

# The Crisis Next Door

## Foreclosure is no longer a hidden problem

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Marilyn Evans, president of the South Cumminsville Community Council, knows firsthand the impact that foreclosures can have on a community.

“South Cumminsville is a proud community,” she says. “Many of our residents have lived their whole lives in the neighborhood.

For some, they are the third or fourth generation in this community. We have women who are in their 90s and still working. We have a homeownership rate of 58 percent. Now that is threatened by foreclosures.”

Foreclosures in Hamilton County are rising and are particularly impacting smaller communities, according to a new report by Working In Neighborhoods (WIN). Seven years ago WIN issued a report on foreclosures called, “The Silent Crisis.” That title wouldn’t work today.

“We’ve move to a very loud crisis,” says Sister Barbara Busch, WIN’s executive director. “In 2009 there is no neighborhood left that is not affected by this foreclosure crisis. ... We have lost almost 4.3 percent of all Hamilton County’s housing stock to foreclosure — that’s huge.”

WIN’s new study, “The Crisis Next Door,” shows that Hamilton County experienced 3,081 foreclosures in 2008

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There were 6,673 new foreclosure filings in Hamilton County last year — an increase of 6.3 percent over 2007 filings and double the statewide average increase of 3.1 percent. In addition, there were 5,382 Hamilton County homes listed in the first week’s Sheriff

Listing. This number indicates how many homeowners are facing severe financial difficulties with their mortgage loans.

While the area’s larger neighborhoods

continue to experience the most foreclosures, smaller neighborhoods are losing large numbers of homeowners to foreclosure. For example, in Cincinnati, the neighborhoods of Lower Price Hill, South Fairmount and Mt. Auburn lost over 5 percent of their homeowners to foreclosure last year. In the county, the communities hardest hit were Cleves at 3.84 percent and Golf Manor at 3.65 percent.

Busch tied another concern with foreclosures to the gloomy economy.

“One of the saddest things about this report is that only 3.1 percent of the homes were sold to anyone but the lender,” she says. “In most cases, the lender retained ownership of the property after the sheriff’s sale. This is the first time we’ve seen this trend, and it’s because the market is bad.”

WIN’s report shows that the top six lenders with the highest number of foreclosures have remained the same since

2002. The lenders generating the most foreclosures in Hamilton County for 2008 were US Bank, Wells Fargo Bank, Deutsche Bank National Trust Company, Bank of America, JP Morgan and Chase Bank.

Busch called for business and government to take action in order to retain home ownership in Hamilton County.

“Much to my despair, we only see mandatory loan modifications,” she says. “Lenders are fearful that they will be sued by the investors if they modify loans. I think the government needs to protect the lenders from this threat.”

The foreclosure crisis shouldn’t come as a surprise, according to Roger Davis, president of Communities United For Action and co-chair of Citizens Against Loan Sharks.

“When we started organizing around foreclosures and predatory lending eight years ago, nobody else wanted to admit the problem existed,” he says. “Now everyone is affected, whether it affects you or someone else you know.”

Davis endorses a proposed moratorium on foreclosures.

“We need a moratorium on foreclosures now,” he says. “We are excited that state representatives

Denise Driehaus and Michael Foley have introduced legislation to establish a six-month



Marilyn Evans says it’s time for a moratorium on foreclosures. Photo courtesy of Working in Neighborhoods.

moratorium. We have testified in favor of this bill and encourage others to do the same.”

In spite of all the bad news, Busch sees signs of hope. She points out that the proportion of homes sold at sheriff’s sales compared to those listed has steadily declined.

“Certainly, we know that our housing counselors have made a difference for hom-

owners to get loan modifications and avoid foreclosure,” Busch says. “The support from the city of Cincinnati and Hamilton County has helped us reach more families.”

Working In Neighborhoods, a Cincinnati-based non-profit organization that strives to stabilize neighborhoods and families through home ownership, last year, offered foreclosure counseling to 225 families and saved 135 homes from foreclosure. WIN also teaches families how to purchase their first home and educates neighborhood leaders to improve their communities.

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