

Housing Instability For Renters Continues

Chicago Responds with Adoption of New Tenant Protections

2012 Foreclosure Report



LCBH has been compiling foreclosure data since 2009, and found that in 2012 the City of Chicago experienced the smallest year-to-year decrease in apartment building foreclosure filings since the beginning of the foreclosure crisis. Not only did the foreclosure crisis recovery slow city-wide, but filings actually increased in Austin, Englewood and other neighborhoods already suffering some of the worst effects of the foreclosure crisis.

The 2012 report examines the impact of foreclosure on the Chicago rental market and renter households using LCBH's most recent data and the results of renter surveys, and makes recommendations for renter advocacy in light of the new protections in Chicago. Conclusions drawn in this report are informed by data analysis, recent research, and direct testimonials from Chicago renters impacted by foreclosure.

Key Findings

- **In 2012, the City of Chicago experienced the smallest year-to-year decrease in foreclosure filings on apartment buildings since the beginning of the foreclosure crisis.**
 - There were 4,346 newly-filed foreclosures on Chicago apartment buildings in 2012, impacting 11,932 units.
 - **Over the past four years**, since the onset of the foreclosure crisis, **20,279 apartment buildings** have entered foreclosure in Chicago, containing a total of **61,561 units**.
- **Big banks are repeat offenders, filing foreclosures on apartment buildings in consistently high numbers each year.** 2,183 (50%) of the 2012 foreclosures were filed by five lenders/servicers: JP Morgan Chase Bank, Bank of America, Wells Fargo Bank, US Bank, and Deutsche Bank.
- **The vast majority of foreclosure sales result in bank ownership, leaving renters vulnerable to the harmful practices of lenders uninterested in the responsibilities of property management.** Of 1,613 apartment building foreclosures reaching sale this year, 86% (1,391) resulted in bank ownership, compared to 84% in 2011.
- **Some Community Areas saw increases in foreclosure filings or units** impacted by foreclosure from the previous year. These Community Areas include Austin, Englewood, South Shore, Greater Grand Crossing, North Lawndale, and South Lawndale.
- **50% of renters surveyed by LCBH paid higher rent after being forced to leave their homes as a result of foreclosure.** For 31% of surveyed renters, that increase was more than \$200 per month.
- **Children displaced by foreclosure suffer educational consequences.** Of the surveyed families with children, over half were forced to switch schools as a result of their displacement.
- **Displaced tenants in foreclosure struggle to find new housing.** Of the renters surveyed by LCBH, **50% had to seek some form of temporary housing** before securing new, stable housing.
- **Foreclosure-related eviction cases account for at least 1 of every 10 eviction filings in Chicago.** In the last 6 months of 2012, there were 1,928 eviction cases filed by banks out of a total 16,878 cases, approximately 11%.
- Illinois law allows renters to seal their court record if evicted as a result of foreclosure, but only 46% of bank eviction cases are sealed in Chicago, with **roughly 54% remaining on the public record and leaving tenants vulnerable to problems with credit and inhibiting them from securing rental housing in the future.**

The full report is available on LCBH's website at: www.lcbh.org

Lawyers' Committee for Better Housing (LCBH) is the only non-profit law firm in the Chicago area that focuses solely on low and moderate-income renters in the private housing market. LCBH empowers truly disadvantaged renters, prevents wrongful eviction, and fights sub-standard living conditions so they have a safe and decent place to live. LCBH provides free, comprehensive legal representation so that renters have a trusted advocate in court. Combined with education, outreach, supportive services and policy initiatives, our programs holistically address both the short-term housing crisis and its underlying causes, so families can move from a path leading to homelessness to one of safe and stable housing.