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Prevention program hardly dents foreclosure filings

By **SHAWN A. TURNER**

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As near as Cuyahoga County treasurer Jim Rokakis can figure, in its first year of existence the Cuyahoga County Foreclosure Prevention Program helped avert 600 foreclosures.

Such a statement, however, doesn't bring a smile to the face of the program's director, Mark Wiseman.

"The progress we've made is great, but if for every foreclosure we prevent, there are 20 more filed, it's hard to take any satisfaction from it," Mr. Wiseman said. "The point of the program was to stop foreclosures from being filed."

That certainly hasn't happened. Through the end of March, 3,842 foreclosure, quiet title and partition cases were filed in Cuyahoga County Common Pleas Court, according to chief magistrate Stephen M. Bucha III.

The court doesn't break out the foreclosure cases, but has indicated that foreclosures represent between 90% and 95% of the filings. Quiet title refers to a court action meant to clarify who owns a particular property; a partition action divides a concurrent estate into separate pieces.

If the pace holds, the court will see 15,400 cases filed this year, a 16% increase over the 13,276 cases filed in 2006. And the number of filings in 2006 was a 20% increase over 2005, Mr. Bucha said.

"If you compare (the foreclosure prevention program) to our foreclosure numbers, it's not going to look like it's very successful," Mr. Bucha said before reading the tallies.

With the region besieged by an avalanche of foreclosures, the county last March began operating the prevention program.

Through the program, people who believe they are wrongly pushed into refinancings or have questions about default and other foreclosure-related issues are referred for assistance to nine participating local agencies, such as the Legal Aid Society of Cleveland and the Cleveland Housing Network.

Referrals are coordinated through the United Way of Greater Cleveland's 2-1-1/First Call for Help, a program in which people dial 2-1-1 to be directed to social, health and government resources. The agencies provide consumer counseling and education and also work with lenders to give borrowers more time to catch up with late payments.

With fundraising problems delaying the start of the prevention program's radio and television advertising campaign until last month, the initiative struggled to reach those who might best be served by the program's offerings.

"Some of these people (who called) were not only facing foreclosure, they have been foreclosed and are facing eviction," Mr. Wiseman said.

The foreclosure prevention effort eventually secured \$100,000 from "outside sources" that Mr. Wiseman declined to specify. That money has helped buy the radio and TV spots and the program also has plans to buy billboard space, too.

Other efforts also have started in an attempt to relieve Ohio's foreclosure epidemic. The state's 23-member Foreclosure Prevention Task Force, of which Mr. Rokakis is a part, is scheduled to hold its first meeting tomorrow, April 10. It will focus on outreach and education efforts as they relate to foreclosure issues, said state Department of Commerce director Kimberly Zurz.

"We are aware we're not going to be able to save every house, but we want to be able to save as many houses as we can," Ms. Zurz said.

Ms. Zurz is familiar with Cuyahoga County's program and said the state's group might look to emulate aspects of that program, as well as other foreclosure prevention initiatives in the state.

"We are watching it carefully, and we hope to integrate many of the tools that they are using," she said of Cuyahoga County's program.

The Ohio Housing Finance Agency also has issued \$100 million in taxable municipal bonds as part of a refinancing effort. The amount could be bumped up to \$500 million, Ms. Zurz said. The proceeds of the bond issue can be used by a borrower to refinance a current loan at a fixed 6.75% interest rate. To be eligible, a borrower's income cannot exceed 125% of the median gross income of the borrower's home county.

"That's a pretty big piece for us to start with," Ms. Zurz said.

The help likely will be needed. Mr. Rokakis, an architect of the county foreclosure prevention program, said the problem is getting worse.

"Our economy is not strong enough to survive this assault," he said.

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