

Foreclosures hit newer subdivisions

Nearly 1,400 homes have been taken over in 2008, up from 971 last year.

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Although Hamilton County has been mostly spared from the job losses that have rocked Indiana this year, the wealthiest county in the state has seen its foreclosure rate skyrocket.

Close to 1,400 Hamilton County homes have been foreclosed on so far in 2008, according to Troy Halsell, Noblesville Housing Authority executive director, and Stephanie Fairfield, staff attorney at the Neighborhood Christian Legal Clinic, which counsels people in or close to default.

That compares with 971 in all of 2007.

This year, one in 478 homes in Hamilton County are in some stage of foreclosure, Fairfield estimated. Last month, about 200 foreclosure filings were recorded in the state's fifth-largest county.

While local figures are above Hamilton County's norm, they are not near the numbers in neighboring Marion County, the state's largest county. Marion County has recorded 1,890 foreclosures this year, a rate of 1 in 220 homes there.

The number of people delinquent on their mortgages is almost impossible to tell, Fairfield said.

"The numbers we're seeing aren't going to stop; they're almost certainly going to increase," Halsell said.

The largest pockets of foreclosed homes are in neighborhoods built in the past 10 years or less in the Carmel, Fishers and Noblesville areas. Fairfield suggested that while many of those homeowners have borrowed more than they could afford, they also could be victims of predatory lending practices by builders or mortgage brokers.

"They might be undereducated in terms of home buying and maybe overzealous in wanting a particular house and an accommodating lender or broker wants to get them in there whether it's in the buyer's best interest or not," she said. "Although loan brokers

are obligated to put the buyer in the best loan they can find, oftentimes brokers are putting them into loans where (the broker) can make the most money off of it."

"There's a myriad of issues for most of the people," said Cheryl Garner, who handles foreclosures for the Hamilton County Sheriff's Office. "If both people are working they can afford the house, but if one gets laid off or sick, it can cause a spiral that's hard to dig out."

In September, Royce Morris lost her \$16.61-an-hour job at Community North Hospital as an instrument room technician. She's no longer making payments on her modest \$130,000 Noblesville home, but she's working with Neighborhood Christian Legal Clinic to make arrangements with her lender. She says she might have an opportunity to refinance her loan in December, but without a job she's not sure if she'll be able to do that.

"I don't know what I'm going to do," she said. "I'm hoping some doors will open, that I'll be able to find a job somewhere. I don't know where I'd go if I lost my home."

Although the federal government gave Hamilton County \$2.3 million to help with local foreclosures, Morris, and hundreds of others in similar situations throughout the county, aren't eligible for any of that money. The bulk of the money is earmarked for down-payment assistance and minor rehabilitation of foreclosed homes by families at 120 percent of the area's median income or lower who are trying to purchase a foreclosed home.

It's not just lower-income families having trouble making their mortgage. Garner said that while the majority of homes she forecloses are in the \$100,000 to \$200,000 range -- solid, middle-class homes -- she's served notice on four to five homes probably worth more than \$1 million.

Having trouble?

Stephanie Fairfield, staff attorney at the Neighborhood Christian Legal Clinic, encourages people who may have problems paying their mortgage to contact their lender as soon as possible. In the current economic climate, lenders are more proactive and open to working with the borrower.

"Even if you're not delinquent, if you're seeing problems down the line, like you or your spouse might lose your job, contact

your lender," Fairfield said. "Stay in touch with them about your situation. If you're in default, contact a housing counseling agency right away.

"Help is out there, if you seek it."

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