



Helping Americans Keep Their Homes: Institute Announces \$6.5 million in Legal-Aid Grants to Help Families Caught in the Foreclosure Crisis

Center for Responsible Lending
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Washington DC

The Institute for Foreclosure Legal Assistance today announced it has awarded \$6.5 million in grants to 27 legal-aid offices in 19 states and the District of Columbia. The grants are the first step in a multi-year program to bolster local groups nationwide who are assisting the growing legion of borrowers facing foreclosure.

The Institute, a project of the Center for Responsible Lending and managed by the National Association of Consumer Advocates, made the awards to nonprofit groups that demonstrated they already have successful foreclosure prevention programs in place but need more resources. The grants range in size from \$75,000 to \$375,000, will be provided over three years with annual reviews, and will enable these organizations to hire additional attorneys specializing in foreclosure prevention.

The Institute plans a second round of grants in January 2009 for groups that don't yet have the capacity but want to begin offering specialized legal aid on foreclosure issues. To be eligible to apply, organizations must arrange for staff to attend a training program in foreclosure law that the Institute soon will begin offering or otherwise show they have gained expertise in foreclosure prevention.

In addition, the Institute will fund several related activities designed to maximize the effectiveness of the grant program. Among these will be handling cases directly that the Institute believes will set important precedents for helping families avoid losing their homes; and establishing a fund to help attorneys, including non-grantees, pay for expert witnesses, travel and other out-of-pocket litigation costs.

“Legal services attorneys have been on the front lines of fighting against foreclosures for many years, and I am thrilled that we can provide funding to some of our nation's best legal advocates,” said Ira Rheingold, executive director of NACA. “My only regret is that there is not enough money available to fund all the deserving programs attempting to meet the legal needs of families across the country desperate to prevent losing their home to foreclosure.”

Created last fall through a generous donation from the investment firm Paulson and Co. Inc., the Institute has one mission: to help meet a desperate, growing need for quality legal assistance for families who are victims of a housing crisis created by reckless subprime lenders.

“Every day more and more families are losing their homes to foreclosure, and in most cases these families will not be represented by a lawyer,” said Eric Halperin, director of CRL’s Washington DC office. “We hope that the Institute’s training and its other programs will help not just our grantees but lawyers across the country begin to meet this critical need.”

Subprime foreclosures, already alarmingly high, will accelerate this year and next. More than 2 million families will be forced from their homes as borrowers see monthly mortgage payments jump as teaser rates expire. An additional 40 million neighboring homes will fall an estimated \$200 billion in value as a result. Despite federal officials’ pressure on industry to voluntarily modify loans, lenders and servicers simply aren’t doing so fast enough or in sufficient numbers to help homeowners. Moody’s says industry is voluntarily restructuring only 3.5 percent of subprime loans with resetting interest rates.

For more information about the Institute, about obtaining a grant next year or about training in foreclosure prevention law, please visit www.foreclosurelegalassistance.org, or contact: Kathleen Day at 202-349-1871 or kathleen.day@responsiblelending.org; or Sharon Reuss at 919-313-8527 or sharon.reuss@responsiblelending.org.

The National Association of Consumer Advocates (NACA) is a nationwide organization of more than 1300 attorneys who represent and have represented hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA’s members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means. For more information visit www.naca.net.

[The Center for Responsible Lending](#) is a nonprofit, nonpartisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices. CRL is affiliated with [Self-Help](#), one of the nation’s largest community development financial institutions. For more information, please visit our website.

IFLA Grant Recipients

California

Legal Assistance Foundation of Los Angeles
Housing and Economic Rights Advocates

Colorado

Colorado Legal Services

District of Columbia

Legal Counsel for the Elderly

Florida

Jacksonville Area Legal Aid
Legal Services of Greater Miami

Georgia

Atlanta Legal Aid Society

Illinois

Legal Assistance Foundation of Metropolitan Chicago

Indiana

Indiana Legal Services Inc.

Kentucky

Appalachian Research and Defense Fund of Kentucky Inc.

Louisiana

Southeastern Louisiana Legal Services

Maine

Pine Tree Legal Assistance

Maryland

Legal Aid Bureau of Maryland

Minnesota

Mid-Minnesota Legal Services

Mississippi

Mississippi Justice Center

Mississippi Center for Legal Services

Lawyers' Committee for Civil Rights Under Law

New York

Empire Justice Center

South Brooklyn Legal Services

North Carolina

Financial Protection Law Center

North Carolina Center for Justice

Ohio

Legal Aid Society of Cleveland

Legal Aid Society of Greater Cincinnati

Oregon

Oregon Law Center

Pennsylvania

Community Legal Services of Philadelphia

West Virginia

Mountain State Justice

Wisconsin

Legal Aid Society of Milwaukee