



## Foreclosure troubles

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By Britt Godshalk

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NEW YORK STATE -- "How could I allow myself to get into a situation like this," Louise Owens asked herself.

After the Rochester woman lost her husband in an accident last year she took the advice of a mortgage broker and refinanced her home.

At closing she discovered she had agreed to two loans, not one.

"What's worse, the principal balance on loan number one had increased by more than eleven thousand over the first year," Owens said.

She now may lose her home.

In a way Owens has been lucky in finding an agency whose staff stands shoulder to shoulder to help keep her in her home of 40 years.

Her advocates say it is unclear just how many other homeowners have been hit by unethical and possibly fraudulent lending practices, because there is no central system that gathers foreclosure data in the state.

A law was passed in 2002 to help prevent some of the worst refinancing abuses but responsible lending advocates say that law only covers high cost loans and stops short of encouraging responsible lending practices.

We want to send a very strong message to Governor Spitzer that we are in the midst of a major, unprecedented foreclosure crisis in our state," said Sarah Ludwig, Neighborhood Economic Dev. Advocacy Project Director.

They are calling on the governor to allot more than one hundred million dollars in his budget to help bail out those facing foreclosure and about five million for education.

Housing counselor Patricia Murray says if the state doesn't pay out now taxpayers will pay a higher price in the end.

"You think about it. If you have three or four houses in your neighborhood that are in foreclosure, what happens to your property. It's going to go down," Murray says, "Second of all, the taxes aren't getting paid. That's affecting the community. There are no winners in foreclosures."

But Murray says the key is in avoiding getting to the point of foreclosure in the first place.

She says if you get divorced, have extra medical bills or if there is a death in the family, head into an agency like this one long before foreclosure enters your mind.

"That's why we're here. To keep that family in tact," Murray said.

And hopefully keep that family in the home.

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