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MacArthur Foundation to help stop Chicago foreclosures

By Mary Ellen Podmolik

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Saying it is well aware of the problem in its own backyard of Chicago, the John D. and Catherine T. MacArthur Foundation today announced a \$68 million investment in local grants and low-interest loans to help stop the rising number of home foreclosures.

The foundation said its initiative, which it believes is the largest effort by a private foundation to address the foreclosure crisis, should help 10,000 households, including counseling to 6,000 borrowers and preventing 2,700 foreclosures by 2010. It also will offer legal counseling to renters affected by foreclosure.

A portion of the funds will be used for a partnership between the city of Chicago and Mercy Housing Inc., to help acquire and redevelop up to 3,500 properties in neighborhoods hard hit by foreclosure and either sell or rent them

Two-thirds of the funding will be provided this year with the rest in 2009. The initiative includes:

-- More than \$4.5 million in grants to Neighborhood Housing Services of Chicago, the Chicago office of the Local Initiative Support Corp., the Spanish Coalition for Housing, and the Greater Southwest Development Corp. for homeowner outreach and foreclosure counseling and referral.

--A \$400,000 grant to the Legal Assistance Foundation to provide legal services to borrowers.

--Almost \$400,000 to the Lawyers' Committee for Better Housing to provide legal assistance to renters affected by foreclosures.

--A \$15 million investment at ShoreBank for the bank's \$100 million Rescue Loan and Prevention Program.

--A \$9 million investment for the \$150-million mortgage program operated by Neighborhood Housing Services of Chicago, in partnership with Park National Bank, MB Financial, the City of Chicago, and other financial institution.

--A \$36 million in additional program-related investments and \$750,000 in grants for programs that

A blue square graphic with the text "Blue State?" in white, sans-serif font. The word "Blue" is on the top line and "State?" is on the bottom line.

offer rent-to-own option and other efforts to buy, repair and resell or rent foreclosed properties.

--\$1.5 million in grants to the Woodstock Institute and other organizations to collect and analyze data on foreclosures in Chicago neighborhoods.

--\$500,000 in grant funding to the Center for Responsible Lending for national and state policy advocacy and technical assistance for local entities.

--\$250,000 to the **MB Financial Charitable Foundation** for technical assistance to financial institutions engaged in creating new mortgage products and strategies.

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