don't be afraid to ask questions," she said. "It's been hard, but those letters stopped coming from the lawyers, and that took so much weight off my shoulders. We get to stay in our home."