

Serving the Most Vulnerable Among Us

Saving Homes

A roof over one's head is a basic necessity, but many low-income Americans live in substandard, even dangerous, housing. They may face unfair landlord practices, seriously defective living conditions, predatory lending and other housing scams. They may be at risk of homelessness.

LSC FACTS

Housing

In 2008, LSC-funded programs handled **120,619** cases involving landlord-tenant disputes

23,307 cases involving public housing

12,573 cases involving homeownership and property issues

9,920 cases related to mortgage foreclosures

1,253 cases involving predatory lending practices

Total 2008 Cases
229,512

In 2008, most LSC-funded programs, in addition to handling traditional legal problems, such as landlord-tenant disputes, took on a new, vexing problem—the nation's foreclosure crisis and its impact on low-income individuals and families. Many programs, receiving increased requests for assistance because of foreclosures, adopted innovative approaches to keep low-income families in their homes.

LSC-funded programs resolved 11,173 foreclosure and predatory mortgage lending cases in 2008, the first year that LSC grantees have specifically collected data on foreclosure cases. The number does not include the thousands of telephone calls and other requests for foreclosure-related assistance that many programs received during the year which resulted in advice and help rather than direct representation.

Foreclosure laws vary by state, and local LSC-funded programs are well-suited to help low-income homeowners and renters. With legal assistance, low-income Americans can renegotiate the terms of their loans, assert truth-in-lending protections, enforce eviction notification laws, file injunctions in state courts, file bankruptcy to stop an imminent sale, and provide counseling through federally certified housing programs.

During 2008, programs stepped up efforts to help low-income homeowners and renters cope with the foreclosure crisis. Neighborhood Legal Services of Los Angeles County partnered with mortgage lenders to explore workouts that will keep low-income families in their homes. The Legal Aid Foundation of Los Angeles convened the Advocates for Consumer Justice Foreclosure Response Team and participated in the California Reinvestment Coalition Network, a statewide group addressing mortgage and housing issues. Legal Services NYC operated foreclosure prevention projects in Brooklyn, a foreclosure project in the Bronx and a homeowner defense project on Staten Island. Many other programs, including those in Atlanta, Baltimore, Cleveland and Raleigh, strengthened their initiatives to help low-income Americans at risk of foreclosure.

LSC has served as a clearinghouse on foreclosure issues, ensuring coordination among legal services programs and national organizations and sharing resources and knowledge about other housing and consumer initiatives.

Thanks to the hard work by legal aid attorneys around the nation, thousands of low-income Americans have averted homelessness and numerous neighborhoods have escaped the blight of further foreclosures.

Legal aid “made a huge difference for me. I have nothing but incredible kudos for Blue Ridge.”



Photo by Jeff Taylor

Client Story

Mr. C. was embarrassed when he broke down in the Winchester, Va., office of Blue Ridge Legal Services. He explained he was not looking for hand-outs, but that he did not know where to turn. He and his family were facing foreclosure and eviction in a matter of days, and his electricity was about to be cut off as well. In addition to confronting the prospect of homelessness for his wife and three children, he was on the brink of losing his life savings.

Mr. C. is a 59-year-old military veteran, discharged several years ago for medical reasons, two weeks short of 20 years of service. To try to qualify for a military pension, he had signed up with the National Guard, serving for two years. In June 2007, he was called up for a one-year tour of duty in Iraq with the Guard. Prior to deployment, he invested his life savings of \$30,000 in a home for his wife and children under an installment land sale contract. If he defaulted on his payments, he automatically lost his investment and his home.

A year later, Mr. C. returned from Iraq suffering from significant health problems, and the National Guard released him. He was not physically able to work but looked for employment and applied for veterans' and Social Security benefits. His wife, unable to work because of epilepsy, fell into depression. The household's only

income was brought in by their disabled teen-age son, who held a part-time job setting and clearing tables at a restaurant.

Released by the Guard and without income, Mr. C. could not make the mortgage payments and was at risk of losing the family home and the life savings invested in it. After meeting with Mr. C., the legal aid staff was determined to find ways to help him.

The staff helped marshal resources in the community to help Mr. C. and his family. The American Legion and local charities provided financial assistance to keep the electricity on at the home. A Blue Ridge Legal Services attorney quickly contacted the lawyer handling the pending foreclosure and eviction and was able to negotiate a repayment plan on the mortgage so that Mr. C. did not lose the home in which he had invested his life savings.

Mr. C.'s applications for veterans' and Social Security benefits were approved, and he says, "I've been able to get caught up."

Blue Ridge attorney Anna Hammond "bent over backwards to help me. She was instrumental in negotiating with my mortgage holder's lawyer for me," Mr. C. said.

Legal aid "made a huge difference for me," he added. "I have nothing but incredible kudos for Blue Ridge."

—From *Blue Ridge Legal Services*