

Facing foreclosure

Homeowners in crisis need help

FACING the loss of one's home can lead to acts of desperation.

Former Saddle Brook homeowner John Brennan's case is extreme but not surprising. He brandished a gun when sheriff's officers arrived to evict him, but others in such desperate circumstances have probably wanted to do the same.

Brennan is one of more than 800 people in Bergen and Passaic counties whose homes have been sold at auction this year. As Staff Writer Kathleen Lynn reported this week, Brennan's foreclosure — like so many others — was the result of a toxic brew of bad luck and bad judgment by both homeowner and mortgage lender.

Brennan did not shoot his gun, nor did the officers shoot him. An awful situation ended in the best way it could. But now Brennan is in a Veterans Administration homeless shelter, his mother is in a nursing home and his childhood home is under contract to be sold.

Formerly the province of housing experts, banks and the unlucky few, foreclosures are emerging as one of the saddest narratives hitched to the banking crisis and the economic meltdown. North Jersey has not been spared.

State lawmakers are responding with bills aimed at preventing foreclosures. On Monday, the state Assembly passed a bill tied to Governor Corzine's recovery plan that would pay for mortgage counseling and foreclosure mediation. The Assembly will consider the "New Jersey Homeownership Preservation Act," which would create a fund to prevent foreclosures.

On the federal level, the agency that oversees Fannie Mae and Fred-

die Mac announced a plan last week to lower qualified borrowers' interest rates or extend their loans from 30 to 40 years.

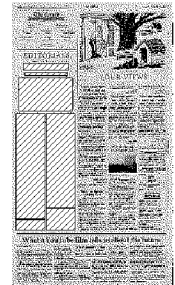
These efforts are good. But they need to be implemented quickly and more needs to be done. While startling now, the numbers could become overwhelming. Foreclosure activity in the state shot up 75 percent in the 12 months that ended in October.

The New York Federal Reserve Board estimated that of the more than 70,000 homes financed by subprime mortgages in New Jersey, 18 percent were in foreclosure in September, and 10 percent were 90 days or more past due on their mortgages. Meanwhile, the U.S. Congressional Joint Economic Committee has estimated that New Jersey would see more than 35,000 foreclosures resulting from the subprime mortgage mess.

All of these numbers represent lives. When their homes are gone, where do the women, men and children go? New Jersey Citizens Action's loan counseling service will probably counsel 1,000 people by the end of the year, said Phyllis Salowe-Kaye, the executive director. She calls that figure "unheard of."

The Center for Food Action in Englewood, which offers emergency rental assistance, reports it has received calls in the past six weeks from homeowners facing foreclosure and from renters of houses in foreclosure. The center is also feeding new clients who say it's just a matter of time before they lose their homes.

People who sought financial help from Bergen County's United Way used to come in because of a one-time setback, such as medical bills or



major car repairs, said President Tom Toronto. Now people come in \$10,000 or more behind in mortgage payments.

Homeowners may have signed a mortgage they couldn't afford. They should have understood their loans or not been encouraged to sign. Still, we must continue to work to head off this crisis.



Police arresting John Brennan after a standoff in Saddle Brook.

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